



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: MARCH 8, 2022

ITEM: VII-C

SUBJECT: SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING DECEMBER 31, 2021

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Discussion

This semi-annual report of the business plan initiatives (“BPIs”) for Fiscal Year 2021-22 continues to progress on four priority initiatives and adds two new initiatives for the reporting period of July to December 2021. The Member Experience BPI seeks to further enhance the service delivery to our Members while the Mobile Workforce BPI continues to increase operational efficiency and resiliency. Last fiscal year, the Separation Incentive Program (SIP) BPI met its commitment in processing mass retirements, this year’s focus continues with reviewing and evaluating the outcome of the SIP process and addressing the service purchases case backlog. The Headquarters Move BPI continued in its planning and design phase, with construction currently underway and an anticipated move-in of the 1st Quarter in Fiscal Year 2022-23.

This Fiscal Year BPIs add additional focus on responsible investing through the Environmental, Social, and Governance Investing (ESG) BPI while the Diversity, Equity, and Inclusion (DEI) BPI seeks to promote a diverse, equitable, and inclusive organizational culture.

The following provides a brief highlight of each BPI.

Member Experience BPI - on-target	
<i>ENHANCING MEMBER COMMUNICATION CHANNELS AND SERVICE DELIVERY THROUGH WEB-BASED OPTIONS</i>	
Team: Heather Ramirez (lead), Vanessa Lopez, Gabriel Perez, Nathan Herkelrath	
<ul style="list-style-type: none"> Project sponsor: Total project budget: Project duration: 	<ul style="list-style-type: none"> Dale Wong-Nguyen \$56,000 July 2019 and ongoing

Mobile Workforce BPI - on-target

INCREASING OPERATIONAL EFFICIENCY AND RESILIENCY IN THE MOBILE COMPUTING ENVIRONMENT

Team: Thomas Ma (lead), Jason Leung

- Project sponsor: Todd Bouey
- Total project budget: \$918,951
- Project duration: April 2020 to June 2022

Headquarters Move BPI - off-target

BUILDING A BUDGET-SENSITIVE HQ IN THE TIME OF COVID

Team: Isaias Cantú (lead), Horacio Arroyo

- Project sponsor: Todd Bouey
- Total project budget: \$21,415,441
- Project duration: November 2019 to June 2022

City Separation Incentive Program (CSIP): Audit and Evaluation – off-target / Service Purchase Case Backlog (SPS) BPI - on-target

EVALUATING THE SIP RETIREMENT PROCESS AND ADDRESSING THE SERVICE PURCHASE CASE BACKLOG

Team: Ferralyn Sneed (SIP lead), Delia Hernandez / Edeliza Fang (SPS lead), Lourdes Quintos

- Project sponsor: Dale Wong-Nguyen
- Total project budget: \$389,925 (\$242,295 CSIP + \$147,000 SPS Overtime)
- Project duration: July 2021 and ongoing

Diversity, Equity, and Inclusion (DEI) BPI - on-target

PROMOTING A DIVERSE, EQUITABLE, AND INCLUSIVE WORKPLACE

Team: Tiffany Obembe (lead), Eduardo Park (lead)

- Project sponsor: Neil Guglielmo
- Total project budget: No budget this Fiscal Year
- Project duration: September 2021 and ongoing

Environmental, Social, and Governance Investing (ESG) BPI - *on-target*

ENHANCING LACERS INVESTMENT PORTFOLIO BY IMPLEMENTING A RESPONSIBLE INVESTMENT POLICY

Team: Bryan Fujita (lead), Ellen Chen

- Project sponsor: Rod June
- Total project budget: \$18,750
- Project duration: July 2021 and ongoing

Strategic Plan Impact Statement

The BPI Program seeks to enhance the Strategic Plan Goal of greater organizational effectiveness, efficiency, and resiliency.

