IN PERSON & VIRTUAL BOARD MEETING



December 2, 2026, AT 9:00 AM*

OPERATIONS OVERSIGHT COMMITTEE MEETING

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

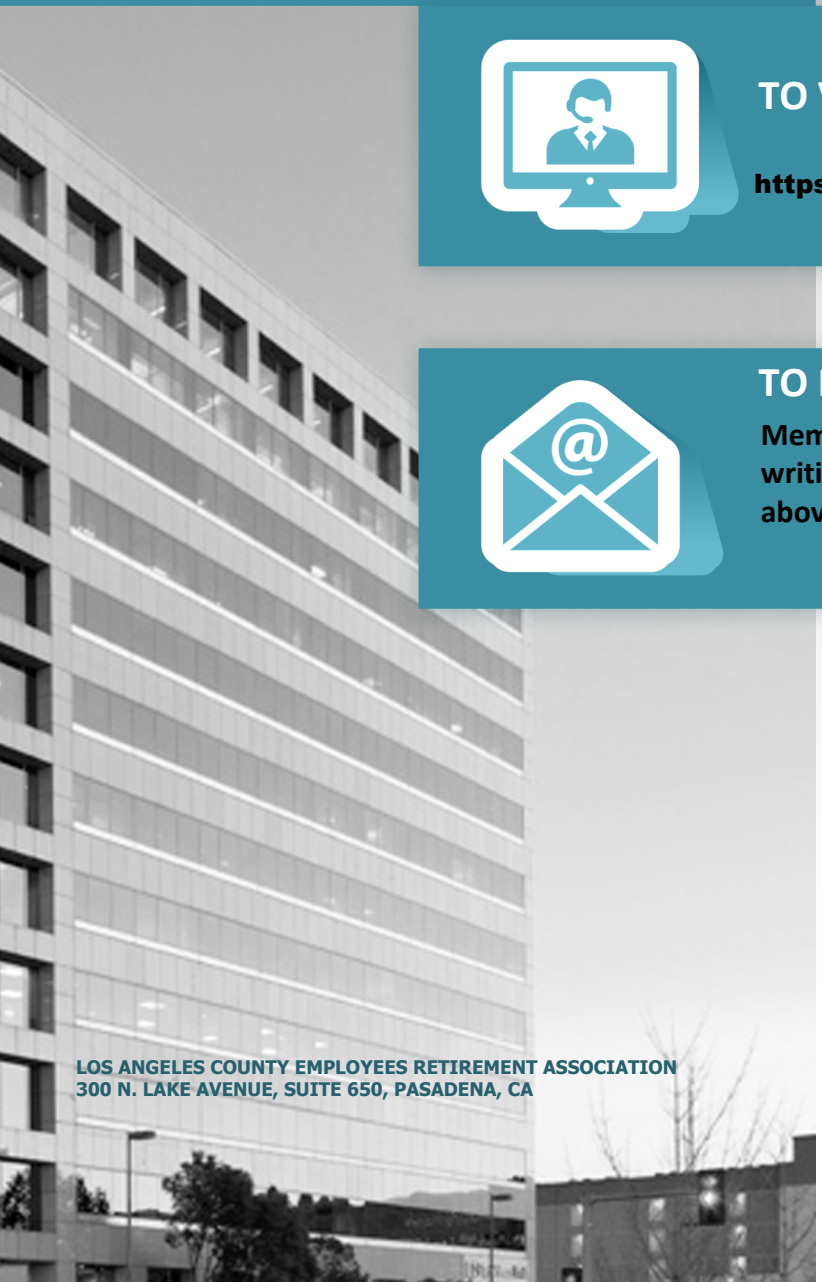
TO VIEW VIA WEB

https://lacera.com/leadership/board-meetings

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 2, 2026**

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 54953.8.3.

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

Nancy M. Durazo, Chair
Wayne Moore, Vice Chair
Bobbie Fesler, Trustee
Aleen Langton, Trustee
David Ryu, Alternate Trustee

I. CALL TO ORDER

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A. Just Cause (Section 54953.8.3)
B. Statement of Persons Present at SB 707 Teleconference Locations

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of November 4, 2026

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit https://LACERA.gov/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.gov.)

V. REPORTS

A. **Operations Briefing**
Jessica Baxter, Chief Administrative Officer
JJ Popowich, Chief Benefits Officer
Kathy Delino, Chief, Information Technology
Joe Shiuan, Information Technology Manager II
(Presentation)

B. **Fiscal Year 2025-2026 Annual Comprehensive Financial Report (ACFR) Review**
Judy Tran, Assistant Chief Financial Officer
Michael Huang, Accounting Officer II
Ervin Wu, Accounting Officer I
(Presentation) (Memo dated November 18, 2026)

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 agendized 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.gov 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.gov, 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

11:16 A.M. – 12:21 P.M. WEDNESDAY, NOVEMBER 4, 2026

This meeting was conducted by the Operations Oversight Committee both in person and by teleconference under California Government Code Section 54953.8.3.

COMMITTEE TRUSTEES

PRESENT: Wayne Moore, Vice Chair

Aleen Langton, Trustee

David Ryu, Alternate Trustee

ABSENT: Nancy M. Durazo, Chair

Bobbie Fesler, Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Elizabeth Ginsberg, Trustee

J.P. Harris, Trustee

Ernesto J. Pantoja, Trustee

Les Robbins, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Luis A. Lugo, Chief Executive Officer

Jessica Baxter, Chief Administrative Officer

JJ Popowich, Chief Benefits Officer

Kathy Delino, Chief, Information Technology

Joe Shiuan, Information Technology Manager II

Gerald Bucacao, Senior Retirement Benefits Specialist

Abigail Lomboy, Retirement Benefits Specialist

Ariel Louie, Retirement Benefits Specialist

Hernan Barrientos, Disability Retirement Specialist Supervisor

Vanessa Gonzalez, Section Head, Outreach

Maritza Perez, Senior Retirement Benefits Specialist

I. CALL TO ORDER

This meeting was called to order by Chair Moore at 11:16 a.m. In the absence of Trustees Durazo and Fesler, the Chair announced that Trustee Ryu, as the alternate, would be a voting member of the Committee.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A. Just Cause (Section 54953.8.3)
B. Statement of Persons Present at SB 707 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of October 7, 2026

Trustee Langton made a motion, Trustee Ryu seconded, to approve the minutes of the regular meeting of October 7, 2026. The motion passed by the following roll call vote:

Yes: Langton, Ryu, Moore

No: None

Absent: Fesler, Durazo

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **Operations Briefing**
Jessica Baxter, Chief Administrative Officer
JJ Popowich, Chief Benefits Officer
Kathy Delino, Chief, Information Technology
Joe Shiuan, Information Technology Manager II
Erika Heru, Creative Coordinator
(Presentation)

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

1. **Genesys Cloud – Contact Center**
Gerald Bucacao, Senior Retirement Benefits Specialist
Abigail Lomboy, Retirement Benefits Specialist
Ariel Louie, Retirement Benefits Specialist
(Presentation)

This item was presented and staff was available to answer questions from the Committee. This item was received and filed.

V. REPORTS (Continued)

2. **The Future of Counseling – Meeting Members Where They Are**
Vanessa Gonzalez, Section Head, Outreach
Maritza Perez, Senior Retirement Benefits Specialist
(Presentation)

Staff presented The Future of Counseling, and was 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 agendized 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. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:21 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.**

LACERA
Los Angeles County Employees Retirement Association

Operations Briefing

DECEMBER 2026

Prepared for the Operations Oversight Committee

Overview

Two areas of focus for this briefing to the Operations Oversight Committee

01

Operational and Strategic Plan Initiatives

14 operational and 9 strategic plan initiatives, plus 4 completed: 27 in total. Current status: 18 on track, 2 pending, 1 on hold, and 2 delayed.

