

IN PERSON & VIRTUAL BOARD MEETING

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



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.com.

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, DECEMBER 3, 2025**

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
Nancy M. Durazo, Vice Chair
Aleen Langton, Trustee
Wayne Moore, Trustee
Shawn R. Kehoe, 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 November 5, 2025

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](#).

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests 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 within the form 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. **Operations Briefing**

Laura Guglielmo, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
(For Information Only)

B. **Fiscal Year 2024-2025 Annual Financial Review**

Judy Tran, Assistant Chief Financial Officer
Michael Huang, Accounting Officer II
Ervin Wu, Accounting Officer I
(Presentation) (Memo dated November 18, 2025)

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

Chaitanya Errande, Information Security Officer
(For Information Only) (Memo dated November 21, 2025)

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

11:37 A.M. – 12:47 P.M., WEDNESDAY, NOVEMBER 5, 2025

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

COMMITTEE TRUSTEES

PRESENT: JP Harris, Chair
Nancy M. Durazo, Vice Chair
Aleen Langton, Trustee
Wayne Moore, Trustee
(Teleconference Due to Just Cause under Section 54953(f))
Shawn R. Kehoe, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Elizabeth Ginsberg, Trustee
Ronald Okum, Trustee (*left at 12:15 p.m.*)
Les Robbins, Trustee
David Ryu, Trustee (*left at 11:50 a.m.*)

STAFF, ADVISORS AND PARTICIPANTS

Luis A. Lugo, Acting Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Kathy Delino, Chief, Information Technology

Chaitanya Errande, Information Security Officer

Iveta Brecko, IT Specialist I, Systems

Dmitriy Khaytovich, Section Head, Benefits

Tatiana Bayer, Division Manager, Member Services

I. CALL TO ORDER

This meeting was called to order by Chair Harris at 11:37 a.m.

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

A physical quorum was present at the noticed meeting location. There was one request received from Trustee Moore related to Just Cause (A) due to illness. Trustee Moore confirmed there were no individuals 18 years or older present at the teleconference location. No requests were received for Emergency Circumstances (B).

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of October 1, 2025

Trustee Langton made a motion, Trustee Kehoe seconded, to approve the minutes of the regular meeting of October 1, 2025. The motion passed by the following roll call vote:

Yes: Durazo, Langton, Moore, Harris

No: None

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **Operations Briefing**

Laura Guglielmo, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
Iveta Brecko, IT Specialist I, Systems
Dmitriy Khaytovich, Section Head, Benefits
(Presentation)

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

B. **County-wide Surveys for HR Personnel**

JJ Popowich, Assistant Executive Officer
Tatiana Bayer, Division Manager, Member Services
(For Information Only) (Memo dated October 16, 2025)

This item was received and filed.

V. REPORTS (Continued)

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

Chaitanya Errande, Information Security Officer
(For Information Only) (Memo dated October 20, 2025)

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.)

There was nothing to report.

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. EXECUTIVE SESSION

A. **Potential Threats to Public Services or Facilities**

(Pursuant to Subdivision (a) of California Government Code
Section 54957)

Consultation with: LACERA Acting Chief Executive Officer Luis A. Lugo, Assistant Executive Officers JJ Popowich and Laura Guglielmo, Chief, Information Technology Kathy Delino, Information Security Officer Chaitanya Errande, and Other LACERA Staff.

There was nothing to report.

X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:47 p.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.**



Operations Briefing

Operations Oversight Committee
December 2025







Operational Initiatives

Organization-Wide Projects





OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Boardroom Relocation and Expansion Relocation of the Boardroom from the 8 th Floor to the ground floor of Gateway Plaza	 On Track (Planning Phase)	\$700,000	Laura Guglielmo, Ricki Contreras	The Facilities Management and Audio Visual teams are coordinating with the Office of the Building to refine the audio visual requirements and space plans. Pending building permits.	March 2027
COLA Bank Retroactive Changes 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	 On Track (Execution Phase)	\$0	JJ Popowich, Louis Gittens, Theodore King	We have assembled a team that calculated 373 cases of 1,292 to calculate. We will continue to make steady progress towards our goal.	June 2026
CoPilot Champions Expanding the adoption of Co-Pilot by empowering selected staff to lead adoption efforts, recommend training opportunities, and serve as peer mentors across the organization	 On Track (Execution Phase)	\$0	Laura Guglielmo, Kathy Delino, Penelope Rodriguez (PM)	A second round of Co-Pilot training is being scheduled, with this series focusing on division-specific use cases.	September 2028
Deductions for Dues from Retiree Benefit Payments Policy implementation addressing existing and future members who elect to have dues, fees or premium payments for various third-party agencies deducted from their retirement benefit on a monthly basis to ensure LACERA is compliant with CERL Section 31452.5	 Pending (Planning Phase)	\$0	JJ Popowich, Louis Gittens, Fabio Ramirez	The team is currently working with the Legal Office to finalize the Agency Agreement that outlines the responsibility of both parties for approved agencies. Additionally, the team has completed the review and processing of 800 Legacy deduction forms. The results of this pilot will help us inform how we address legacy deductions in place prior to the new policy requirements.	To Be Determined



OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Disability Retirement Artificial Intelligence Solution Transform the document and record indexing process of the disability retirement application workflow in order to enhance the speed, accuracy, and efficiency of handling member applications	 Pending (Planning Phase)	\$110,000	JJ Popowich, Tamara Caldwell Alonso Favela (PM)	This project will begin in January.	To Be Determined
eDiscovery Solution for the Legal Office and Information Security Teams to conduct eDiscovery which is the process of identifying, collecting, and producing electronically stored information (ESI) in response to a request for production in a lawsuit or investigation, to respond to a Public Records Act, or to facilitate collection of information for other business purposes	 On Track (Planning Phase)	\$120,000	Steven Rice, Chait Errande, Alonso Favela (PM)	Proof of Concept (POC) is nearing completion. The LACERA project team is currently evaluating if the product meets the defined requirements and reviewing three pricing options. The project team will conduct additional evaluation before returning to the Board of Retirement for approval of increased costs to obtain the originally approved functionality.	To Be Determined
LACERA Event Response Team (LERT) Management Solutions Automate the tracking of LACERA incidents and integrating the ServiceNow workflow with LACERA's Pension Administration System (Workspace) and LACERA's Emergency Notification System (On-Solve).	 On Track (Execution Phase)	\$0	JJ Popowich, Chait Errande, David Choe (PM)	Developing the actions, triggers, and conditions in ServiceNow to integrate the workflow with Workspace and On-Solve APIs.	December 2025
Legal Matter Solution Solution for the Legal Office Division to Track and Manage Legal Matter Management and integrate with Enterprise Contract Lifecycle Management	 On Track (Execution Phase)	\$150,000	Steven Rice, Christine Roseland, David Choe (PM), Tom DeLuca (PM)	Currently in use by in-house legal staff for logging Public Records Requests, inputting Legal investments transactions, and completed commercial contracts. Training is in process for core users from Admin Services and Investments to begin using LawVu to input matter records.	December 2025





OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Mainframe System Migration Migration of existing pension administration mainframe functionality to modern infrastructure and architecture to enhance scalability, agility, and integration capabilities.	 On Track (Execution Phase)	\$920,000	Kathy Delino, Alonso Favela (PM)	Recently added temporary development and analysis staff, are optimizing the migration process using AI and automated testing, and are migrating Tax Reporting and Direct Deposit Prenote processes.	June 2028
Microfiche Digitization Conversion of LACERA's 46 million pages of microfiche to searchable PDF files and store them in an Enterprise Content Management System (ECM). A subset of the PDF files will be shared with the L.A. County Auditor-Controller.	 On Track (Execution Phase)	\$0	JJ Popowich, Kathy Delino, Tom DeLuca (PM)	Recently procured the tools to convert the image files to searchable .pdf and now scheduling the mass conversion process.	December 2025
PEPRA: Annual Benefit Statement Provide an Annual Benefit Statement (ABS) for PEPRA members.	 On Track (Execution Phase)	\$0	JJ Popowich, Cynthia Martinez	Design requirements have been submitted to Systems, and Systems will begin working on additional design and programming in December 2025.	December 2026
PEPRA Final Average Compensation: Scheduled Earnings The Board of Retirement approved a change to the methodology for calculating a PEPRA member's Final Average Compensation (FAC) due to a revised interpretation of PEPRA and CERL. Effective with this decision, LACERA will now use Scheduled Earnings to calculate the FAC, instead of Actual Earnings. This project covers all efforts to implement this change and pay any retroactive benefits.	 On Track (Execution Phase)	\$0	JJ Popowich, Louis Gittens, Kevin Hawkins	The team has updated retirement benefits for routine cases and will continue to work on complex cases.	December 2025

OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Prepaid Bank Card Providing a prepaid bank card option for monthly benefit payments	 On Track (Completion Phase)	\$0	JJ Popowich, Shonita Peterson	The Prepaid Debit Bank Card project is progressing as planned. Enrollment started on November 1, 2025, and 69 payees are scheduled for benefit disbursement on November 28th.	November 2025
Project Portfolio Management Solution Streamlining project selection, prioritization, and resource allocation, ensuring alignment with business goals in support of improving efficiency, decision-making, and overall project success rates.	 Pending (Initiation Phase)	\$50,000	Luis Lugo, Kathy Delino, Sai Nichal Dasari (PM)	Developing the Request for Proposal (RFP) ³	To Be Determined
Retroactive Payroll Adjustments: Prospective Correction Collaboration with the Auditor-Controller (AC) to ensure timely and accurate collection of member payroll contributions on retroactive payroll adjustments.	 Pending (Initiation Phase)	\$0	JJ Popowich	LACERA has communicated our concerns with the County. The Auditor-Controller plans to work with Systems to resolve this.	To Be Determined
SASE (Phase II) Implement the core features of a cloud-based networking and security architecture to ensure confidentiality availability and Integrity as we conduct our activities when we are logged in. Features such as SDWAN (Software defined wide area network). Secure Enterprise Browser rollout and Data Loss Prevention strategies will be deployed in this phase.	 On Track (Execution Phase)	\$0	Chait Errande	Available advanced features are now being implemented.	January 2026

OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Staff Offboarding Implementing the staff offboarding process into ServiceNow.	● On Track (Completion Phase)	\$0	Laura Guglielmo, Carly Ntoya, Alonso Favela (PM)	Developing the actions, triggers, and conditions in ServiceNow to automate the offboarding process.	December 2025
Virtual Mailroom Document imaging services digitizing member documents and business mail through a virtual mail room solution, enhancing both efficiency and business continuity planning.	● Pending (Planning Phase)	\$150,000	Laura Guglielmo, Ricki Contreras, Ahmad Chishty (PM)	An RFP will be released in 2026.	To Be Determined



IT Trends & Transformation

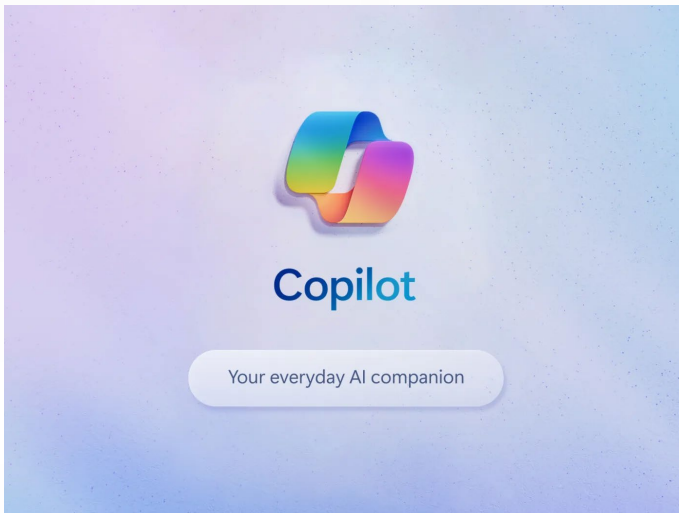
AI & Copilot Update – Enhancing Productivity

Microsoft Copilot (AI Assistant)



What is Copilot?

An AI-powered assistant integrated into Microsoft 365 to help with writing, summarizing, analyzing, and automating tasks



Why use Copilot?

- Improve productivity
- Reduce manual workload
- Free staff for higher-value work
- Encourage innovation and technology adoption
- Align with LACERA's "Innovation through Technology" strategic initiative

Common Use Cases



- Drafting memos, emails, and PowerPoint presentations
- Analyzing MS Teams chats and Outlook emails
- Summarizing meetings
- Finding relevant information across documents
- Automating repetitive tasks in Excel and Outlook



High Impact Use Cases



Email Inbox Management Prompt

Review my Outlook inbox for the past 3 days and help me manage it efficiently:

Categorize all emails into: *Urgent – Action Required, Waiting for Response, Informational Only, or Low Priority.*

From the *Urgent* group, identify the top 5 emails requiring immediate attention and provide a one-sentence summary for each.

Draft a professional reply for each urgent email (under 150 words, clear and action-oriented).

Refine each reply to be concise, positive, and executive-friendly, ready to send.

Highlight any overdue responses so I can act immediately.

Recommend emails to archive or delete to reduce clutter and keep my inbox organized.

MS Teams Chat Analysis Prompt

Summarize all Teams conversations and meetings from the past 48 hours across my project channels. Create a concise report that includes:

Key decisions made and who made them.

Action items with owners and deadlines.

Unresolved questions or issues that need escalation.

Any upcoming meetings or deadlines mentioned.

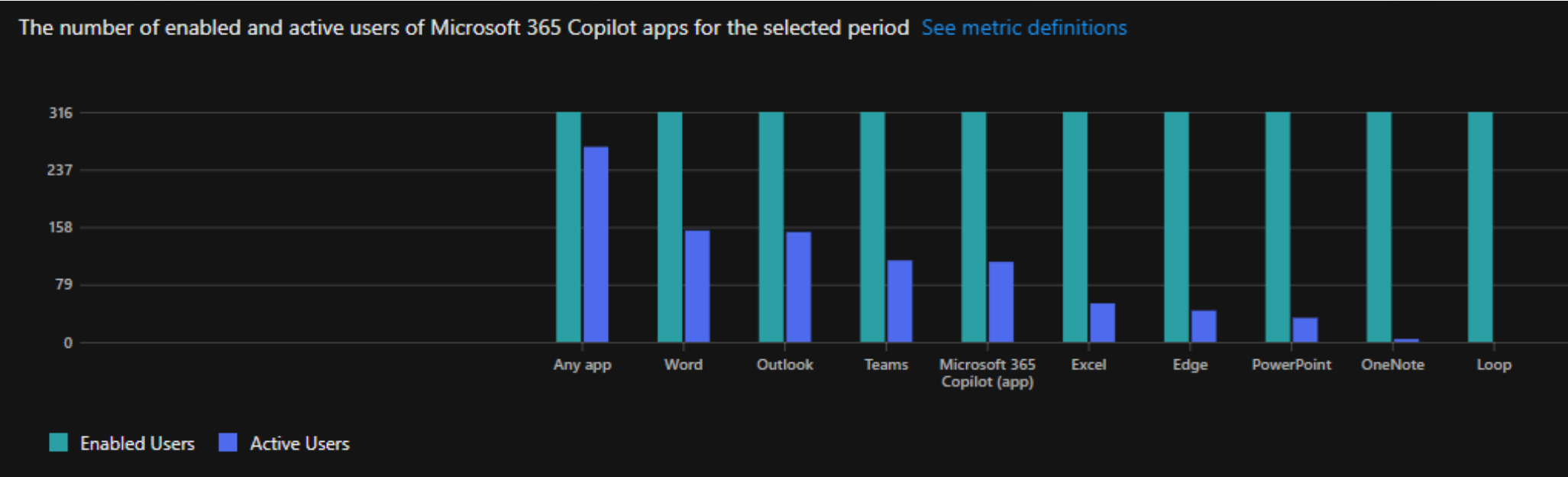
Format the report in a clear, executive-friendly style and suggest a short update message I can post in the main channel to keep everyone aligned.

Adoption Trends | Microsoft Copilot Apps Usage

Reporting October 18, 2025 – November 18, 2025



Usage of Copilot within Microsoft applications: Word, Outlook, Teams, Excel, PowerPoint, OneNote, etc.