Prepared By: Chhintana Kurimoto, Management Analyst

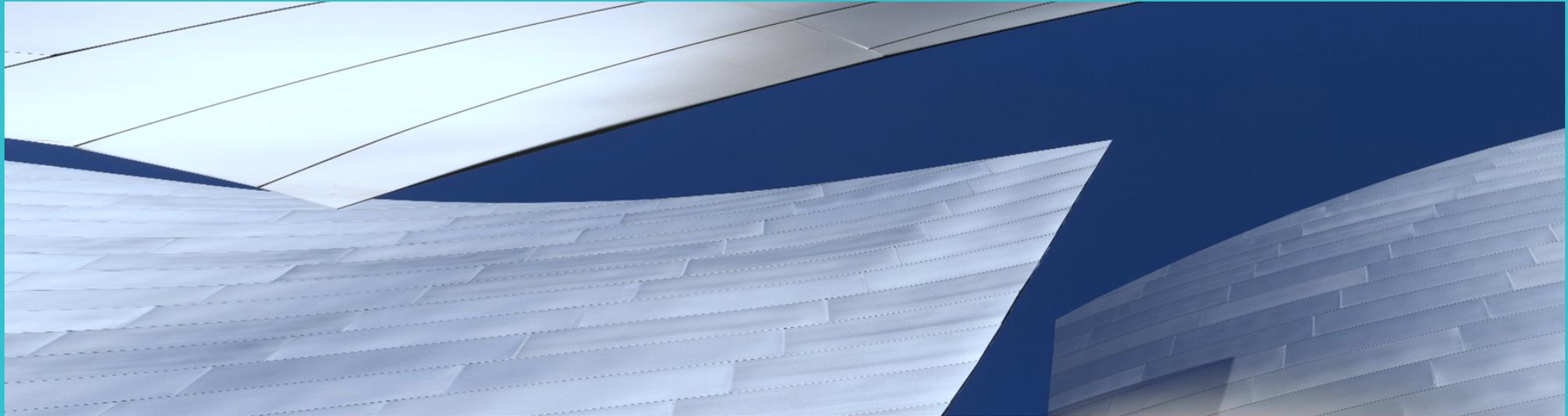
NMG/TB/CK

Attachment: Semi-Annual Report of Business Plan Initiatives Fiscal Year 2021-22 for the reporting period ending December 31, 2021

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LACERS
BUSINESS
PLAN
INITIATIVES

ATTACHMENT



**SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING
DECEMBER 31, 2021**

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LACERS GOALS

- **OUTSTANDING CUSTOMER SERVICE**
- **ACCURATE AND TIMELY DELIVERY OF MEMBER BENEFITS**
- **IMPROVE VALUE AND MINIMIZE COSTS OF OUR HEALTH AND WELLNESS PROGRAM**
- **OPTIMIZE LONG-TERM RISK ADJUSTED RETURNS THROUGH SUPERIOR INVESTMENTS**
- **GOVERNANCE PRACTICES WHICH AFFIRM TRANSPARENCY, ACCOUNTABILITY, AND FIDUCIARY DUTY**
- **INCREASE ORGANIZATIONAL EFFECTIVENESS, EFFICIENCY, AND RESILIENCY**
- **RECRUIT, RETAIN, MENTOR, EMPOWER, AND PROMOTE A HIGH PERFORMING WORKFORCE**