02

IT Trends & AI Update

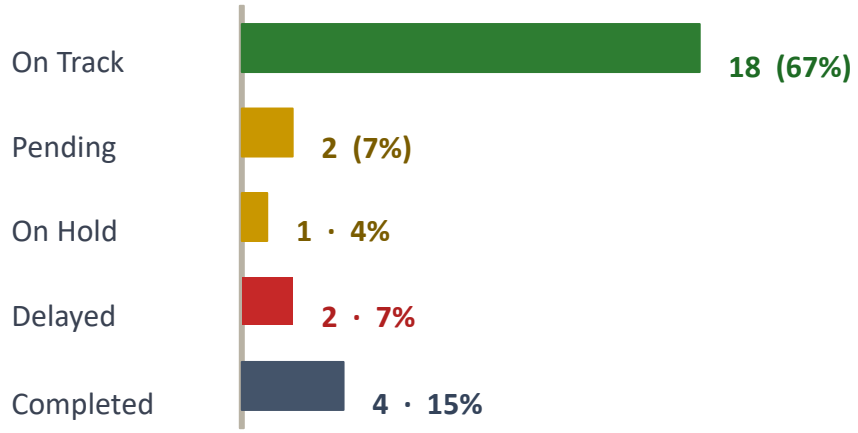
AI work includes division-specific CoPilot training, disability retirement document indexing, AI-assisted mainframe migration, and planned MECP Agent Assist and chatbot capabilities.

Project Health Dashboard

Portfolio status across all 27 initiatives · FY 26-27

27	18	3	2	4	~$5.4M
TOTAL INITIATIVES	ON TRACK	PENDING / ON HOLD	DELAYED	COMPLETED	REPORTED BUDGETS

STATUS DISTRIBUTION



UPCOMING TARGET DATES

DEC 2026	Disability Retirement AI, LERT, Microfiche, PEPRA ABS, PPM, SASE II
2027	PEPRA FAC (Jan, delayed), Sol Phase 2 (Feb, delayed), Member Verification, MEDP, Boardroom, MECP (Sep), Business Intelligence
2028+	Dues, Mainframe, Healthcare Enrollment, CoPilot Champions, Enterprise Knowledge Mgmt, ERP
TBD	Digital Communication Governance, Retroactive Payroll, Virtual Mailroom, Employer Portal

RECENTLY COMPLETED

2026	COLA Bank Retroactive Changes · Seamless Online Retirement · OCR for Direct Deposit (Jul) · Legal Matter Management (Nov)

LACERA

01

SECTION ONE

Operational and Strategic Plan Initiatives

Status at a Glance

All 27 initiatives: 18 on track, 3 pending or on hold, 2 delayed, and 4 completed

18 ON TRACK

OPERATIONAL (11)

Disability Retirement AI	**Dec 2026**
LERT Management	**Dec 2026**
Microfiche Digitization	**Dec 2026**
PEPRA Annual Benefit Statement	**Dec 2026**
Project Portfolio Management	**Dec 2026**
SASE Phase II	**Dec 2026**
Boardroom Relocation & Expansion	**Jul 2027**
Virtual Mailroom	**Dec 2027**
Deductions for Dues	**Mar 2028**
Mainframe Migration	**Jun 2028**
CoPilot Champions	**Sep 2028**

STRATEGIC PLAN (7)

Member Verification Modernization	**Mar 2027**
Member Empowerment Digital Platform	**Jun 2027**
Member Experience Communication Project (MECP)	**Sep 2027**
Business Intelligence	**Dec 2027**
Online Healthcare Enrollment	**Jun 2028**
Enterprise Knowledge Management	**Dec 2028**
Enterprise Resource Planning	**Dec 2028**

3 PENDING / ON HOLD

Digital Communication Governance	**Pending · Ops**
Retroactive Payroll Adjustments	**Pending · Ops**
Employer Portal	**On Hold · Strategic**

2 DELAYED

Case Management (Sol) Phase 2	**Feb 2027**
PEPRA FAC: Scheduled Earnings	**Jan 2027**

4 COMPLETED

COLA Bank Retroactive Changes	**Jul 2026**
Seamless Online Retirement	**Jul 2026**
OCR for Direct Deposit	**Jul 2026**
Legal Matter Management	**Nov 2026**

Operational Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Boardroom Relocation and Expansion

On Track · Execution

Relocation of the Boardroom from the 8th Floor to the ground floor of Gateway Plaza — a larger, purpose-built venue designed to expand seating for joint board meetings and accommodate greater attendance by members of the public.

ORGANIZATION-WIDE IMPACT
Adds dedicated capacity for joint board meetings and expanded seating for members of the public in a larger ground-floor venue — reinforcing transparency and in-person participation across the organization.

Update: Building plans are currently under review by the City of Pasadena for permitting. The permitting timeline is taking longer than originally anticipated, with demolition now expected to begin in mid-January 2027.

Budget: $700,000 | Target: July 2027 | Ricki Contreras, Division Manager

ACTIVITY

Sep 2026 *No update*

Oct 2026 *No update — planning and permitting continue*

Current *Plans submitted to City of Pasadena*

CoPilot Champions

On Track · Execution

Expanding CoPilot adoption by empowering staff to lead adoption, recommend training, and mentor peers across the organization.

ORGANIZATION-WIDE IMPACT
Builds AI fluency and productivity in every division through peer mentors — accelerating organization-wide adoption of Microsoft CoPilot.

Update: Second round of training structured around division-specific use cases; vendor preparing training material for first division.

Budget: $98,100 | Target: September 2028 | Penelope Rodriguez, Project Manager

ACTIVITY

Sep2026 *No update*

Oct 2026 First division kick-off meeting

Current Preparation continues first division training

Operational Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Deductions for Dues from Retiree Benefit Payments

On Track · Execution

Policy implementation for members who elect to have dues, fees, or premiums deducted from retirement benefits, ensuring compliance with CERL §31452.5.

ORGANIZATION-WIDE IMPACT
Brings retiree benefit deductions into compliance with CERL §31452.5 and automates them — reducing manual processing and legal risk for all electing retirees.

Update: Coordination is taking place to create a site for 3rd party agency use. Each agency will be contacted requesting "Legacy" forms. The project team is coordinating with SEIU 721 on the recent policy and workflow changes. In parallel, we are working with Systems to onboard SEIU 721 to LACERA's SharePoint site for data exchange.

Target: March 2028 | Louis Gittens, Division Manager

ACTIVITY

Sep 2026	*No update*
Oct 2026	*No update*
Current	Site being created for 3rd party agency use.

Digital Communication Governance & Compliance

Pending · Planning

eDiscovery solution for the Legal Office and Information Security teams to identify, collect, and produce electronically stored information for legal and public-records requests.

ORGANIZATION-WIDE IMPACT
Enables fast, defensible responses to legal and public-records requests enterprise-wide — reducing legal exposure and manual discovery effort.

Update: Engaging and providing solution demo for new Chief Ethics and Compliance Officer.

Budget: $150,000 | Target: TBD | Alonso Favela, Project Manager

ACTIVITY

Sep 2026	*No update*
Oct 2026	No update, waiting for new Compliance Officer to on-board.
Current	Solution demo for new Compliance Officer.

Operational Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Disability Retirement AI Solution

On Track · Execution

Transform the document and record indexing in the disability retirement application workflow to improve speed, accuracy, and efficiency.

ORGANIZATION-WIDE IMPACT
Speeds and sharpens disability retirement processing through AI-assisted indexing — improving turnaround and accuracy for members seeking disability benefits.

Update: Refining scope to determine next steps.

Budget: $150,000 | Target: December 2026 | Alonso Favela, Project Manager

ACTIVITY

Sep 2026 *No update*

Oct 2026 Vendor demos and pricing

Current *No update*

LACERA Event Response Team (LERT) Management Solutions

On Track · Execution

Automate tracking of LACERA incidents and integrate ServiceNow workflow with the Pension Administration System and Emergency Notification System.

ORGANIZATION-WIDE IMPACT
Strengthens enterprise emergency response and business continuity by automating incident tracking across LACERA's critical systems.

Update: Preparing for project closure.

Target: December 2026 | Dave Choe, Project Manager

ACTIVITY

Sep 2026 Target moved to Dec 2026

Oct 2026 Letter template changes

Current *No update - Preparing for project closure*

Operational Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Mainframe System Migration

On Track · Execution

Migrate existing pension administration mainframe functionality to modern infrastructure for greater scalability, agility, and integration.

ORGANIZATION-WIDE IMPACT
Modernizes the core platform that processes every member's pension benefits — improving scalability, security, and agility for the whole organization.

Update: Employing AI and automated testing to optimize coding and migration.

Budget: $920,000 | Target: June 2028 | Alonso Favela, Project Manager

ACTIVITY

Sep 2026 *No update*

Oct 2026 *No update*

Current Adjusting and tracking progress of AI assistance

Microfiche Digitization

On Track · Execution

Convert LACERA's 46 million pages of microfiche to searchable PDFs in an Enterprise Content Management System, with a subset shared with the L.A. County Auditor-Controller.

