Los Angeles City Employees’ Retirement System

BUSINESS PLAN INITIATIVES
FISCAL YEAR END 2019

Dashboards for the Reporting Period Ending June 2019

PREPARED FOR

THE LACERS BOARD OF ADMINISTRATION
July 23, 2019
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## EXECUTIVE SUMMARY DASHBOARD

### BUSINESS PLAN INITIATIVES

<table>
<thead>
<tr>
<th>INITIATIVES, GOALS &amp; EXECUTIVE SPONSORS</th>
<th>JUNE STATUS</th>
<th>INITIATIVE LEADS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PERFORMANCE MANAGEMENT</strong></td>
<td>COMPLETED</td>
<td>Lead: Dale Wong-Nguyen</td>
</tr>
<tr>
<td>ORGANIZATION EFFICIENCY, EFFECTIVENESS, RESILIENCY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Sponsor: Todd Bouey</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WEB REDESIGN</strong></td>
<td>ON TRACK</td>
<td>Lead: Thomas Ma &amp; Taneda Larios</td>
</tr>
<tr>
<td>OUTSTANDING CUSTOMER SERVICE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Sponsor: Lita Payne</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CYBERSECURITY PLAN</strong></td>
<td>COMPLETED</td>
<td>Lead: Thomas Ma &amp; Dale Wong-Nguyen</td>
</tr>
<tr>
<td>ORGANIZATION EFFICIENCY, EFFECTIVENESS, RESILIENCY</td>
<td></td>
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<td>Executive Sponsor: Todd Bouey</td>
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<td></td>
</tr>
<tr>
<td><strong>EMERGENCY PREPAREDNESS</strong></td>
<td>OFF TARGET</td>
<td>Lead: John Koontz</td>
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<td>ORGANIZATION EFFICIENCY, EFFECTIVENESS, RESILIENCY</td>
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<td></td>
</tr>
<tr>
<td>Executive Sponsor: Todd Bouey</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CONTRACTOR DISCLOSURE</strong></td>
<td>ON TRACK</td>
<td>Lead: Rahoof Oyewole &amp; Melani Rejuso</td>
</tr>
<tr>
<td>GOVERNANCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Sponsor: Neil Guglielmo</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RECRUITMENT &amp; RETENTION</strong></td>
<td>ON TRACK</td>
<td>Lead: Lin Lin</td>
</tr>
<tr>
<td>HIGH PERFORMING WORKFORCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Sponsor: Neil Guglielmo</td>
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<tr>
<td><strong>ALEX SOFTWARE</strong></td>
<td>COMPLETED</td>
<td>Lead: Alex Rabrenovich</td>
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<tr>
<td>OUTSTANDING CUSTOMER SERVICE</td>
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<td>Executive Sponsor: Lita Payne</td>
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<td><strong>LACERS WELL - PURPOSE CAMPAIGN</strong></td>
<td>COMPLETED</td>
<td>Lead: Alex Rabrenovich</td>
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<tr>
<td>MINIMIZE HEALTH CARE COSTS</td>
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<td>Executive Sponsor: Lita Payne</td>
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<td></td>
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<tr>
<td><strong>ASSET ALLOCATION &amp; ACTIVE VERSUS PASSIVE INVESTING</strong></td>
<td>ON TRACK</td>
<td>Lead: Bryan Fujita</td>
</tr>
<tr>
<td>ACHIEVE PERFORMANCE/RISK OBJECTIVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Sponsor: Rod June</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**INITIATIVE SUMMARY**
Implement a Performance Management System comprised of:

- Business Plan (BP)
- Strategic Plan (SP)
- Performance Budget (PB)
- Operational Benchmarking (OB)

**BUDGET**

<table>
<thead>
<tr>
<th>Appropriation:</th>
<th>$88,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense:</td>
<td>($80,000)</td>
</tr>
<tr>
<td>Unspent:</td>
<td>$8,000</td>
</tr>
</tbody>
</table>

**KEY INDICATORS**

**Performance Management Implementation Progress**

- Performance Management: 100%
- Strategic Planning: 95%
- Benchmarking: 80%
- Business Planning: 100%
- Performance Budgeting: 100%

**KEY DEPENDENCIES/ASSUMPTIONS**

- Staff & time resources to lead this effort
- Divisions meet timelines
- CEM benchmarking contract – funding, final execution of contract