Adoption Trends | Microsoft Copilot Chat Usage

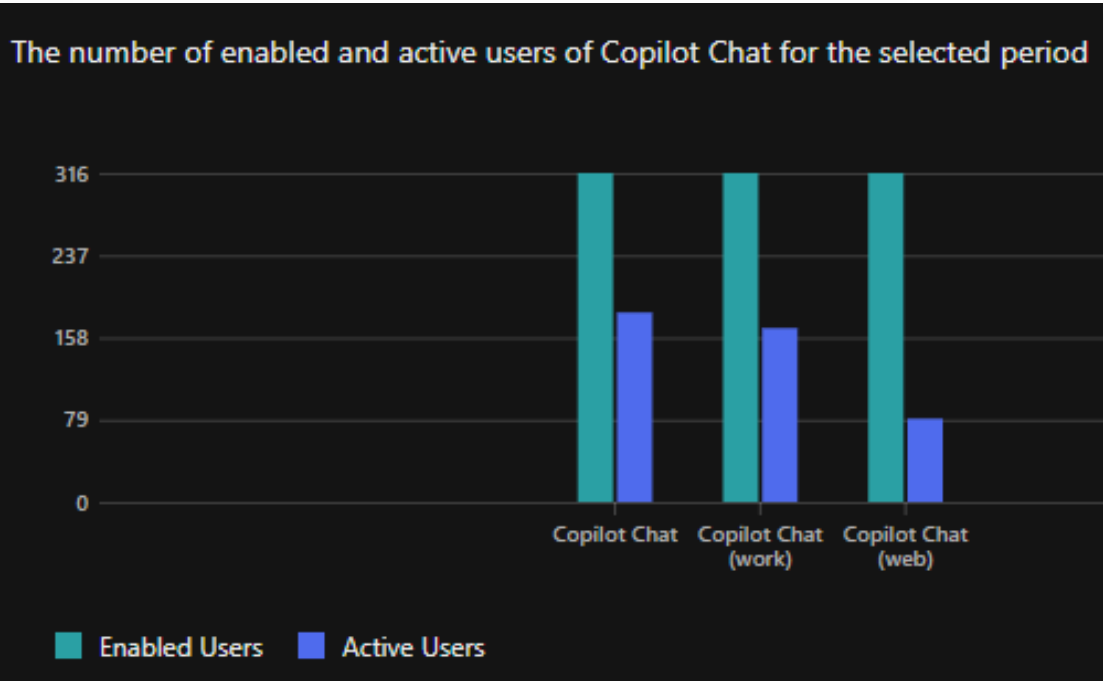
Reporting October 18, 2025 – November 18, 2025



Usage of Copilot within Copilot Chat LACERA Work Environment and Web (copilot.microsoft.com)

Work

Web



What's Next for Copilot



- Provide second round of Copilot training targeting division-specific user cases
- Continue Copilot Champions program to support advanced use cases and identify high-value workflows for AI assistance
- Curate a set of high-impact prompts for common LACERA tasks
- Showcase success stories

**FOR INFORMATION ONLY**

November 18, 2025

TO: Each Trustee
Operations Oversight Committee

FROM: Judy Tran 
Assistant Chief Financial Officer

Michael Huang 
Accounting Officer II

Ervin Wu 
Accounting Officer I

FOR: December 3, 2025 Operations Oversight Committee Meeting

SUBJECT: FISCAL YEAR 2024-2025 ANNUAL FINANCIAL REVIEW

Attached for your information are LACERA's annual financial statement highlights for the fiscal year ended June 30, 2025. Some of the key financial results include the following:

Pension Plan

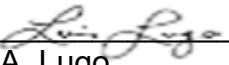
- Pension Plan Fiduciary Net Position (fund balance) increased by \$7.0 billion over the prior fiscal year, from \$79.2 billion to \$86.2 billion, resulting from favorable market conditions and investment portfolio performance.
- Total Pension Plan investment return was 9.7% net of fees, compared to the actuarial expected return assumption of 7.0%.
- Pension Plan actuarial funded ratio, as of June 30, 2024, increased from 79.9% to 80.9%. The actuarial report timing requires that fiscal year ended (FYE) 2024 actuarial data is used for FYE 2025 financial statements. The 1.0 percentage point increase in funded ratio was primarily due to investment gains and additional employer contributions required to amortize the Unfunded Actuarial Accrued Liability (UAAL).
- As of June 30, 2024, the Pension Plan's Valuation Assets was \$76.7 billion, and the Actuarial Accrued Liability (AAL) amounted to \$94.8 billion. The difference between actuarial assets and liabilities is the Unfunded Actuarial Accrued Liability (UAAL) which totaled \$18.1 billion, a slight decrease of \$0.1 billion from the prior year primarily due to positive investment earnings.

OPEB Trust

- OPEB Trust Fiduciary Net Position (fund balance) increased by approximately \$1.0 billion, totaling \$5.0 billion compared to \$4.0 billion for the prior fiscal year, due to employer contributions and investment gains.
- OPEB Trust investment return was 11.0% net of fees, which outperformed the actuarial expected return assumption of 6.25%, primarily due to strong performance in global equity markets.
- As of July 1 2024, the OPEB Trust Valuation Assets was \$3.9 billion and the AAL amounted to \$24.7 billion. The difference between actuarial assets and liabilities is the UAAL which totaled \$20.8 billion, an increase of \$0.4 billion from the prior year due to a combination of offsetting factors. Actuarial asset gains, other experience gains and claim cost reductions, were outweighed by actuarial losses due to higher medical cost trends and expected Program liability increases.

If there are any questions, please contact me via email at: judy.tran@lacera.gov.

REVIEWED AND APPROVED:



Luis A. Lugo
Acting Chief Executive Officer



ANNUAL FINANCIAL REVIEW FISCAL YEAR ENDED 2024-2025

Financial and Accounting Services Division (FASD):

Judy Tran, Assistant Chief Financial Officer

Michael Huang, Accounting Officer II

Ervin Wu, Accounting Officer I

Operations Oversight Committee

December 3, 2025



AGENDA

- Financial Reporting Process
- Annual Theme
 - ✓ ACFR – Annual Comprehensive Financial Report
 - ✓ PAFR – Popular Annual Financial Report
- Awards
- Financial Highlights and Reporting
 - Pension Plan
 - OPEB Trust
- Upcoming Standards & Pronouncements
- Q&A



Financial Statement Preparation

[Teamwork]

T – Transactions are recorded during the year

E – Each team member contributes to the preparation

A – Auditors review the financial statements and disclosures

M – Management prepares a discussion and analysis

W – Work with Communications to publish reports

O – Oversight provided by Executive Office and BOR/BOI

R – Recording transactions for the new fiscal year

K – Keep updated with latest GASB/GAAP/AICPA standards

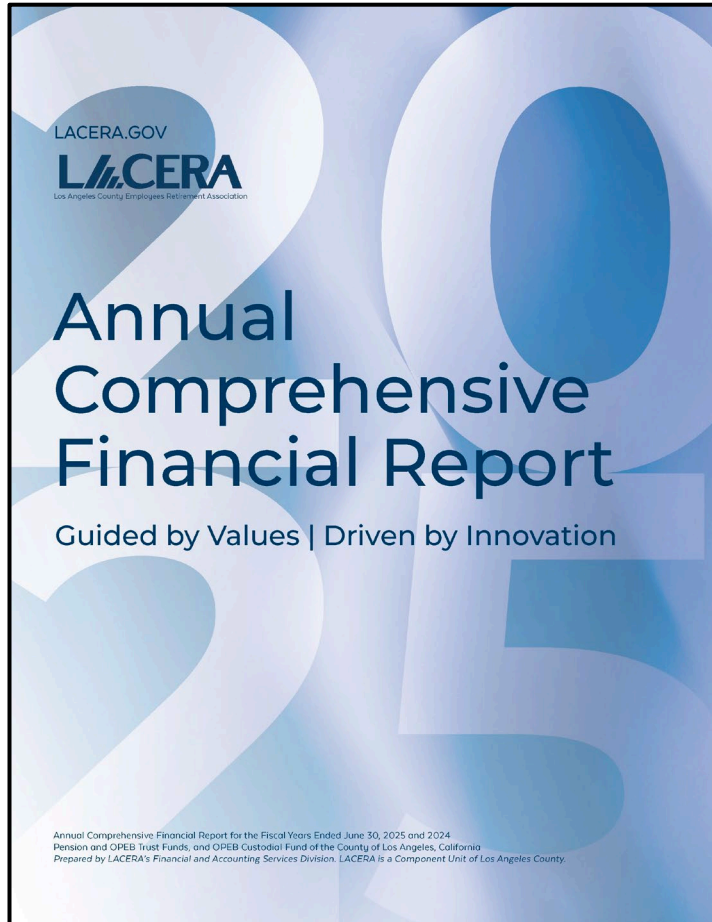
Financial Reporting Process



- ❖ Capture Accounting Activities
- ❖ Prepare Financial Statements/Footnotes
- ❖ Obtain Audit Opinion
- ❖ Produce Annual Comprehensive Financial Report (ACFR)
- ❖ Generate Popular Annual Financial Report (PAFR)