ORGANIZATION-WIDE IMPACT
Turns 46 million pages of member records into instantly searchable files — improving service speed and record access for staff across every division.

Update: Mass conversion to searchable PDFs completed; received Purchase Order, awaiting payment from L.A. County for delivery coordination.

Target: December 2026 | Tom Deluca, Project Manager

ACTIVITY

Sep 2026 *No update*

Oct 2026 Awaiting County payment; target moved to Dec 2026

Current *No update*
Received PO, awaiting closure

Operational Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

PEPRA: Annual Benefit Statement

On Track · Execution

Provide an Annual Benefit Statement (ABS) for PEPRA members.

ORGANIZATION-WIDE IMPACT
Extends Annual Benefit Statements to all PEPRA members — improving benefit transparency and self-service for a growing segment of the membership.

Update: Systems and Communications completed business decision reviews. The redesigned format and layout draft has been completed and is with Executive for review.

Target: December 2026 | Cynthia Martinez, Communications

ACTIVITY

Sep 2026 *No update*

Oct 2026 *No update*

Current Redesign to condensed four-page layout

PEPRA Final Average Compensation: Scheduled Earnings

Delayed · Execution

Board-approved use of Scheduled Earnings instead of Actual Earnings for PEPRA member Final Average Compensation, including retroactive benefit payments.

ORGANIZATION-WIDE IMPACT
Aligns PEPRA final-compensation calculations with Board policy — ensuring accurate benefits and retroactive payments for affected members.

Update: All routine cases completed; two outstanding complex cases nearing completion. Business Rules being reviewed.

Target: January 2027 | Kevin Hawkins, Process Management Group, Benefits

ACTIVITY

Sep 2026 *No update*

Oct 2026 No update; target moved to Nov 2026

Current Under review; moved to Jan 2027

Operational Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Project Portfolio Management Solution

On Track · Execution

Streamline project selection, prioritization, and resource allocation to align with business goals and improve decision-making.

ORGANIZATION-WIDE IMPACT
Gives leadership one view to prioritize projects and allocate resources — improving decision-making across the entire initiative portfolio.

Update: In Vendor Management (Procurement) and Legal review process.

Budget: $80,000 | Target: December 2026 | Sai Nichal Dasari, Project Manager

ACTIVITY

Sep 2026 In Procurement and Legal review

Oct 2026 *No update*

Current *No update*

Retroactive Payroll Adjustments: Prospective Correction

Pending · Planning

Collaboration with the Auditor-Controller to ensure timely, accurate collection of member payroll contributions on retroactive payroll adjustments.

ORGANIZATION-WIDE IMPACT
Protects the accuracy of member contributions on retroactive County payroll adjustments — safeguarding fund integrity for affected members.

Update: Concerns communicated to the County; the Auditor-Controller plans to work with Systems to resolve.

Target: TBD | JJ Popowich, Chief Benefits Officer

ACTIVITY

Sep 2026 *No update*

Oct 2026 *No update*

Current *No update*

Operational Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Secure Access Service Edge (SASE) | Phase II

On Track · Execution

Implement core cloud-based networking and security features — SD-WAN, Secure Enterprise Browser rollout, and Data Loss Prevention.

ORGANIZATION-WIDE IMPACT
Hardens enterprise cybersecurity for every user and system through cloud network security and data-loss prevention.

Update: Advanced features being implemented; Prisma Access Browser testing underway for the Boardroom, contractors, and disaster BYOD; adding an interconnect feature missing from the current solution. Prisma Access Browser is being tested for the ISO team and the plan is to expand it to Systems end of August phased roll out expected after Systems and ISO resolving any issues. Interconnect testing was conducted successfully.

Target: December 2026 | Chait Errande, Information Security

ACTIVITY

Sep 2026 *No update*

Oct 2026 *No update*

Current Interconnect testing was conducted successfully.

Virtual Mailroom

On Track · Execution

Move document imaging services in LACERA's Document Processing Center to a third party as a permanent or business-continuity solution.

ORGANIZATION-WIDE IMPACT
Ensures uninterrupted document processing through a resilient third-party mailroom — protecting continuity of member correspondence.

Update: RFP was released end of October, expect to close end of November.

Budget: $150,000 | Target: December 2027 | Dave Choe, Project Manager

ACTIVITY

Sep 2026 In Procurement and Legal review

Oct 2026 *Preparing RFP package*

Current RFP was released and pending to close

As of November 20, 2026

Strategic Plan Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Business Intelligence (BI) Initiative

On Track · Execution

STRATEGIC GOAL 2 · INNOVATION THROUGH TECHNOLOGY — 2.1 BUSINESS INTELLIGENCE

Implement a centralized, scalable BI platform on Microsoft Fabric, Power BI, and Copilot to unify data sources and enable advanced analytics across all divisions.

ORGANIZATION-WIDE IMPACT
Delivers unified, self-service analytics to every division — enabling data-driven decisions across the entire organization.

Update: Current set of three division-specific dashboards were showcased and well received.

Budget: $840,000 | Target: December 2027 | Alonso Favela, Project Manager

ACTIVITY

Sep 2026	Working on next three divisions
Oct 2026	*No update*
Current	Presented to Executive Officers, project advances to next three divisions

Case Management (Sol) | Phase 2

Delayed · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

Extend LACERA's Sol Case Management System to include Death Processing capabilities.

ORGANIZATION-WIDE IMPACT
Extends digital case management to death processing — improving timeliness and accuracy for survivors and beneficiaries.

Update: Active Death Case Management module is wrapping up Testing phase.
Budget: $500,000 | Target: February 2027 | Iveta Brecko, Project Manager

ACTIVITY

Sep 2026	Entering testing
Oct 2026	*No update*
Current	Fixing bugs and preparing for parallel processing – Moved to Feb 2027

As of November 20, 2026

Strategic Plan Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Employer Portal

On Hold

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

A secure online portal for employers to on-board LACERA members, streamlining the Sworn Statement process and granting earlier access to My LACERA self-service.

ORGANIZATION-WIDE IMPACT
Would streamline member onboarding for participating employers and speed member access to self-service — currently paused pending prioritization.

Update: On hold pending Subject Matter Expert (SME) and resource-availability decisions.

Target: TBD | Alonso Favela, Project Manager

ACTIVITY

Jul 2026	On hold pending prioritization
Aug 2026	On hold pending SME/resources
Current	*No update until further notice*

Enterprise Knowledge Management

On Track · Execution

STRATEGIC GOAL 2 · INNOVATION THROUGH TECHNOLOGY — 2.2 KNOWLEDGE MANAGEMENT

Hire a taxonomy consultant to assist with requirements definition and an RFP for a Knowledge Management System.

ORGANIZATION-WIDE IMPACT
Captures and organizes institutional knowledge enterprise-wide — reducing knowledge loss and improving staff efficiency across divisions.

Update: In Vendor Management and Legal review process to execute contract.

Budget: $590,000 | Target: December 2028 | Dave Choe, Project Manager

ACTIVITY

Sep 2026	Board approved; finalizing contract package
Oct 2026	*No update — contract development*
Current	*No update*

As of November 20, 2026

Strategic Plan Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Enterprise Resource Planning

On Track · Execution

STRATEGIC GOAL 5 · FISCAL DURABILITY — 5.1 ORGANIZATIONAL TOOLS

Replace LACERA's finance, budget, procurement, contracts, and human resource data systems with a single integrated Enterprise Resource Planning platform.

ORGANIZATION-WIDE IMPACT
Unifies accounting, budgeting, procurement, human resources data and financial reporting on one modern platform — strengthening budget accuracy, spending controls, and administrative efficiency across every division.

Update: In the Requirements gathering phase and conducting market (vendor) research.

Budget: $150,000 | Target: December 2028 | Ted Granger, Chief Financial Officer

ACTIVITY

Sep 2026	*No update*
Oct 2026	Internal meetings held, kick-off scheduled
Current	Requirements gathering and vendor research

Member Experience Communication Project (MECP)

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

Replace AWS Connect with a cloud communications service providing an omni-channel contact center with native MS Teams integration.

ORGANIZATION-WIDE IMPACT
Transforms member contact into an omni-channel experience — improving responsiveness for every member who calls, chats, or messages LACERA.

Update: Split into two phases: Phase I covers core call center, queue management, call recording, workforce management, quality control; Phase II adds AI Agent Assist and AI chatbot. Phase 1 successfully went 'live' on September 10.