**ISSUES / CHALLENGES**
None

**MILESTONES / ACHIEVEMENTS**

**Q1/FY19**
- BP: Initiative Dashboard launch – Sept
- SP: Strategic Plan Consultant selection - Sept

**Q2/FY19**
- OB: CEM (Benefits) contract approval - Oct
- SP: Board Strategic Planning Retreat - Oct
- SP: Stakeholder input – Oct, Nov, Dec
- SP: Develop Strategic Initiatives – Nov

**Q3/FY19**
- BP: Business Plan Update to Board – Feb
- SP: Board approval of Strategic Plan – Feb
- SP: Guiding Principles survey - Mar
- PB: FY20 Budget discussed with Board - Mar

**Q4/FY19**
- OB: CEM survey begins – April
- PB: City Budget Hearing Presentation - April
- PB: FY20 Board approval of Budget – May

**Q4/FY19**
- SP: Finalize Guiding Principle statements – June
- OB: Submit CEM Benchmarking data - June

**DETERMINANTS / TIMEFRAME**

**FY20**
- BP: Year-end Business Plan Report to Board – July
- SP: Publish Strategic Plan - July
- OB: Receive Operational Benchmarking Report – August
INITIATIVE SUMMARY

Systems and Member Engagement are co-leads on technical and business requirements/development of a new LACERS internet site focused on the following key priorities:

- A New Website with Prevailing Design
- Functionality and Usability
- Scalability (Desktop/Mobile)
- Ease of Use/Approachability
- Integration of Social Media Platforms
- Content Management System
- Supportability

ISSUES / CHALLENGES

- Internal operational requirements compete for personnel resources
- Adequate testing and readiness
- Data conversion issues and delays

KEY INDICATORS

JUNE 2019

Baseline:

Key Indicators

- Web Analytics (Comparison of Legacy)
  - Total Visitors
  - Most Accessed Pages
  - Unique Users
- Operational Efficiencies
  - Service Center Reports
  - User Administration & Maintenance
- Member Satisfaction & Ratings
  - Accessibility
  - Ease of Use
- Compliance
  - 508 & ADA
  - Penetration Testing & Security

Exhibit A: Website Metrics

Compliance

- Website must be compliant with Federal laws requiring accessibility to all users regardless of disability status (Federal §508-compliant and ADA-compliant)
- Penetration testing and security

MILESTONES / ACHIEVEMENTS

Q1/ FY19

- Form Working Group
- Gather & Codify Requirements
- Review Existing Contracts

Q2/ FY19

- Develop Project Plan – Dec

Q3/ FY19

- Proposals received from five vendors
- Appoint team leads and proposal raters
- Board report for approval of contractual services
- Vendor selection & reference check
- Finalize budget needs
- Preliminary scope of work & deliverables
- Establish regular meeting schedule
- Confirm roles of working group
- Project manager identified

Q4/ FY19

- Execute contract – May
- Project kick-off – May
- Conduct surveys & focus groups – May/Jun
- Establish video sharing site – Jun
- SMS texting account – Jun
- Requirements gathering – Jun
- Provide orientation to contractor – Jun

BUDGET

Appropriation: $0

Expense: $0

Unspent: $0

* $221,000 funded in FY2019-20

KEY DEPENDENCIES/ASSUMPTIONS

- Fund availability
- Staffing resources
- Board approval
- Leverage existing agreement

DELIVERABLES / TIMEFRAME

FY20

- Design prototype & selection
- Board presentation
- Content review
- Content migration & data conversion
- Train internal staff on new site
- User and Member testing
- Penetration testing
- Soft launch
- Go live of new internet site

LACERS WEB REDESIGN – PHASE 1

REPORTING MONTH: JUNE 2019

STATUS: ON TRACK

Strategic Goal: CUSTOMER SERVICE

LEAD(S): TANEDA LARIOS/THOMAS MA

DIVISION(S)/SECTION(S): Member Engagement/Systems

SEP

OCT

NOV

DEC

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC
June 2019 Website Metrics

**WEBSITE USERS**
Total Visitors: 10,505
- Return 31%
- New 69%

**TOP ACCESS PAGES**
Total Pageviews: 42,131
- Homepage: 31.01%
- Financial Wellness Event: 3.03%
- Active Member Page: 3.02%
- Board Documents: 3.01%
- Active Member Events: 2.93%
- Retired Member Page: 2.63%
- RFP: 2.40%
- Retired COLA: 2.25%
- Benefit Calculator: 2.17%
- Retired Forms: 1.83%