EXECUTIVE SUMMARY DASHBOARD

	COMPLETED
	ON-TRACK
	OFF-TARGET
	NEEDS INTERVENTION



INITIATIVES	GOALS	DECEMBER STATUS	EXECUTIVE SPONSORS	INITIATIVE LEADS
1 MEMBER EXPERIENCE	Customer Service; Accurate & Timely Delivery of Benefits; Organizational Effectiveness, Efficiency, & Resiliency		Dale Wong-Nguyen	Heather Ramirez, Vanessa Lopez, Gabriel Perez, & Nathan Herkelrath
2 MOBILE WORKFORCE	Organizational Effectiveness, Efficiency, & Resiliency		Todd Bouey	Thomas Ma & Jason Leung
3 HEADQUARTERS MOVE	Customer Service; Accurate & Timely Delivery of Benefits; Organizational Effectiveness, Efficiency, & Resiliency		Todd Bouey	Isaias Cantú & Horacio Arroyo
4 CITY SEPARATION INCENTIVE PROGRAM	Accurate & Timely Delivery of Benefits; Organizational Effectiveness, Efficiency, & Resiliency		Dale Wong-Nguyen	Ferralyn Sneed, Edeliza Fang, Delia Hernandez, & Lourdes Quintos
5 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTING	Optimize Long-Term Risk Adjusted Returns Through Superior Investments		Rod June	Bryan Fujita & Ellen Chen
6 DIVERSITY, EQUITY, AND INCLUSION	Organizational Effectiveness, Efficiency, & Resiliency; Recruit, Retain, Mentor, & Empower Workforce		Neil Guglielmo	Tiffany Obembe & Eduardo Park

INITIATIVE: **MEMBER EXPERIENCE**
 DIVISION(S)/SECTIONS: **MEMBER SERVICES TEAM**
 STRATEGIC GOAL(S): **CUSTOMER SERVICE, BENEFITS DELIVERY, AND ORGANIZATIONAL EFFECTIVENESS, EFFICIENCY, & RESILIENCY**

STATUS: **ON-TRACK**
 REPORT MONTH: **DECEMBER 2021**
 LEAD(S): **HEATHER RAMIREZ, VANESSA LOPEZ, GABRIEL PEREZ, NATHAN HERKELWRATH**

INITIATIVE SUMMARY

Increase Member communication channels and web-based service options via:

- Produce and Post Videos
- One-On-One Video Conferencing
- Online Retirement Application Portal (RAP)

KEY INDICATORS



BUDGET

Appropriation:	\$56,000
Expense:	\$52,361
Unspent:	\$3,639

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
Cost	Need to secure funding so that the RAP project can go forward	A FYE 23 budget request was submitted, pending approval	Yellow
Schedule	Need to secure buy-in from all parties involved to meet deadlines proposed and implement the projects	Meeting for One-On-One video conferencing was held in early February	Green
Competing Priorities	Other parties may have competing priorities such as health and retirement processing that may cause delays	Continue to convey the importance of these projects during scheduled meetings	Green

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
Secure Funding for RAP Project	Gathering requirements for budget request	Submitted FYE 23 budget request	Pending FY23 Budget approval	Pending FY23 Budget approval
Zoom Government Licenses	In process to acquire Zoom for Government Licenses	Acquired Zoom for Government Licenses and assigned them to units	N/A	N/A
One-On-One Video Conferencing Procedures	Pending Zoom for Government Licenses	Three month trial period to test Zoom for Government Licenses	Begin writing procedures	Finalize Procedures
Implement Phase 2 of RAP Project	Pending FY23 Budget approval	Pending FY23 Budget approval	Pending FY23 Budget approval	Pending FY23 Budget approval
YouTube Subscriber Count to reach 1300	On track	On track with 1,200 subscribers	Continue to reach for 1,300 subscribers	Reach goal of 1,300 subscribers
Member Engagement Team will have uploaded 25 YouTube videos	On track	Posted 25 videos	Continue to post more videos to YouTube	Continue to post more videos to YouTube

JULY – DECEMBER 2021

SUMMARY

MEMBER EXPERIENCE

ACCOMPLISHMENTS

Produced and posted 25 videos on the LACERS YouTube Channel, which exceeds the goal for the fiscal year.

Additionally, we are well on our way to meeting our subscriber goal of 1,300, having reached 1,200 YouTube subscribers.

We encourage members to subscribe via eblasts, paycheck flyers, newsletters, seminars, events, and targeted campaigns, including quizzes on topical videos (Survivor Benefits Unit quiz yielded 220 responses).