2025 ACFR and PAFR

Theme



Guided by Values, Driven by Innovation

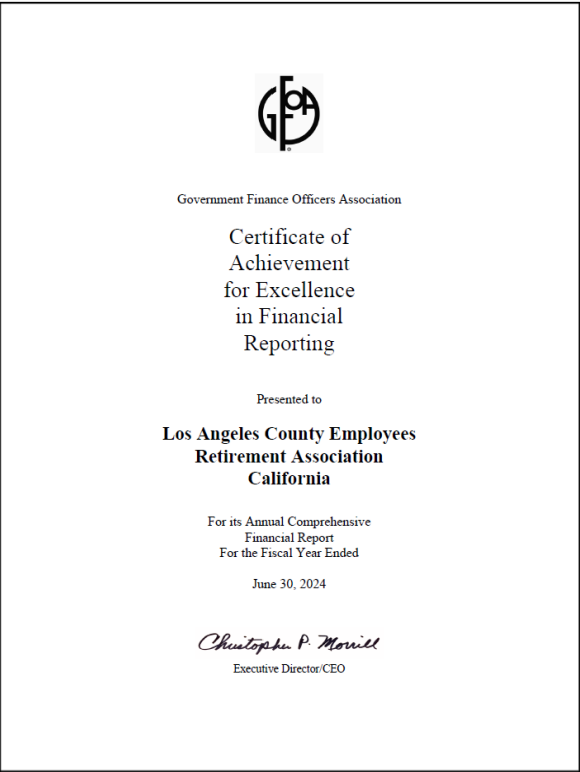
LACERA has been proudly fulfilling our mission since 1938. We achieve this by collectively upholding our core values while pursuing innovative ways to meet the evolving needs of those we serve.

AWARDS



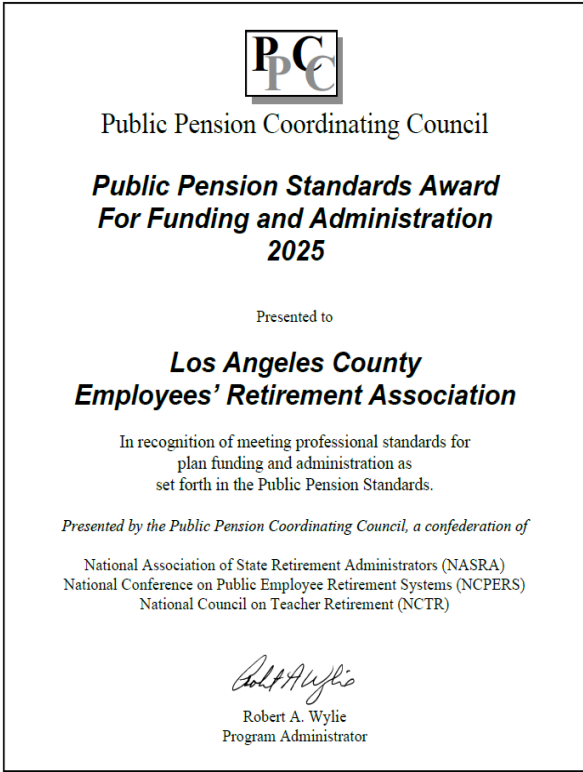
Government Finance Officers Association

- **GFOA**
 - **ACFR = 35 years**
 - **PAFR = 27 Years**



Public Pension Coordinating Council

- **PPCC**
 - **Public Pension Funding and Administration = 23 years**



FINANCIAL HIGHLIGHTS



REVIEW of
RESULTS



OVERVIEW

PENSION PLAN

FUND BALANCE

- Fiduciary Net Position = \$86.2 billion

INCOME

- Total Additions = \$11.9 billion

EXPENSES

- Total Deductions = \$4.9 billion

INVESTMENT EARNINGS

- Total Fund Return = 9.7% (net of fees)

RATIO OF ASSETS/LIABILITIES

- Funded Ratio = 80.9% (as of the June 30, 2024 Valuation)