**TRAFFIC SOURCE**
Total Users: 10,505

**CHANNELS**
Total Users: 10,505
- Direct - 5,128
- Search - 4,800
- Referral - 624
- Social - 52
- Email - 2

**DEVICES**
Total Users: 10,505
- Desktop: 73%
- Mobile: 21%
- Tablet: 6%

**AVERAGE TIME ON PAGE**
Overall Average: 1:59
**CYBERSECURITY**

**Strategic Goal:** ORGANIZATION

**REPORTING MONTH:** JUNE 2019

**STATUS:** COMPLETED

**LEAD(S):** THOMAS MA & DALE WONG-NGUYEN

**DIVISION(S)/SECTION(S):** SYSTEMS/ADMINISTRATIVE SERVICES/INTERNAL AUDIT

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### INITIATIVE SUMMARY

The Ad-Hoc Cybersecurity Committee and the Cybersecurity Working Group (Internal Audit & Administrative Services Division) shall develop and implement strategies to build our organization’s cyber resilience in the following key areas:

- **INFRASTRUCTURE [I]**
- **GOVERNANCE [G]**
- **PREPAREDNESS [P]**
- **RESPONSE [R]**

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### ISSUES / CHALLENGES

- Internal operational requirements compete for personnel resources
- Difficulty recruiting & retaining qualified IT staffing
- Gartner’s recommendation for a project lead who can dedicate 25% of their time to this effort

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### KEY INDICATORS

<table>
<thead>
<tr>
<th>CYBER CATEGORY</th>
<th>TOTAL SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patching</td>
<td>100%</td>
</tr>
<tr>
<td>Training</td>
<td>98%</td>
</tr>
<tr>
<td>E-mail phishing</td>
<td>89%</td>
</tr>
<tr>
<td>Cyber Policies</td>
<td>60%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>60%</td>
</tr>
</tbody>
</table>

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### KEY DEPENDENCIES / ASSUMPTIONS

- Staffing resources
- Funding for Cyber Liability insurance
- Identification of risk assessment framework

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### KEY INDIATORS

- Information security policy to reference city-wide and departmental established cybersecurity policies
- Ten infrastructure layers are slated for enhancement

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### MILESTONES / ACHIEVEMENTS

#### Q1/FY19
- Cyber Working Group Meeting #4 – Aug
- Tech-Tips: Kicked off with “Email phishing”

#### Q2/FY19
- Formalize objectives; scope & deliverables
- Identified knowledge resource - Gartner
- Selected City’s Insurance Broker
- Tech-Tips issued (USB charging, passwords)
- CALAPRS, IT Round Table (USB & Email)
- Finalize Member Notification Template, CA – Nov

#### Q3/FY19
- Domain Infrastructure Migration – Nov
- USB Lockdown – Nov
- Gartner subscription – PO signed - November
- Tech-Tips issued (Software Updates) – Dec
- Gartner Subscription & Roadmap Kick Off – Dec
- Cybersecurity Ad-Hoc Committee Update – Dec
- Commissioners Support FY20 Cyber Ins - Dec

#### Q4/FY19
- Email Reverse Proxy Migration - Jan
- IT Network Staff, Fulfillment of Vacancy
- Tech-Tips issued (Wireless Access Points) – Jan
- Tech-Tips issued (Workstation Security) – Feb
- Tech-Tips issued (Physical Security) – Mar
- Prelim Solicitation of Cyber Insurance – Feb
- Intra-Firewall Upgrade – Mar
- Review & Adopt CIS Framework - Mar

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### BUDGET

<table>
<thead>
<tr>
<th>Appropriation:</th>
<th>$221,000</th>
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</thead>
<tbody>
<tr>
<td>Expense:</td>
<td>$121,000</td>
</tr>
<tr>
<td>Unspent:</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

* $100k - Cyber Liability insurance budgeted for FY20

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### DELIVERABLES / TIMEFRAME

**FY20**
- Cyber infrastructure
- Web security upgrade
- Cyber Liability insurance, Board Presentation
- Framework/self-assessment tool/timeline
- Ransomware Response Plan
- Cybersecurity tabletop exercise
- Server OS upgrade

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**ISSUES / CHALLENGES**

**MILESTONES / ACHIEVEMENTS**

**BUDGET**

**KEY INDICATORS**

**KEY DEPENDENCIES / ASSUMPTIONS**

**INITIATIVE SUMMARY**

**deliverables / timeframe**
INITIATIVE SUMMARY
Encompassing both Life Safety and Business Continuity concerns, this initiative drives LACERS' investment in emergency planning, disaster recovery, and staff’s ongoing training and exercises of those plans. 