Budget: $150,000 | Target: September 2027 | JJ Popowich, Chief Benefits Officer

ACTIVITY

Sep 2026	Preparing go-live
Oct 2026	Phase I completed and went live Sept 10
Current	Vendor planning activities for Phase II;

As of November 20, 2026

Strategic Plan Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Member Empowerment Digital Platform (MEDP)

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

Deliver a unified self-service portal and mobile app that lets members securely view benefits, run retirement estimates, update personal information, and complete key transactions online.

ORGANIZATION-WIDE IMPACT
Puts benefit information and self-service transactions directly in members' hands — reducing call and office volume while improving access for the entire membership.

Update: Project initiated, project team assembled, team defining scope and high-level requirements; identifying vendors for demos.

Budget: $500,000 | Target: June 2027 | Dave Choe, Project Manager

ACTIVITY

Sep 2026 *No update*

Oct 2026 *No update*

Current Finalizing requirements and preparing RFP package

Member Verification Modernization

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

Modernize how LACERA confirms member and beneficiary identity — replacing with secure digital identity verification and periodic proof-of-life confirmation.

ORGANIZATION-WIDE IMPACT
Strengthens safeguards against fraud and improper payments while making identity confirmation faster and less burdensome for members and beneficiaries.

Update: Requirements gathering underway with Member Services and Legal Office; evaluating identity-verification vendors and arranging demos.

Budget: $220,000 | Target: March 2027 | Iveta Brecko, Project Manager

ACTIVITY

Sep 2026 *No update*

Oct 2026 Arranging vendor demos

Current *No update*
Continuing market and vendor research

As of November 20, 2026

Strategic Plan Initiatives

Status key: On Track | Pending / On Hold | Delayed | Completed

Online Healthcare Enrollment

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.4 RETIREE HEALTHCARE EXPERIENCE

Extend the online retirement experience to retiree healthcare — letting members review plan options, enroll in coverage, and add eligible dependents in the same digital flow, without paper forms.

ORGANIZATION-WIDE IMPACT

Completes the end-to-end online retirement journey by moving healthcare enrollment online — reducing paper processing for staff and giving every retiring member a single, fully digital experience.

Update: Scoping underway with Healthcare Benefits and Systems to define plan-selection rules, dependent eligibility, and required documentation.

Target: June 2028 | Business Solutions

ACTIVITY

Sep 2026 Scoping underway

Oct 2026 *No update*

Current *Design completed, Development in Progress*

Completed Initiatives

Delivered initiatives retained as a running record of value — each project moves here at closeout

4

COMPLETED TO DATE

Four initiatives completed

Upcoming targets:
Dec 2026: SASE
Jan 2027: PEPRA Scheduled Earnings
Feb 2027: SOL Phase 2

COLA Bank Retroactive Changes

COMPLETED

Completed July 2026 | Louis Gittens, Division Manager

Recalculated benefit allowances and issued retroactive payments to 1,292 members — restoring accurate cost-of-living benefits and closing the related compliance exposure.

Chronology · Jul 2026: Final 14 of 1,292 cases finalized → Completed

Seamless Online Retirement

COMPLETED

Completed July 2026 | Sandy Pang, Information Technology Specialist

Members now elect retirement, set federal and state tax withholding, and enroll in direct deposit in one online session — 70% of service retirements completed direct deposit online and 52% completed their tax election online.

Chronology · Jul 2026: Completed

Optical Character Recognition — Direct Deposit

COMPLETED

Completed July 2026 | Kevin Hunter, Data Systems Analyst

Azure Intelligent Document Processing now reads direct deposit forms automatically — cutting document processing in the Document Processing Center (DPC) and manual data entry in Accounts Maintenance Unit (AMU).

Chronology · Jul 2026: Completed

Legal Matter Management (LMM) Solution

COMPLETED

Completed November 2026 | Dave Choe, Project Manager

Solution for the Legal Office to track and manage legal matters, integrated with Enterprise Contract Lifecycle Management — improving oversight and reducing organizational risk.

Chronology · Nov 2026: Closed and transitioned to production support → Completed

LACERA

02

SECTION TWO

IT Trends and AI Update

Presented by:
Kathy Delino, Chief Information Technology
Joe Shiuan, Information Technology Manager

LACERA's AI Journey

From applications in production today to the future pipeline

IN PRODUCTION

Current Applications

ENTERPRISE-WIDE

— Microsoft CoPilot Chat
— Microsoft 365 CoPilot
— Microsoft CoWork
— BI & Data Visualization Tools
— Intelligent Document Processing

COMMUNICATIONIS

— AI-Powered Video Transcription

INVESTMENTS

— AI-Enhanced Excel for Investments

LEGAL OFFICE

— AI-Assisted Contract Review

SYSTEMS

— AI-Assisted Code Generation
— AI-Assisted Test Case Generation

IN DEVELOPMENT

Building Now

— Website Chatbot + Call Center
— Disability Retirement Document AI
— AI-Assisted Analysis and Triage of Legal Documents

FUTURE PIPELINE

Coming Next

— AI for Board Meetings
— AI-Assisted Legal Research
— AI Use Case Recommendations from Cutter Consulting

New Use Case and Use Cases Moving to Next Phase are reviewed each reporting period.

New AI Use Case
AI Use Case Moved to Next Phase

LACERA
Los Angeles County Employees Retirement Association

Questions?

Operations Oversight Committee | December 2026



November 18, 2026

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 2, 2026 Operations Oversight Committee Meeting

SUBJECT: FISCAL YEAR 2025-2026 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) REVIEW

Attached for your information are LACERA's annual financial statement highlights for the fiscal year ended (FYE) June 30, 2026. Some of the key financial results include the following:

Pension Plan

- Pension Plan Fiduciary Net Position (fund balance) increased by $8.3 billion compared to the prior fiscal year, from $86.2 billion to $94.5 billion, reflecting favorable market conditions and strong investment portfolio performance.
- Total Pension Plan generated a 12.1% investment return, net of fees, exceeding the actuarial expected return assumption of 7.0%.
- As of June 30, 2025, the Pension Plan's actuarial funded ratio increased from 80.9% to 82.0%. Due to the timing of the actuarial valuation, FYE 2025 actuarial data is used in the FYE 2026 financial statements. The 1.1 percentage point increase in funded ratio was primarily attributable to investment gains and additional employer contributions toward amortizing the Unfunded Actuarial Accrued Liability (UAAL).
- As of June 30, 2025, the Pension Plan reported $81.8 billion in valuation assets and an Actuarial Accrued Liability (AAL) of $99.7 billion. The Unfunded Actuarial Accrued Liability (UAAL), the difference between actuarial assets and liabilities, totaled $17.9 billion, resulted in a slight decrease of $0.2 billion from the prior year, primarily due to favorable investment earnings.

OPEB Trust

- OPEB Trust Fiduciary Net Position increased by approximately $1.4 billion, from $5.3 billion to $6.7 billion, primarily due to employer contributions and investment gains.

- The OPEB Trust generated 14.5% investment return, net of fees, which exceeded the actuarial expected return assumption of 6.25%, primarily reflecting strong global equity market performance.
- As of July 1, 2025, the OPEB Trust reported $5.0 billion in valuation assets and an AAL of $26.8 billion, resulting in a UAAL of $21.8 billion. The UAAL increased by $1.1 billion from the prior year due to several offsetting actuarial factors. Actuarial asset and other experience gains, including favorable claims experience, partially offset losses associated with higher medical cost trends and expected growth in the Program's unfunded liability.