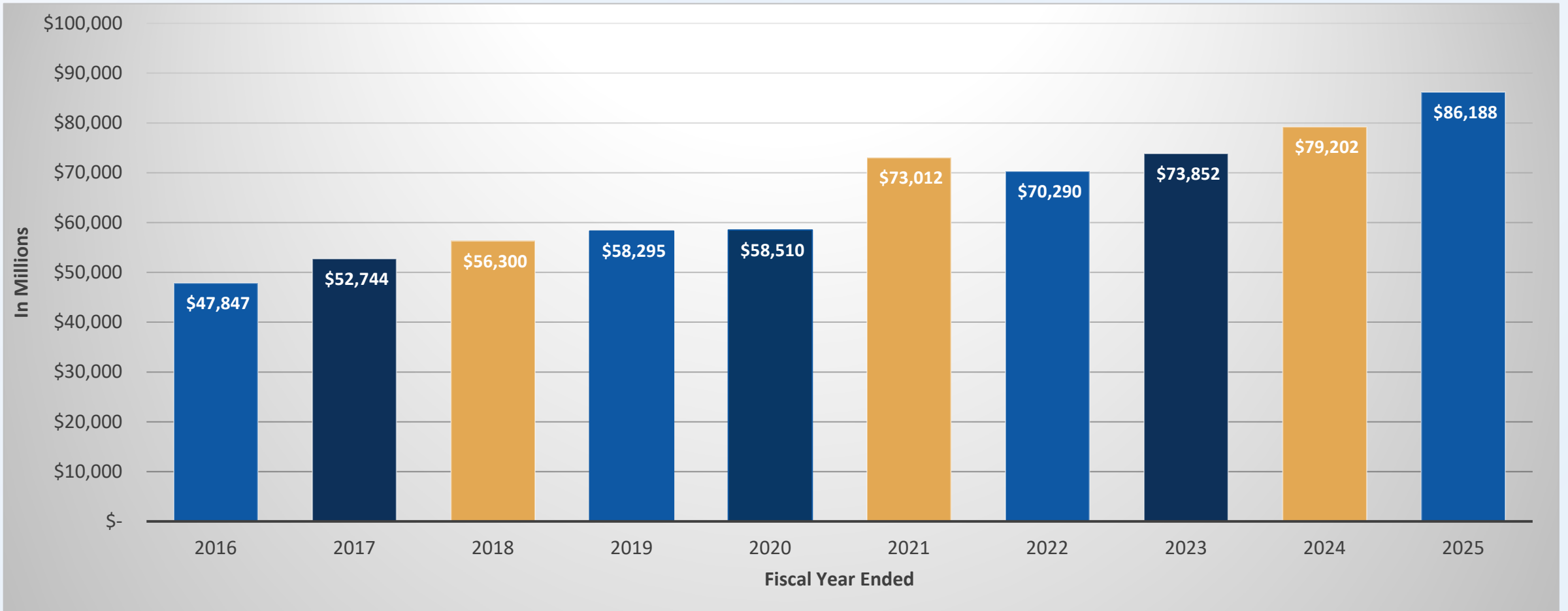


FIDUCIARY NET POSITION

PENSION PLAN

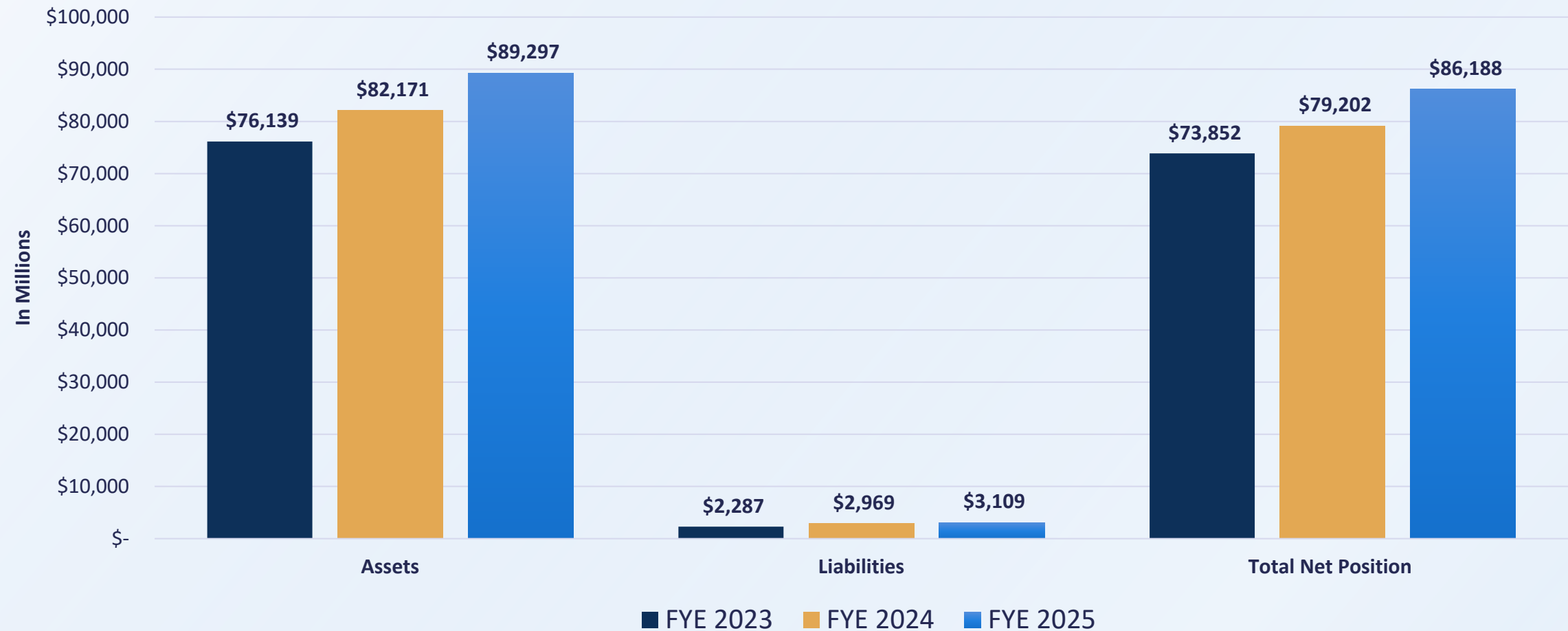
FIDUCIARY NET POSITION (FNP)

PENSION PLAN



FIDUCIARY NET POSITION (CONTINUED)

PENSION PLAN





FNP: ADDITIONS & DEDUCTIONS

PENSION PLAN

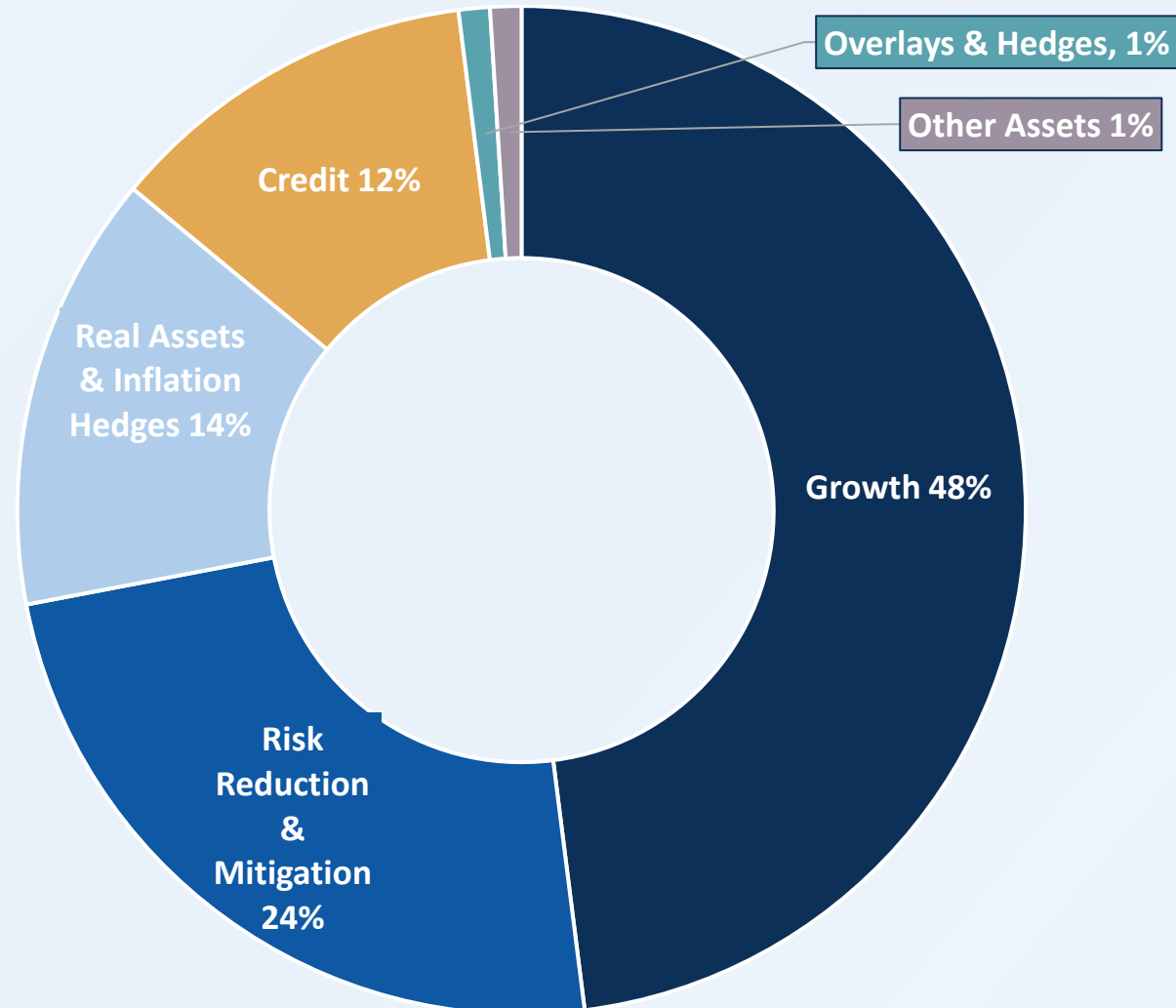
(Dollars in Millions)	2025	2024	2023
Contributions	\$3,590	\$3,370	\$3,095
Net Investment Income	8,299	6,617	4,861
Total Additions (C + I)	\$11,889	\$9,987	\$7,956
Benefits & Refunds	(\$4,776)	(\$4,518)	(\$4,281)
Admin & Misc Expenses	(127)	(119)	(113)
Total Deductions (B + E)	(\$4,903)	(\$4,637)	(\$4,394)
Net Increase	\$6,986	\$5,350	\$3,562
Beginning Net Position	79,202	73,852	70,290
Ending Net Position	\$86,188	\$79,202	\$73,852



ACTUAL ASSET ALLOCATION

PENSION PLAN

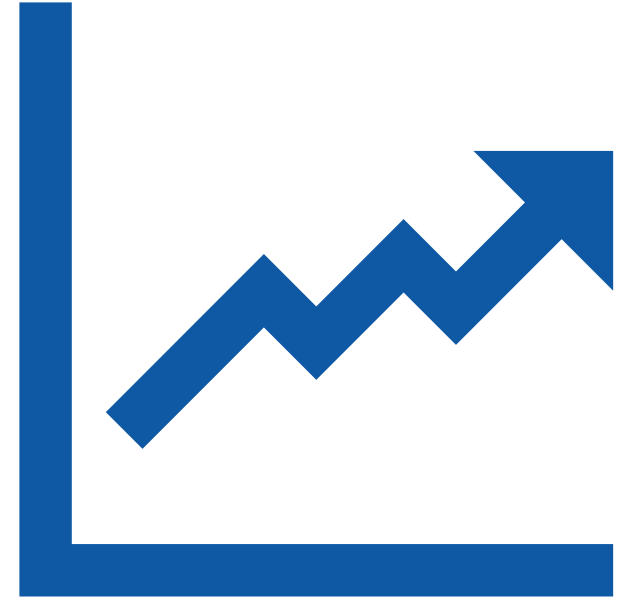
Functional Categories
As of June 30, 2025