Key activities include:
- Emergency Preparedness and Response Training
- Department Emergency Plan/Business Continuity Plan (BCP) Update
- Tabletop Exercise of the BCP
- Security Door Installation Project

ISSUES / CHALLENGES
- The Security Door Project has been put on hold pending the execution of a lease for additional space within the Onni Times Square complex. This new space would move the bulk of our "public" operations outside of the secured perimeter of our suite, thus achieving the same goal as this project. If we succeed in securing this additional space, the Security Door Project will be cancelled in its entirety.
- We are currently working with LADOT and GSD to identify City parking lots where we could potentially set up our mobile disaster recovery sites. Once determined, MOUs will be drafted to formalize our agreements.

MILESTONES / ACHIEVEMENTS
Q1/FY19
- CPR/AED Training – Jul
- Security Door Project: Design Approval – Sep
Q2/FY19
- Fire Evacuation Drill – Oct
- Issue Emergency Tip: "Drop, Cover, Hold On" – Oct
- Earthquake Drill – Oct
- Walkie Talkie Testing/Training – Oct
Q3/FY19
- Submit annual update of Dept. Emergency Plan to Emergency Management Dept./Mayor – Jan
- MIR3 Callout System Annual Test – Mar
Q4/FY19
- Entered into a disaster recovery MOU with LAFPP
- Updated our disaster recovery MOU with SFERS

KEY INDICATORS

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Response Rate to automated call-out system test*</td>
<td>New Employees Trained in 1st 90 Days: 9 / 10</td>
</tr>
<tr>
<td>*Percent of individuals who successfully received and responded to the automated test notification sent during the 2019 exercise</td>
<td></td>
</tr>
</tbody>
</table>

CORRECTIVE ACTIONS
Improvements in the employee response rates for the automated call-out test are needed as responses were received outside the established timeframe and multiple communication channels created confusion. Instructions and education of employees will precede the next call-out test.

BUDGET

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
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<tr>
<td>Expense</td>
<td>$21,760</td>
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<tr>
<td>Unspent</td>
<td>$28,125</td>
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KEY DEPENDENCIES / ASSUMPTIONS
- Staff assigned as the Emergency Response Team can be released to attend training

DELIVERABLES / TIMEFRAME

<table>
<thead>
<tr>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERT (ERT Team) Training – Jul</td>
</tr>
<tr>
<td>Officer-In-Charge Incident Mgmt. Training – Sept</td>
</tr>
<tr>
<td>BCP Tabletop Exercise (Earthquake) – Sept</td>
</tr>
<tr>
<td>Develop MOUs with LADOT and GSD for parking lot locations where we could potentially set up mobile disaster recovery sites.</td>
</tr>
</tbody>
</table>
**INITIATIVE SUMMARY**

Internal Audit proposes implementing a Contractor Disclosure Policy. The policy will require contractors to disclose any conflicts of interest—whether actual, potential, or perceived. It will also help prevent any forms of impropriety or the appearance of impropriety, provide transparency and confidence in LACERS’ decision-making process, and ensure investment and procurement decisions are made solely on the merits of goods or services to be provided by contractors.

**ISSUES / CHALLENGES**

- Compliance issues – there is a risk that some contractors may fail to disclose or provide partial disclosure for fear of losing their contracts.

**MILESTONES / ACHIEVEMENTS**

**Q2/FY19**
- Obtain concurrence from Committee & Board
- Draft disclosure policy
- Develop contractor disclosure reporting form

**Q3-Q4/FY19**
- Policy concept was presented to the Audit Committee on 3/26; Committee directed staff to move forward with drafting a contractor disclosure reporting policy
- Internal Audit drafted disclosure reporting policy
- Audit Committee approved draft policy on 5/14
- Staff revised draft policy based on Committee’s feedback
- Internal Audit requests comments from Investment Divisions and LACERS’ Consultants

**BUDGET**

Internal Audit section currently has one vacancy in FY 2019-20 budget that will need to be filled to get this project started.