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

REVIEWED AND APPROVED:



Luis A. Lugo
Chief Executive Officer

c: Jessica Baxter JJ Popowich Steven P. Rice
Ted Granger

Attachment

ANNUAL COMPREHENSIVE FINANCIAL REPORT REVIEW

FISCAL YEAR ENDED 2025-2026

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 2, 2026

AGENDA

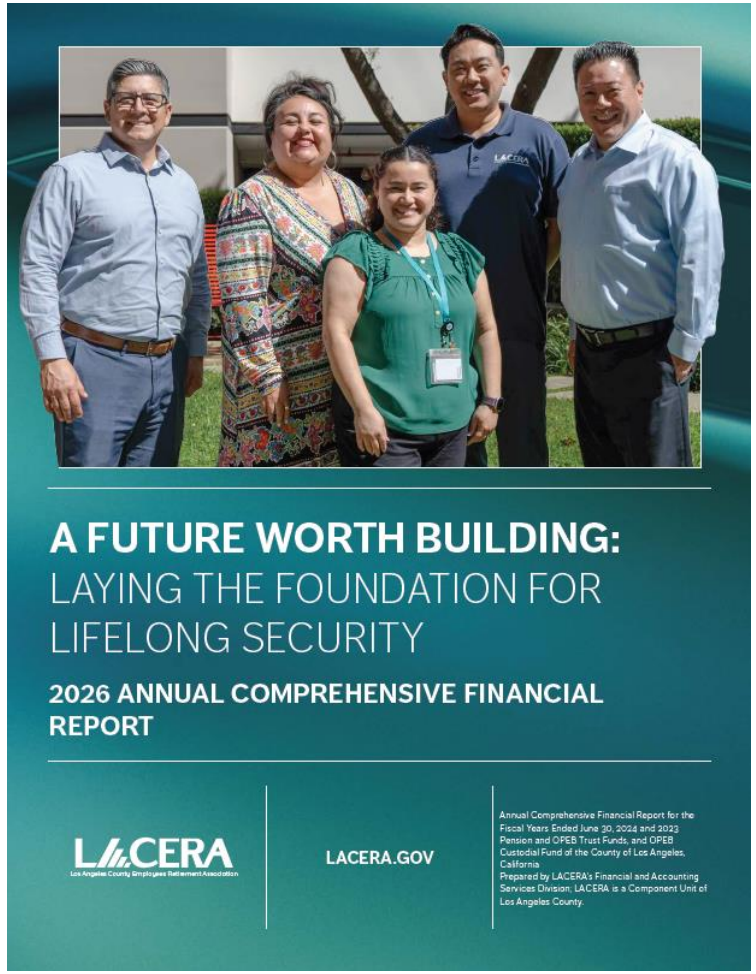
- Financial Reporting Process
- Annual Theme
  - ✓ ACFR – Annual Comprehensive Financial Report
  - ✓ PAFR – Popular Annual Financial Report
- Awards
- Financial Highlights and Reporting
  - Pension Plan
  - OPEB Trust
- Upcoming Standards & Pronouncements
- Q&A

Financial Reporting Process



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

2026 ACFR and PAFR
Theme



A FUTURE WORTH BUILDING:

LAYING THE FOUNDATION FOR LIFELONG SECURITY

AWARDS

Government Finance Officers Association

- GFOA
  - ACFR = 36 years
  - PAFR = 28 Years



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Los Angeles County
Employees Retirement Association
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

and issued to the public 168 days after the fiscal year end

Christopher P. Morrill
Executive Director/CEO

Public Pension Coordinating Council

- PPCC
  - Public Pension Funding and Administration = 23 years



Public Pension Coordinating Council

Public Pension Standards Award
For Funding and Administration
2025

Presented to

Los Angeles County
Employees' Retirement Association

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Program Administrator

KEY CHANGES

Single Year Reporting

LACERA transitioned from comparative two-year financial statements to single-year for improved document efficiency and clarity.

GASB 103 – Financial Reporting Model Improvements

To improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing accountability. LACERA implemented this requirement for the Management's Discussion and Analysis (MD&A).

GASB 105 – Subsequent Events

To improve the financial reporting requirements for subsequent events, promote consistent application, and better meet the information needs of financial statement users. LACERA early adopted this requirement and updated Note 18 to reflect applicable disclosures.

GASB 100 – Accounting Changes and Error Corrections

To enhance accounting and financial reporting requirements for accounting changes and error corrections, resulting in financial information that is more understandable, reliable, relevant, consistent, and comparable. LACERA prepared Note 17 to address an error correction for OPEB.

FINANCIAL HIGHLIGHTS

REVIEW of RESULTS

OVERVIEW

PENSION PLAN

FUND BALANCE	• Fiduciary Net Position = $94.5 billion
INCOME	• Total Additions = $13.5 billion
EXPENSES	• Total Deductions = $5.2 billion
INVESTMENT PERFORMANCE	• Total Fund Return = 12.1% (net of fees)
RATIO OF ASSETS/LIABILITIES	• Funded Ratio = 82.0% (as of the June 30, 2025 Valuation)

FIDUCIARY NET POSITION

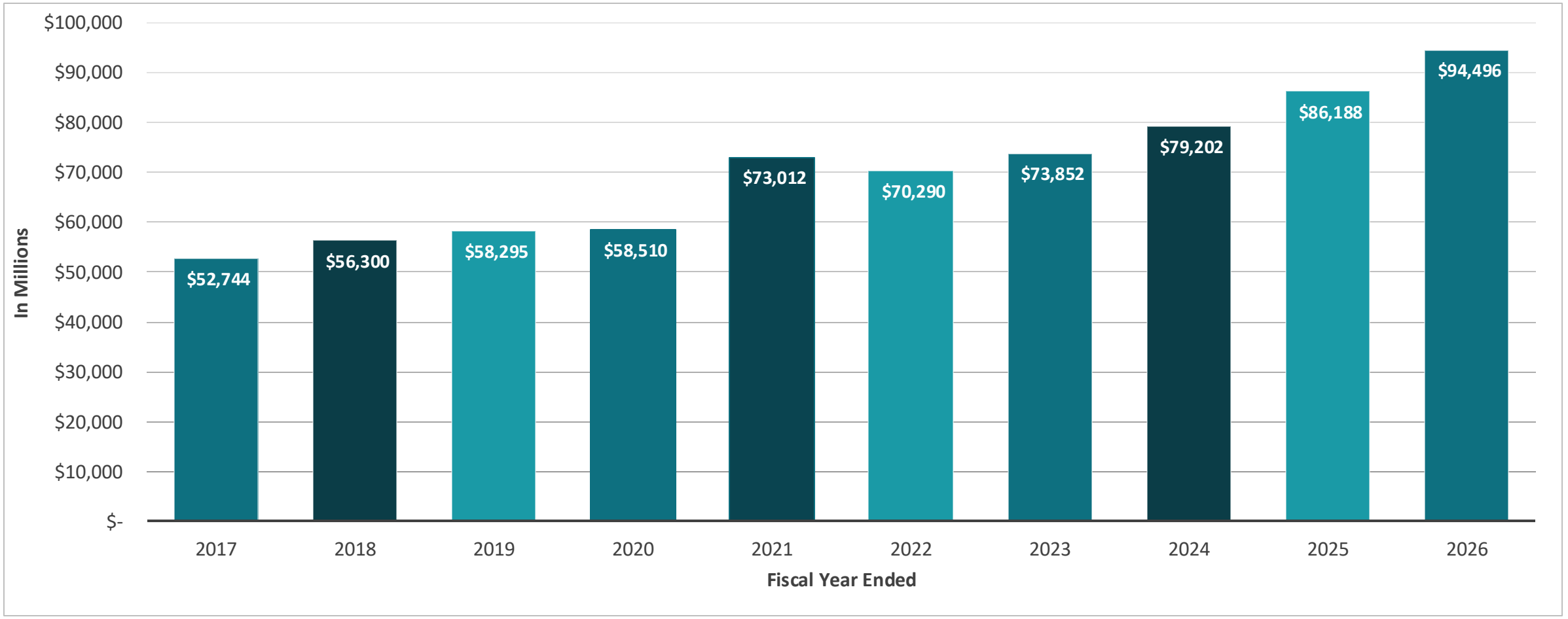
PENSION PLAN

FUNDS AVAILABLE FOR PARTICIPANT BENEFITS AFTER SUBTRACTING AMOUNTS OWED.