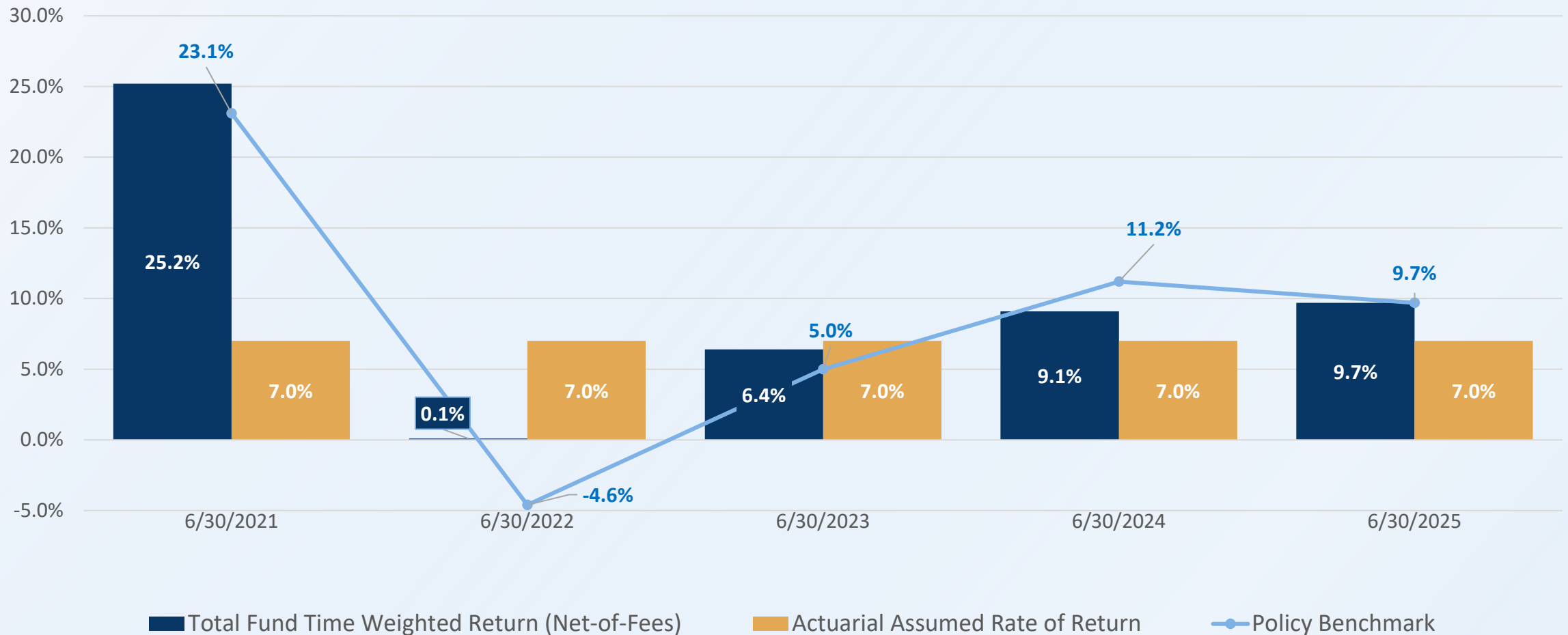
INVESTMENT RETURNS

PENSION PLAN



INVESTMENT RETURNS

PENSION PLAN



ACTUARIAL VALUATION

PENSION PLAN



Funded Ratio & Unfunded Liabilities

ACTUARIAL VALUATION RESULTS



Funded Ratio



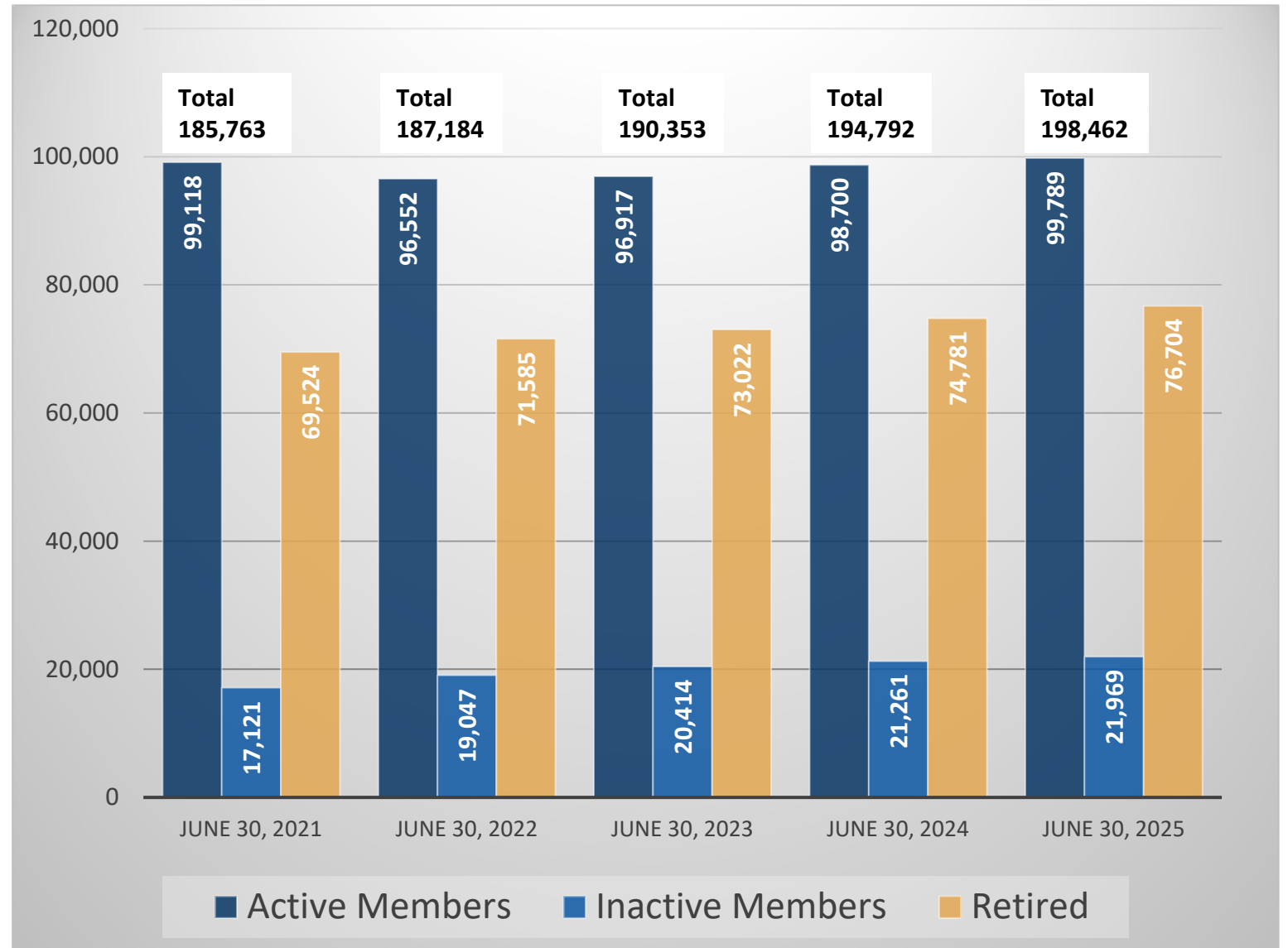
Unfunded Actuarial Accrued Liability (UAAL) [In Millions]