Future budget request may be needed.

**KEY INDICATORS**

Baseline:

Number of contracts that will be subject to the Contractor Disclosure Policy & Reporting requirements:

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE EQUITY</td>
<td>215</td>
</tr>
<tr>
<td>REAL ESTATE</td>
<td>48</td>
</tr>
<tr>
<td>OTHER INVESTMENT</td>
<td>36</td>
</tr>
<tr>
<td>NON-INVESTMENT</td>
<td>32</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>331</strong></td>
</tr>
</tbody>
</table>

**DEVELOPABLES / TIMEFRAME**

**Q1/FY20**
- Drafted disclosure reporting policy anticipated to be scheduled for a future Board meeting.
- If adopted by the Board, develop reporting form & instructions

**Q2/FY20**
- Compile a database of all contractors that will be subject to the new disclosure policy
- Notify all affected contractors/consultants

**Q3/FY20**
- Send first requests for disclosures and certifications
- Track responses
- Evaluate responses and report findings to the Board

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**CONTRACTOR DISCLOSURE POLICY**

**REPORTING MONTH:** JUNE 2019

**STATUS:** ON TRACK

<table>
<thead>
<tr>
<th>Strategic Goal: BOARD GOVERNANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEAD(S): RAHOOF OYEWOLE / MELANI REJUSO</td>
</tr>
<tr>
<td>DIVISION(S)/SECTION(S): INTERNAL AUDIT</td>
</tr>
</tbody>
</table>

---

**ISSUES / CHALLENGES**

- Compliance issues – there is a risk that some contractors may fail to disclose or provide partial disclosure for fear of losing their contracts.
Human Resources Unit is the lead for LACERS in the goal of recruiting, mentoring, empowering, and promoting a high performing workforce. Reporting will be focused on the following key priorities:

- Employee Evaluations
- Training
- Tuition Reimbursement
- Targeted Local Hire Program
- Creation of Benefits Analyst & Senior Benefits Analyst Classifications

In partnership with the Personnel Department and LAFPP, LACERS coordinated efforts to create the Benefits Analyst and Senior Benefits Analyst classifications. Both classes were approved by the Civil Service Commission September 27, 2018.

In partnership with the Personnel Department and LAFPP, LACERS coordinated efforts to create the Benefits Analyst and Senior Benefits Analyst classifications. Both classes were approved by the Civil Service Commission September 27, 2018.

- Provided on-going support and guidance to LACERS supervisors and management on Annual and Probationary evaluations.
- Achieved timely 100% submission rate for probationary evaluations.
- Increased Executive mandate to complete evaluations on a timely basis
- Provision of regular status updates to Division Managers to manage progress

Distribution of Annual Evaluations
<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tr>
<td></td>
<td>14</td>
<td>19</td>
<td>28</td>
<td>22</td>
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</table>

Distribution of Probationary Evaluations
<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>13</td>
<td>9</td>
<td>17</td>
</tr>
</tbody>
</table>

**CORRECTIVE ACTIONS**

- Increased Executive mandate to complete evaluations on a timely basis
- Provision of regular status updates to Division Managers to manage progress
**BUSINESS PLAN INITIATIVES FY19**

### MILESTONES / ACHIEVEMENTS

**Q1/FY19**
- Contract approval by Board – Jul
- Contract executed – Aug
- First Release – Sep
- Feedback of First Release – Sep
- Feedback of Spanish Version – Sep
- Feedback for Second Release – Sep

**Q2/FY19**
- Feedback for Release 3 – Oct
- ALEX launched – Oct
- Promote ALEX in Open Enrollment packet (on envelope and in the Open Enrollment Overview and 2019 Health Benefits Guide)
- Promote ALEX in October paycheck flyer
- Send Mid-Open Enrollment via e-blast to retired Members
- Promote ALEX in retirement packets

**Q3/FY19**
- Prepare quarterly report on ALEX utilization
- Continue communications of ALEX
- Request FY20 budget for ALEX