FIDUCIARY NET POSITION (FNP)

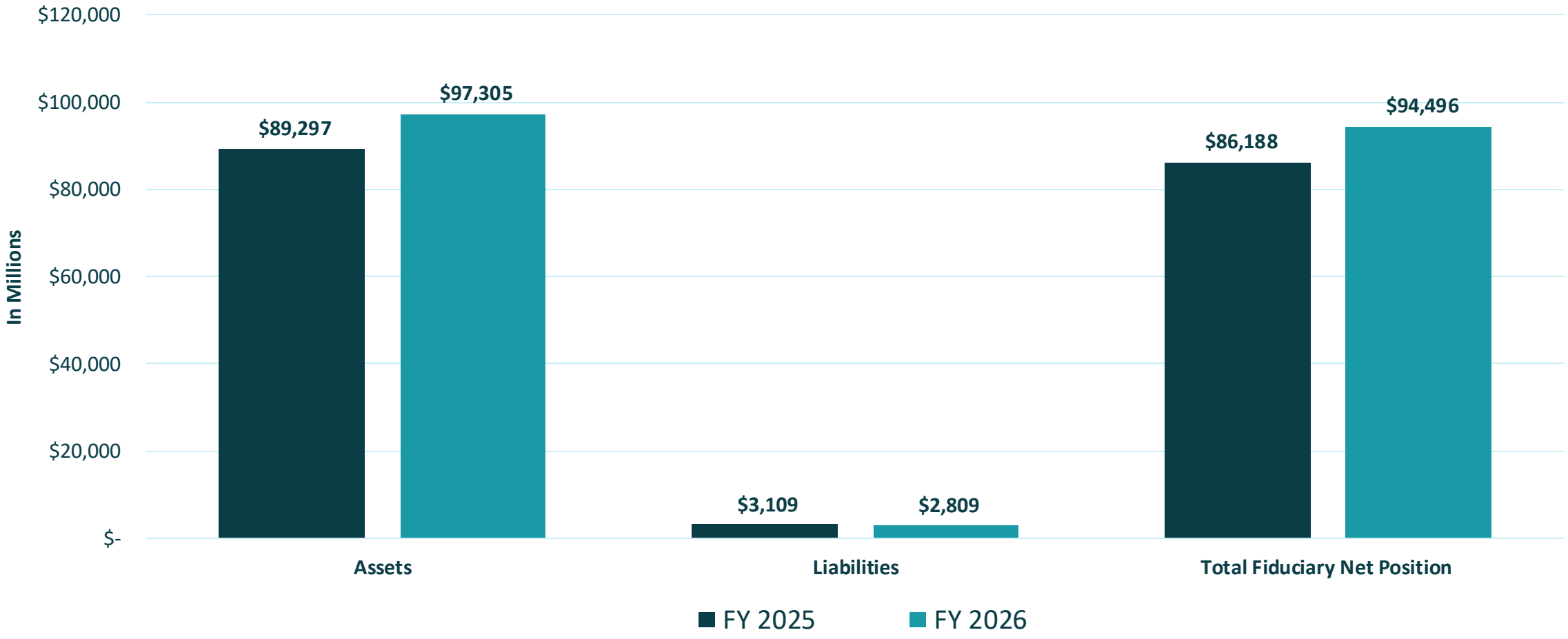
PENSION PLAN

(LAST 10 FISCAL YEARS)



FIDUCIARY NET POSITION (CONTINUED)

PENSION PLAN



FNP: ADDITIONS & DEDUCTIONS

PENSION PLAN

(Dollars in Millions)	2026	2025
Contributions	$3,673	$3,590
Net Investment & Other Income	9,815	8,299
Total Additions (C + I)	**$13,488**	**$11,889**
Benefits & Refunds	($5,051)	($4,776)
Admin & Other Expenses	(129)	(127)
Total Deductions (B + E)	**($5,180)**	**($4,903)**
Net Increase	$8,308	$6,986
Beginning Net Position	86,188	79,202
Ending Net Position	**$94,496**	**$86,188**

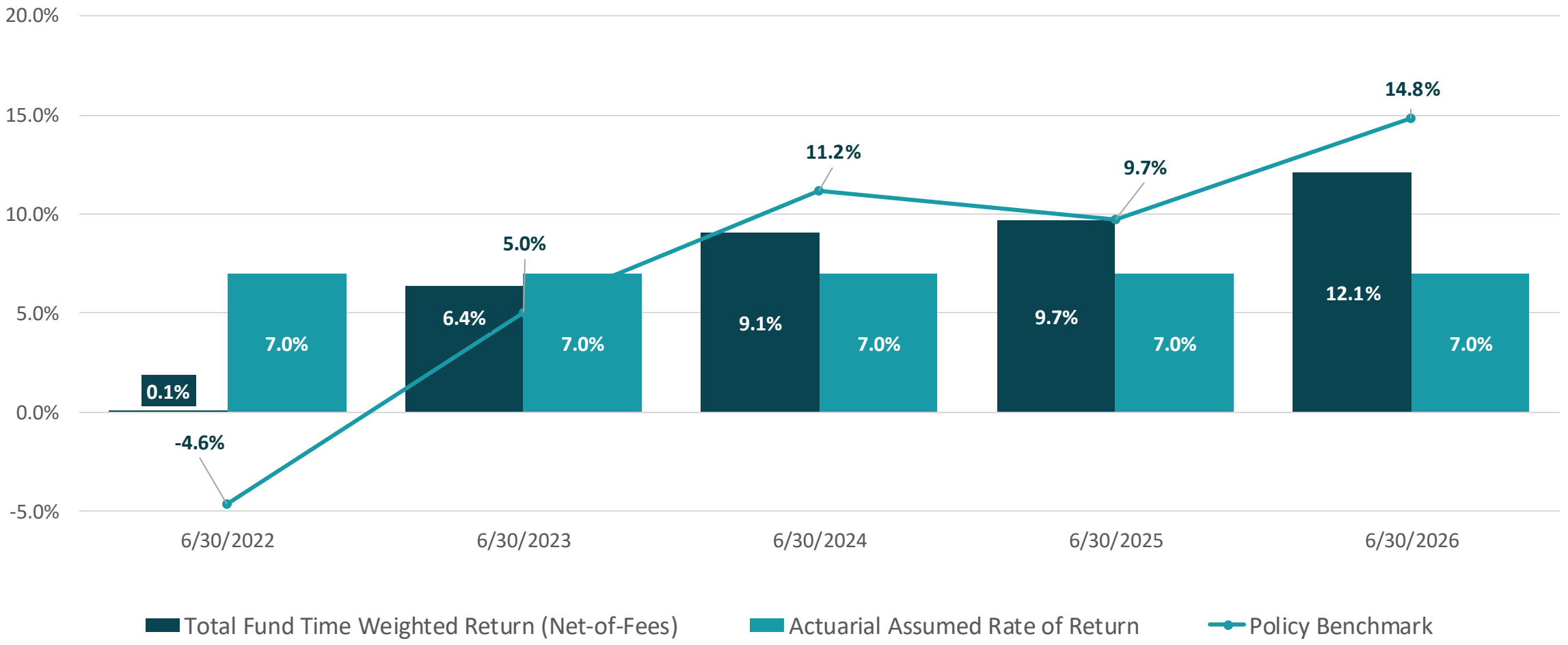
INVESTMENT RETURNS

PENSION PLAN



INVESTMENT RETURNS

PENSION PLAN



ACTUARIAL VALUATION

PENSION PLAN

Funded Ratio

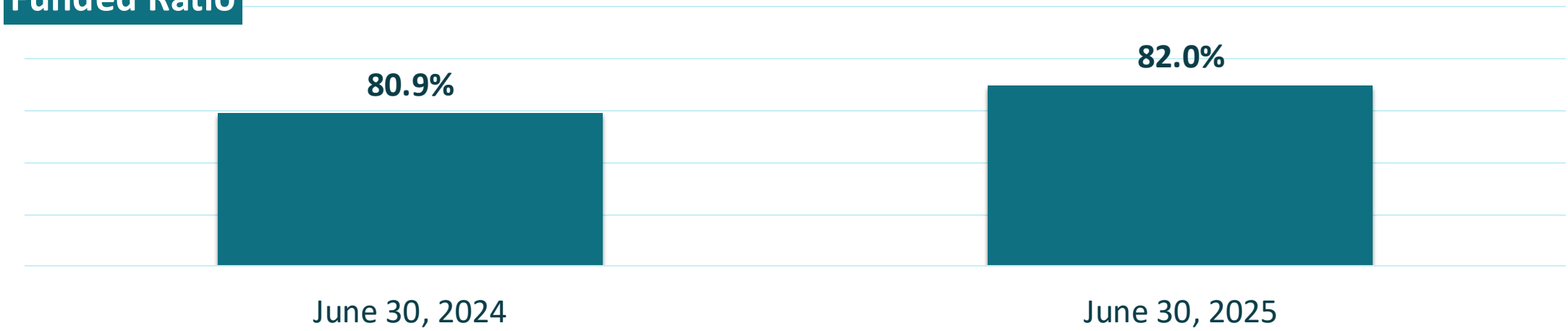
The percentage of promised benefits that is covered by funds currently reserved to pay benefits.