MEMBERSHIP

MEMBERSHIP

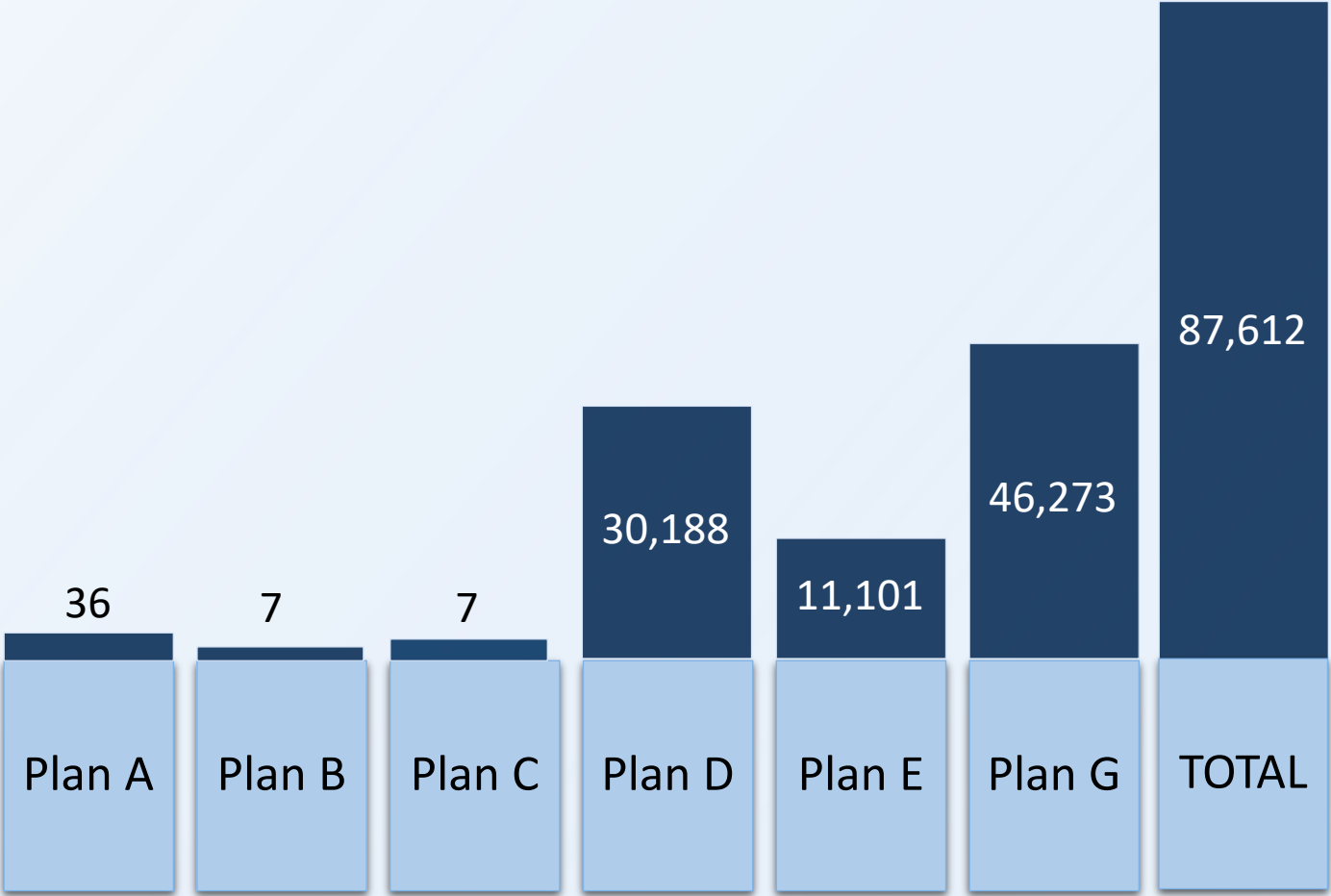


ACTIVE PLAN MEMBERSHIP

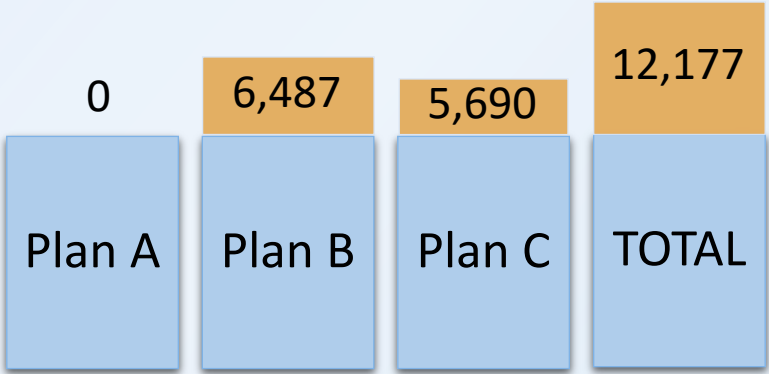
AS OF JUNE 30, 2025



GENERAL



SAFETY





OPEB TRUST



OWNERSHIP BALANCE BY AGENT

OPEB TRUST

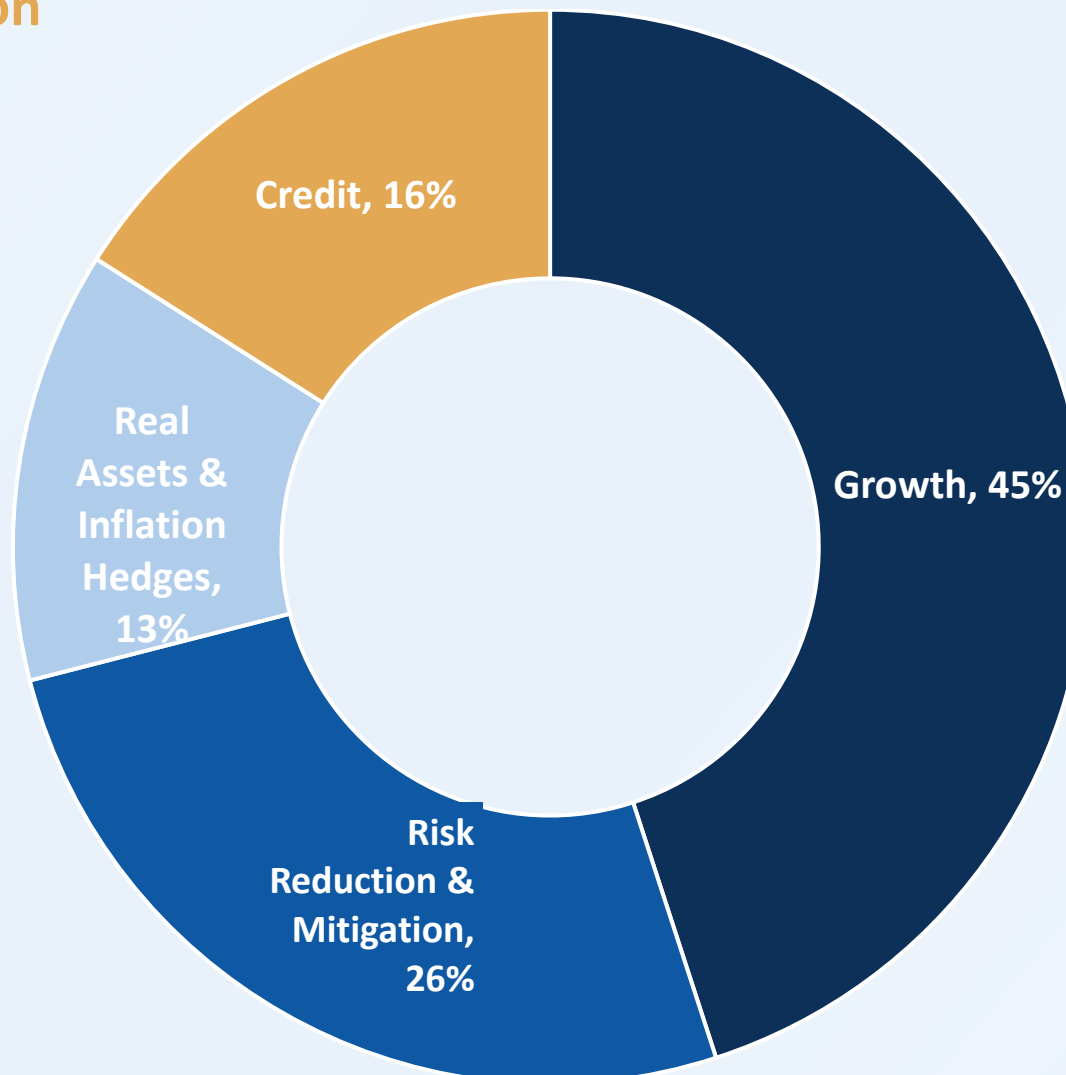
Plan Sponsor (Dollar in Thousands)	2025	2024
LOS ANGELES COUNTY	\$4,900,577	\$3,870,833
LACERA	29,387	21,708
SUPERIOR COURT	106,043	85,330
TOTAL BALANCE	\$5,036,007	\$3,977,871