**Q4/FY19**
- Prepare quarterly report on ALEX utilization
- Continue communications of ALEX
- Begin discussions with Jellyvision about updates for the new contract year

### INITIATIVE SUMMARY

**ALEX SOFTWARE**

**Strategic Goal:** CUSTOMER SERVICE

**REPORTING MONTH:** DECEMBER 2018

**STATUS:** COMPLETED

**LEAD(S):** ALEX RABRENOVICH

**DIVISION(S)/SECTION(S):** HEALTH BENEFITS ADMINISTRATION

**Systems and Communications** are co-leads on technical and business requirements/development of a new LACERS internet site focused on the following key priorities:

- A New Website with Prevailing Design
- Functionality and Usability
- Scalability (Desktop/Mobile)
- Ease of Use/Approachability
- Integration of Social Media Platforms
- Content Management System
- Supportability

### ISSUES / CHALLENGES

None

### KEY INDICATORS

**Survey Feedback**

<table>
<thead>
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<th>Choice</th>
<th>Count</th>
<th>%</th>
</tr>
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<tbody>
<tr>
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<td>42.9%</td>
</tr>
<tr>
<td>Very helpful</td>
<td>3</td>
<td>21.4%</td>
</tr>
<tr>
<td>Somewhat helpful</td>
<td>3</td>
<td>21.4%</td>
</tr>
<tr>
<td>Not very helpful</td>
<td>1</td>
<td>7.1%</td>
</tr>
<tr>
<td>Not at all helpful</td>
<td>1</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Choice</th>
<th>Count</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, definitely</td>
<td>7</td>
<td>50.0%</td>
</tr>
<tr>
<td>Yes, a little</td>
<td>9</td>
<td>63.6%</td>
</tr>
<tr>
<td>Maybe</td>
<td>2</td>
<td>8.3%</td>
</tr>
<tr>
<td>No, not really</td>
<td>4</td>
<td>26.7%</td>
</tr>
<tr>
<td>No, definitely / no</td>
<td>2</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

### BUDGET

<table>
<thead>
<tr>
<th>Appropriation:</th>
<th>Expense:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$185,000</td>
<td>$185,000</td>
</tr>
</tbody>
</table>

Unspent: $0

### KEY DEPENDENCIES / ASSUMPTIONS

- Timing of contract approval
- Staffing and staff availability

### ISSUES / CHALLENGES

None

### DELIVERABLES / TIMEFRAME

- Project Completed
**INITIATIVE SUMMARY**
Create a campaign to promote our Members finding a sense of purpose in retirement as a motivator to stay healthy and seek preventive care:
- Available to all Members, near and far
- Measurable outcomes
- Includes written materials, workshops, and online programs
- Survey Members to identify Member needs/wants and those that would like assistance

**ISSUES / CHALLENGES**
None at this time

**KEY INDICATORS**

<table>
<thead>
<tr>
<th>I. Wellness Initiatives</th>
<th>2019 Participation (through July)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passport to Health (passports received)</td>
<td>743</td>
</tr>
<tr>
<td>Member Wellness Program Survey (responses)</td>
<td>1538</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II. LACERS Well Signature Events</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Extravaganza: Living Your Life to the Fullest (attended)</td>
<td>485</td>
</tr>
<tr>
<td>Purpose workshop series (Graduated, attended minimum of 4 sessions out of 5)</td>
<td>95</td>
</tr>
<tr>
<td>Technology workshops (attended)</td>
<td>118</td>
</tr>
<tr>
<td>Feel Like A Million online platform (registered and participated)</td>
<td>129</td>
</tr>
<tr>
<td>Volunteer Picnic (attended)</td>
<td>188</td>
</tr>
<tr>
<td>Facebook (additional enrollments this year)</td>
<td>81</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>III. Champion Program</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Champion-led events</td>
<td>115</td>
</tr>
<tr>
<td>Champion leads</td>
<td>20</td>
</tr>
<tr>
<td>Champion-led *touch points</td>
<td>657</td>
</tr>
</tbody>
</table>

- Extravaganza participation up 44% over the prior year

**MILESTONES / ACHIEVEMENTS**

**Q1/FY19**
- Meet with a Purpose speaker – Aug
- Meet with a Purpose expert – Sep
- Finalize the 2019 Plan

**Q2/FY19**
- Approval of 2019 Plan by BAC – Nov
- Confirm extravaganza locations and dates in three regions. Develop agenda, confirm key note speaker, finalize other presenters
- Design Wellness newsletter and prepare for printing (focus on Living Life to Fullest)
- Approval of LACERS Well Survey by GM
- Draft materials for campaign introductory packet, which will be mailed out in February
- 5-week workshops – confirm two of three locations, finalize instructors and discussions
- Schedule implementation calls for Feel Like a Million (FLAM)
- Champion Volunteer Picnic scheduled for 6/20 at Point Fermin Park in San Pedro.