Unfunded Liabilities

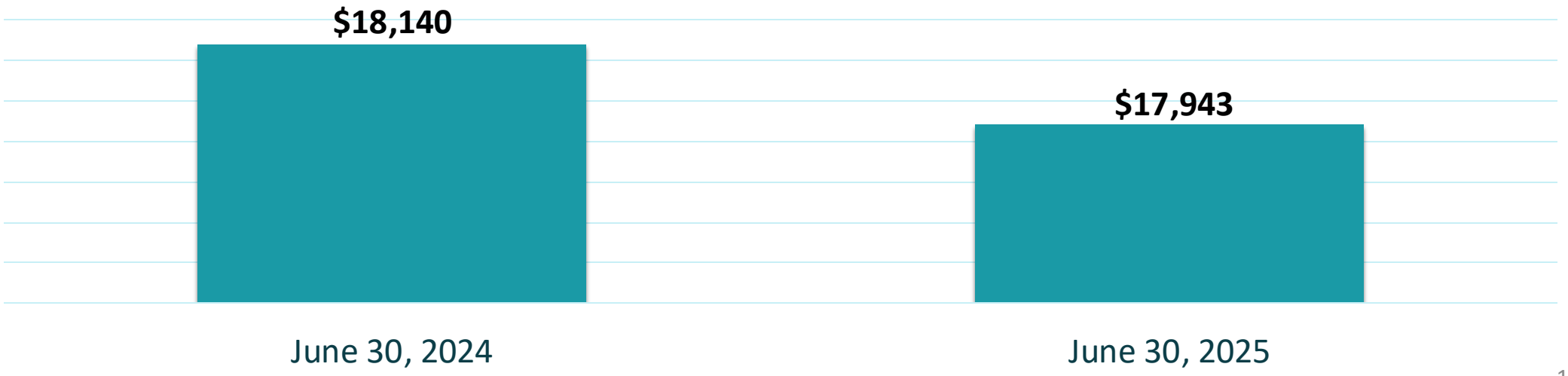
The portion of promised benefits that is not currently covered by funds reserved to pay benefits.

ACTUARIAL VALUATION RESULTS

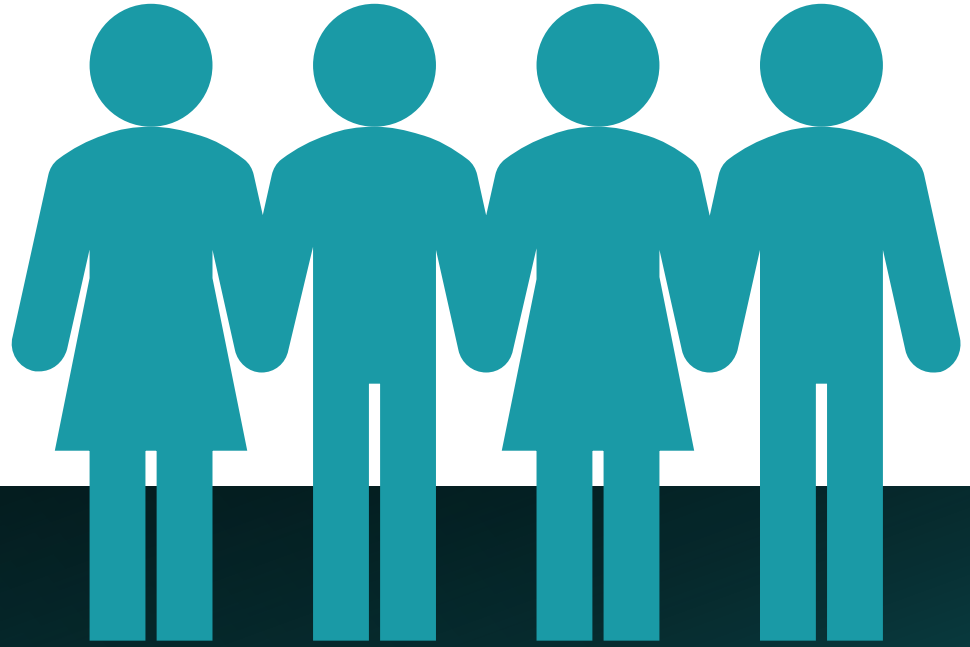
Funded Ratio



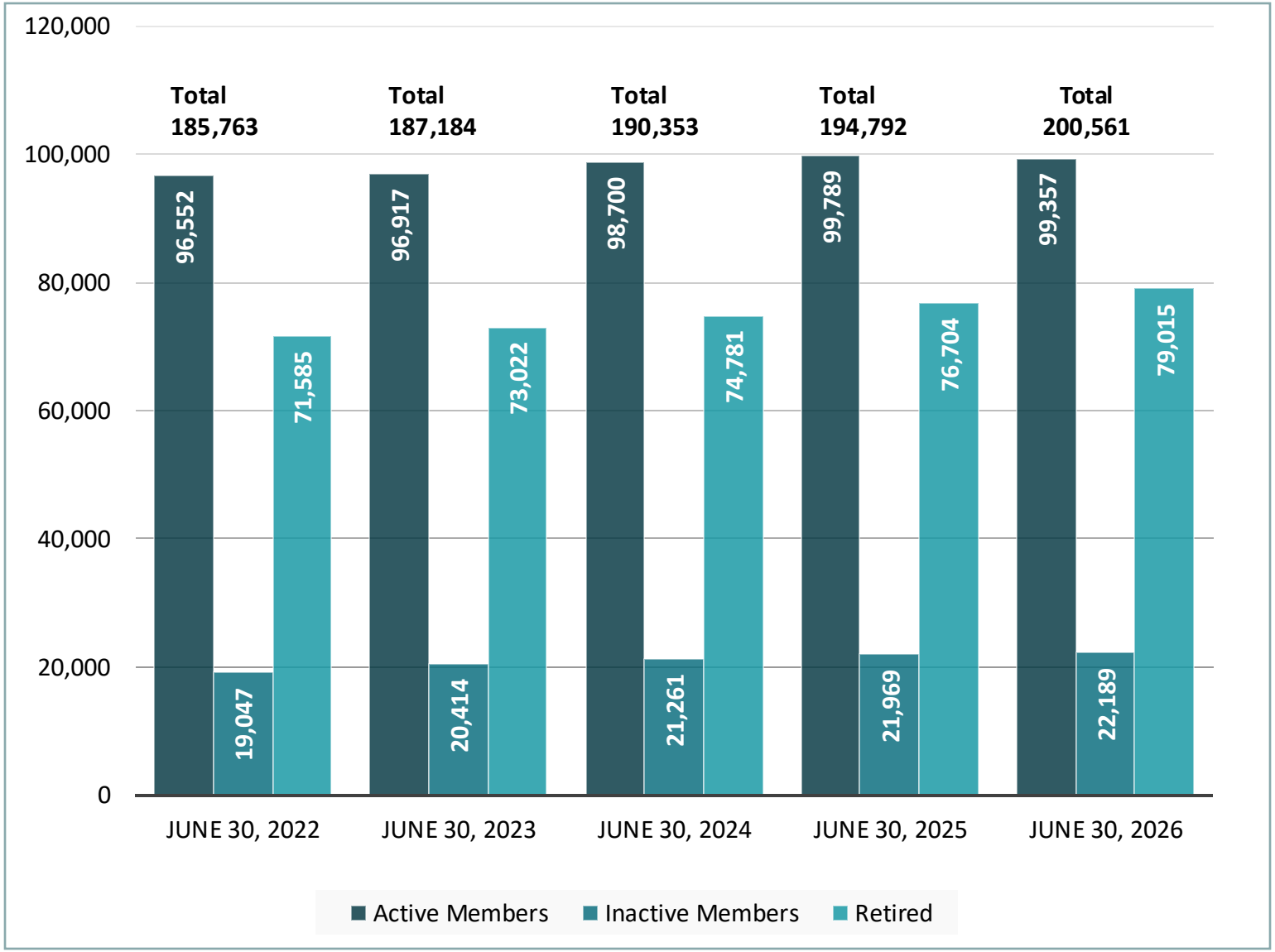
Unfunded Actuarial Accrued Liability (UAAL) [In Millions]