The Zoom for government licenses were procured by the Systems team in fall 2021 and provided to various units for a three-month test period to try out One-On-One video conferencing options. The Member Service Center has conducted three sessions so far with Members and has reported that the sessions have been positive and helpful to both LACERS staff and Members as it allows a visual component to help communicate information.

The Retirement Application Portal officially launched in summer 2021 for Active Tier 1 Members and the team is currently gathering requirements for Phase 2 while waiting for funding to be approved. Funding is to be expected in the next fiscal year.

CHALLENGES & OPPORTUNITIES

There were some unforeseen challenges outside of LACERS control that impacted the portal for about a week's time due to a security release. Staff is looking into upgrading our support package for better access and response times.

The delay in hiring the Senior Benefits Analyst I has impacted the expansion of the Member Experience BPI beyond the RAP otherwise the other deliverables are completed already or are on track to be completed on time.

The RAP project Phase 2 cannot move forward until funding is obtained. Once funding is secured it will take approximately six months of development and testing and then another six months for fixes and maintenance. Phase 2 will include the ability to use RAP for those not included in Phase 1: Tier 1 Deferred Vested, Tier 1 Enhanced, and Tier 3.

NEXT STEPS

The One-On-One video counseling committee reconvenes in early February after the three-month test period concludes to start to create a procedure for One-On-One video counseling sessions.

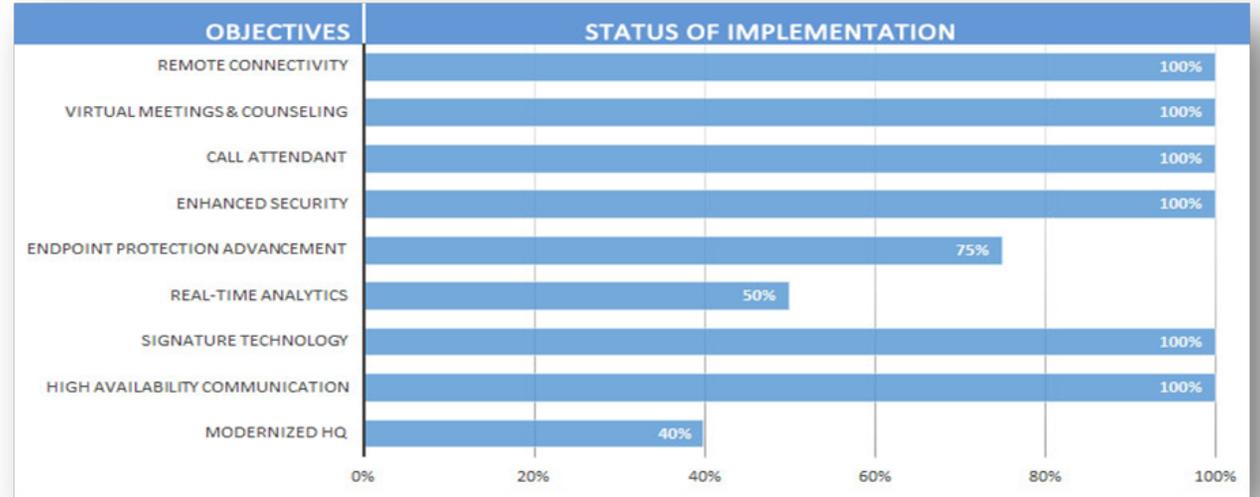
Work on the projects will continue throughout the fiscal year and into the next.

INITIATIVE SUMMARY

Implement remote work solutions deploying mobile equipment and cloud services to maximize operational productivity without requiring physical in-office presence. For FY22, LACERS shall focus on activities related to endpoint security, real-time analytics, and headquarter modernizations which include key priorities as listed.