ACTUAL ASSET ALLOCATION

OPEB TRUST

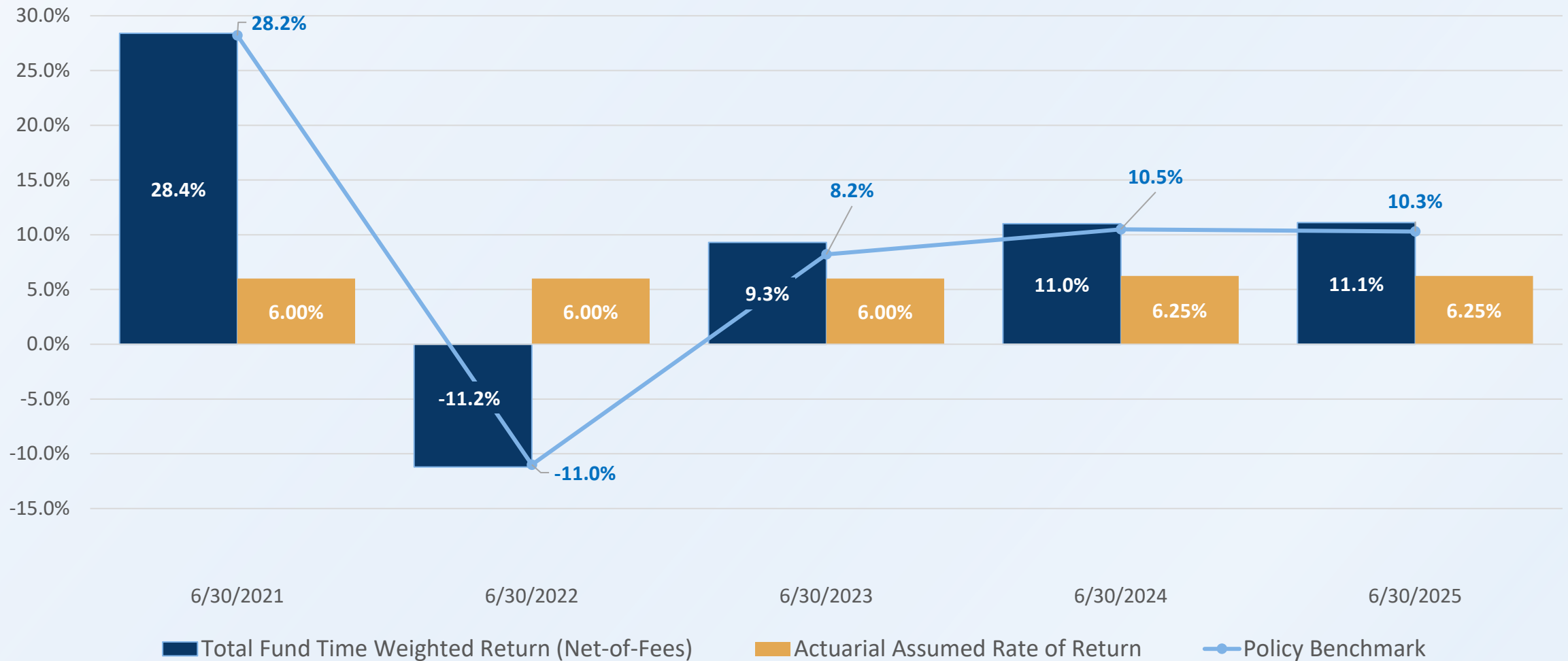


Functional Asset Allocation
As of June 30, 2025



INVESTMENT RETURNS

OPEB Trust





Upcoming Standards & Pronouncements

GASB Pronouncements Effective for the Fiscal Year Ending 2026

- **GASB 103 – *Financial Reporting Model Improvements***
 - Improve disclosures in Management's Discussion and Analysis to provide objective and easily readable analysis of financial activity.

THANK YOU!




QUESTIONS

FOR INFORMATION ONLY

November 21, 2025

TO: Operations Oversight Committee
JP Harris, Chair
Nancy M. Durazo, Vice Chair
Aleen Langton, Trustee
Wayne Moore, Trustee
Shawn R. Kehoe, Alternate Trustee

FROM: Chaitanya Errande 
Information Security Officer

FOR: December 3, 2025, Operations Oversight Committee Meeting

SUBJECT: **Privacy Incidents: Personally Identifiable Information**

EXECUTIVE SUMMARY

The Information Security Office has been investigating and reporting privacy-related events. Potential privacy breaches are classified as "events" until investigations confirm them as "incidents." To address prior Board feedback, we continue to enhance the readability of this report through concise language, structured formatting, and a clear summary table.

A total of **2** events were investigated, with **2** confirmed as incidents, including **2** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI). Severity levels are low. As a standard practice, affected members will be offered a one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

DISCUSSION**Process Improvements**

The following changes have been implemented in our privacy incident management process:

1. **Oversight:** The Information Security Office now leads the investigation and reporting of all privacy-related events.
2. **Workflow Improvements:** We discovered that two case files were opened at the same time by a Benefits Division Specialist. We recommended that cut-and-paste activities should be restricted to template documents to further minimize the

potential for exposure of sensitive information.

3. **Readability Improvements:** Per Board feedback, this memo uses clear section headings, a summary table, and concise language to enhance comprehension.
4. **Education:** The Information Security Office has engaged in discussions with the Benefits Division Section Heads to review workflow procedures. It has been established that any future investigations involving the exposure of Personally Identifiable Information (PII) within the Benefits Division must first be discussed and reviewed with the appropriate Section Head. As part of this process, the Section Head will coordinate with the relevant Benefits Specialist to identify and assess the root cause of any potential exposure. This collaborative approach is intended to ensure thorough investigation, accountability, and the implementation of corrective actions to mitigate future risks.
5. **Divisional Privacy Practices Assessments:** The ISO office will be conducting divisional assessments to evaluate existing practices to suggest improvements.

Incident Summary

Incidents	Under Investigation	Closed	PII Incidents	PHI Incidents
2	0	2	2	0

One incident was under investigation from September

A total of **2** events were investigated, with **2** confirmed as incidents, including **2** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI). Severity levels are low. As a standard practice, affected members will be offered a one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

Incident Details

	Details
Incident Date	October 5, 2025
Discovery Date	October 14, 2025
Status	Closed
Description	Unsealed envelope containing Cost Notification and Service Credit information.
# of Members affected	1
PII Exposure	Member name, address, Benefits and Service Credit information.
Cause	Member received an unsealed envelope from LACERA. The envelope contained Cost Notification Letter and Service Credit information. Document Processing Center confirmed that the cause of open envelope is still unknown. There is a possibility that DPC might not have completely sealed the envelope. The origin of the incident has not been identified.
Remediation / Corrective Action	DPC staff have been advised to be cautious of unsealed envelope and correct and report event(s).

	Details
Incident Date	February 8, 2023
Discovery Date	October 29, 2025
Status	Closed
Description	PII information
# of Members affected	1
PII Exposure	Member name, address, Benefits information.
Cause	<p>During the course of responding to a subpoena, Benefits Specialist identified that a document had been inadvertently indexed into the folder of another member. It is noted that both members are now deceased.</p> <p>The cause is unknown since incident occurred in February 2023.</p>
Remediation / Corrective Action	<p>The Section Head of the Benefits Division will notify the original Benefits Specialist regarding the identified indexing error.</p> <p>Furthermore, the Section Head has recognized the necessity for enhanced training to prevent recurrence of similar incidents. It is recommended that Benefits Division Specialists manage cases individually and avoid handling multiple cases simultaneously, thereby minimizing the potential for errors.</p>

Reviewed and approved:



Luis A. Lugo
Acting Chief Executive Officer

CE:SF:nm

C: JJ Popowich, AEO