MEMBERSHIP



MEMBERSHIP



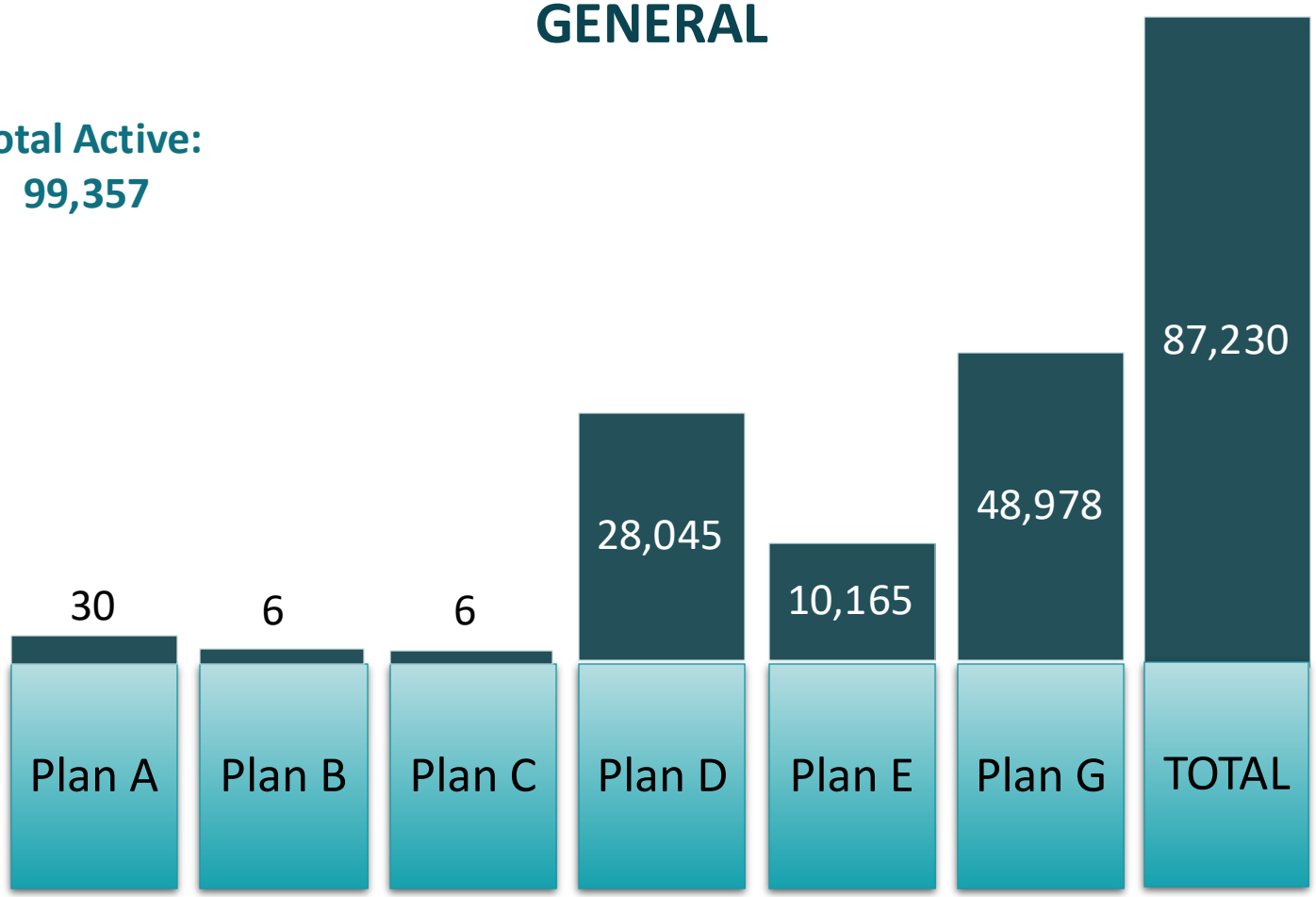
*Inactive members are members who are terminated/out-of-service but have not yet retired.

ACTIVE PLAN MEMBERSHIP

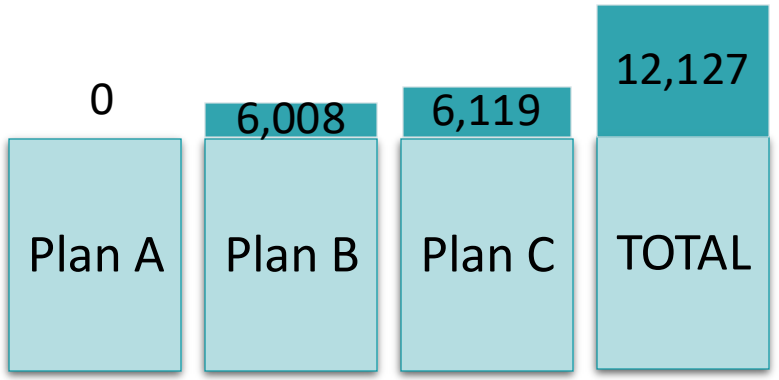
AS OF JUNE 30, 2026

Total Active: 99,357

GENERAL



SAFETY



OPEB Trust

OWNERSHIP BALANCE BY AGENT

OPEB TRUST

Plan Sponsor (Dollar in Thousands)	2026	2025
LOS ANGELES COUNTY	$6,504,483	$5,113,865
LACERA	37,240	29,883
SUPERIOR COURT	139,744	113,481
TOTAL BALANCE	$6,681,467	$5,257,229

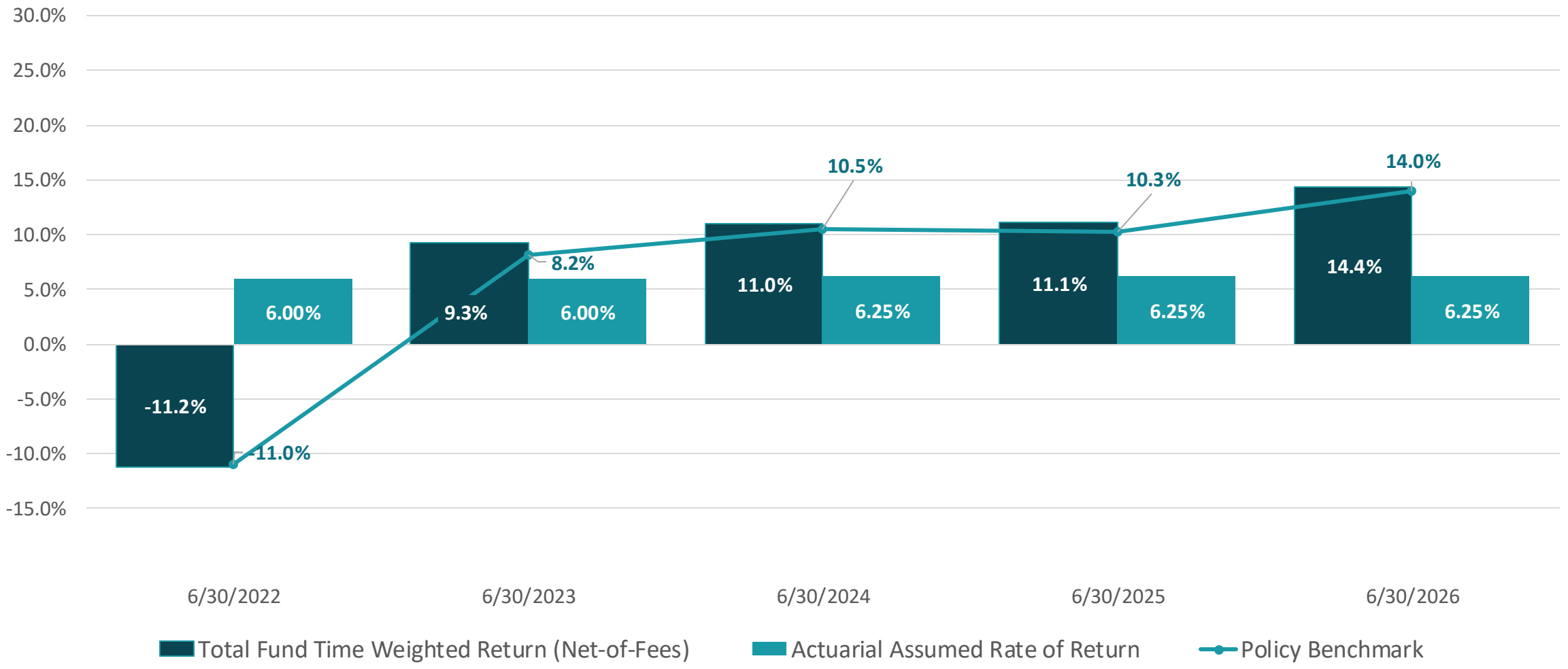
INVESTMENT RETURNS

OPEB TRUST



INVESTMENT RETURNS

OPEB Trust



Upcoming Standards & Pronouncements

- GASB 105, *Subsequent Events*, is effective for LACERA's June 30, 2027 financial statements (and have already been early implemented June 30, 2026).

THANK YOU!



QUESTIONS