**Q4/FY19**
- 5-Week Purpose Workshops in three locations concluded the week of April 28. Average attendance per session and location was 31. Surveys and pre/post-assessments indicated positive impact overall.
- Extravaganza videos and Audio Recordings of workshop presentations along with PowerPoints posted to LACERS Well Page
- LACERS Well survey results received and a report will be prepared to summarize the results
- FLAM was launched on 4/29; 241 registrations; 72 participants have reached Tier 1, 62 participants have reached Tier 2, and 55 participants have reached Tier 3 in reward incentives. 47 have earned 1 million virtual dollars!
- Volunteer Picnic on 6/20 had 184 in attendance
- Working with Employee Benefits for a joint Financial Planning event in Ontario on August 3; the event filled up (374 spaces reserved) in a matter of hours on the day the email went out. We have a waiting list of 141.
- Held carrier summit with representatives from each health plan to discuss results and next steps on June 21.
**INITIATIVE SUMMARY**

The Investment Division implements the Asset Allocation Policy approved by the Board. The Board seeks to achieve its return target of 7.25% over long periods of time by assuming prudent levels of risk as prescribed in the Risk Budget. The key priorities are:

- **Launch appropriate investment manager searches**
  - Issue RFPs and manage the selection process pursuant to Investment Policy
  - Negotiate contract terms and conditions
  - Hire fund managers and rebalance the portfolio
  - Monitor investment managers pursuant to Investment Policy
  - Report search and manager status to the Investment Committee and Board

- **Active versus Passive**
  - Provide Board education
  - Discuss active and passive exposures within risk/return framework
  - Implement passive exposure changes as approved by the Board

**ISSUES / CHALLENGES**

- Implementation may change depending on Board and Investment Committee priorities
- Investment Division Staffing to complete manager searches according to proposed schedule
- Pending and approved Investment Policy changes could lead to modification of implementation schedule

**KEY INDICATORS**

**See Exhibits**

- Exhibit A – Asset Class Exposure Actual versus Target
- Exhibit B – Asset Class Exposure Trend Past 12 Months
- Exhibit C – Active vs. Passive Trend Past 12 Months

**BUDGET**

<table>
<thead>
<tr>
<th>Appropriation:</th>
<th>$39,200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense:</td>
<td>$9,714</td>
</tr>
<tr>
<td>Unspent:</td>
<td>$29,486</td>
</tr>
</tbody>
</table>

**KEY DEPENDENCIES / ASSUMPTIONS**

- Board and Investment Committee priorities
- Staffing and Consultant resources
- Qualified investment managers respond to RFPs
- Selection process pursuant to Manager Search and Selection Policy remains substantially unchanged

**MILESTONES / ACHIEVEMENTS**

**Q1/FY19**
- Board authorization of RFPs – Oct

**Q2/FY19**
- Launch Private Credit RFP – Dec
- Provide Active versus Passive Education – Dec

**Q3/FY19**
- Launch U.S. Small Cap Equities RFP – Feb
- Launch High Yield/Bank Loans RFP – Feb

**Q4/FY19**
- Launch Emerging Markets Small Cap RFP – Jun
- Launch Emerging Market Debt RFP – Jun
- Implement Passive Exposure Changes – Jun

**DELIVERABLES / TIMEFRAME**

**FY20**

- Complete Private Credit RFP – July
- Complete Core Fixed Income RFP – Aug
- Complete U.S. Small Cap Equities RFP – Sept
- Complete High Yield/Bank Loans RFP – Oct
- Complete Emerging Markets Small Cap RFP – Nov
- Complete Emerging Market Debt RFP – Nov
- Complete Core Fixed Income RFP – Jan
### LACERS Investment Portfolio

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Actual ($)</th>
<th>Actual (%)</th>
<th>Target (%)</th>
<th>Actual-Target* (%)</th>
<th>Min (%)</th>
<th>Max (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity</td>
<td>4.50</td>
<td>25.4%</td>
<td>19.0%</td>
<td>6.4%</td>
<td>12.0%</td>
<td>26.0%</td>
</tr>
<tr>
<td>Non-U.S. Equity</td>
<td>5.38</td>
<td>30.4%</td>
<td>27.0%</td>
<td>3.4%</td>
<td>18.0%</td>
<td>36.0%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>3.07</td>
<td>17.4%</td>
<td>13.8%</td>
<td>3.6%</td>
<td>10.8%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Credit Opportunities</td>
<td>0.97</td>
<td>5.5%</td>
<td>12.3%</td>
<td>-6.8%</td>
<td>8.3%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>1.95</td>
<td>11.0%</td>
<td>14.0%</td>
<td>-3.0%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Public Real Assets</td>
<td>0.96</td>
<td>5.4%</td>
<td>6.0%</td>
<td>-0.6%</td>
<td>4.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Private Real Estate</td>
<td>0.81</td>
<td>4.6%</td>
<td>7.0%</td>
<td>-2.4%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Cash</td>
<td>0.06</td>
<td>0.3%</td>
<td>1.0%</td>
<td>-0.7%</td>
<td>0.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>TOTAL FUND</strong></td>
<td><strong>17.69</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>0.0%</strong></td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Current asset allocation targets approved in April 2018. Transition to new targets in progress.*
EXHIBIT B

Asset Class Exposure Trend
12-Months Ending June 30, 2019

U.S. Equity  Non-U.S. Equity  Core Fixed Income  Credit Opportunities
Private Equity  Public Real Assets  Private Real Estate  Cash

Target
APPENDIX A. BUSINESS PLAN INITIATIVE TEMPLATE

[NAME OF BUSINESS PLAN INITIATIVE]

REPORTING MONTH: [REPORTING MONTH] [YEAR]
STATUS: [ON TRACK] [OFF TARGET] [INTERVENTION NEEDED]

INITIATIVE SUMMARY
[Provide 1-2-line description of initiative. Bullet the major components.]

- [Component 1]
- [Component 2]
- [Component 3]

ISSUES / CHALLENGES
[Identify any current or future barriers to the achievement of deliverables. Keep it brief.]

KEY INDICATORS
[Provide quantitative measurements of successful implementation. Graphical representations are encouraged]

Survey Feedback

“How helpful was this medical service for you?”  “Do you feel like you have a better understanding of how your medical benefits work now?”

CORRECTIVE ACTIONS
[Box displayed for those BPI with Status of “OFF TARGET” or “INTERVENTION NEEDED.” List strategies that will be taken to move BPI back on track.]

MILESTONES / ACHIEVEMENTS
Q1/FY19 ✔ [List key tasks/milestones in current or completed quarters. If complete, use check mark bullet.]
Q2/FY19 ✔ [List key tasks/milestones in current or completed quarters. If complete, use check mark bullet.]
Q3/FY19 ✔ [List key tasks/milestones in current or completed quarters. If complete, use check mark bullet.]
Q4/FY19 ✔ [List key tasks/milestones in current or completed quarters. If complete, use check mark bullet.]
FY20 ✔ [List key tasks/milestones in future fiscal year or add future quarters. If needed, use the box bullet.]

DELIVERABLES / TIMEFRAME
Q3/FY19 ✔ [List key upcoming deliverables/milestones in this quarter. Use the box bullet.]
Q4/FY19 ✔ [List key upcoming deliverables/milestones in this quarter. Use the box bullet.]
FY20 ✔ [List key upcoming deliverables/milestones in future fiscal year or add future quarters. If needed, use the box bullet.]

KEY DEPENDENCIES / ASSUMPTIONS
[Bullet assumptions of certain resources or prioritizations that are required for timely implementation of this initiative.]

- [For example: Funding availability, staffing availability, other resource availability, key cooperation.]

BUDGET
Appropriation: $[whole dollars]
Expense: $[whole dollars]
Unspent: $[whole dollars]

[Add budget notes here]

[Budget should reflect expenses, excluding salaries, unless requesting new positions mid-year.]