- Secured Remote Access to Enterprise Systems
- Cost-Efficiency & Reduction of Physical Footprint
- Productive Counseling & Meeting Conferences
- Real-Time Statistics & Operational Health
- Modernized Building & Mobility
- High Availability of Collaboration & Communication Tools

KEY INDICATORS



BUDGET

Appropriation:	\$918,951
Expense:	\$624,766
Unspent:	\$294,185

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
Funding Availability	Costs related to computing equipment and services.	Establish budget, based on vendor proposals.	Green
Cybersecurity	Safeguard measures for remote workers environment.	Policies, procedures, communication, training.	Yellow
Cloud Support	Cloud-based platform and related learning curve.	Provide tech support, and guidance on use.	Green
Network Bandwidth	Connectivity and bandwidth for new infrastructure.	Assess needs, negotiate, and deploy services.	Green
Equipment	Logistics of mobile equipment, software, and services.	Prepare plan, procure early 90-day lead time.	Green
Project & Resources	New projects, aligned with existing resources.	Develop plan, overlay schedule to maximize.	Green
HQ Timeline	Plan, demolition, and construction of mobile facilities.	Establish options to accommodate changes.	Yellow

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
Real Time Analytics	Infrastructure	Business Requirements	Contract & SOW	Design & Development
Endpoint Security for Hybrid Workforce	Kickoff & Requirements	Setup & Configure	Deployment	
Headquarter Mobility	Design	Build-Out	Build-Out	Deploy

JULY – DECEMBER 2021

SUMMARY

MOBILE WORKFORCE

ACCOMPLISHMENTS

LACERS has achieved many milestones in the first half of this fiscal year, as related to “Mobile Workforce.” These achievements further protect the computing environment and prepares the new Headquarters (HQ) with mobile capabilities.

Q1-Q2/FY22 – Carbon Black & Ransomware

In the first quarter, LACERS and LA City established a high-level plan to deploy cybersecurity endpoint software. Primarily, this software is purpose-built to protect an organization from malware and ransomware attacks, specific to remote users. As of current, LACERS has successfully deployed two hundred eighty (280) endpoints to computing machines such as laptops, workstations, and virtual desktops. In near term, LACERS is expected to deploy a total of four hundred (400) endpoints inclusive of computing servers.

Q2/FY22 – HQ, Premigration & Vendor Selection

During the second quarter, LACERS had a project kick-off meeting to initiate the build-out of the network at the new HQ. The Premigration SOW (Statement of Work) is comprised of configuring equipment such as routers, firewalls, and switches, with access to Internet inclusive of connectivity to LA City services.

In the same quarter, LACERS completed a due diligence review of four vendors, bidding for technology services such as audio visual, access control, asset tracking, cabling, network, and mass communication.

After a thorough review process, LACERS had selected two vendors to further advance the premigration activities, expected to start in fourth quarter of this fiscal year.

CHALLENGES & OPPORTUNITIES

Challenges – HQ, Supply Chain & Costs – Q2-FY22

The supply chains are continually facing major challenges in which shipments are delayed as much as half a year, especially with semiconductors. The impact is compounded by rising costs of inflation.

LACERS has selected technology vendors for build-out of the mobile computing network at the new HQ. To ensure timely delivery and stabilize costs, the purchasing of equipment was initiated in the second quarter, with many of the components already delivered, optimistic that more will be available timely.

Challenges – City Contracts, Limited Cloud Experts – Q3-FY22

LACERS intends to redesign our central repository of databases, and align mobile tools to provide real-time data analytics. Primarily, the plan is comprised of cloud technology, and LACERS will need to acquire a contractor with skills in deploying these tools. However, LA City is limited in contractual services with cloud experts.

To mitigate this limitation, LACERS has initiated discussion with external cloud experts on the scope of work. The expectation is to establish a contract with statement of work in the third quarter, initiate build-out of the technology in the fourth quarter, and deploy mobile dashboards in the first half of FY23.

Opportunities – HQ, Hybrid Platform – Q4/FY22

Last year, LACERS successfully deployed mobile equipment such as laptops inclusive of cell phones, telecommunication infrastructure, and cloud services.

As the public sector continues to build-out of a hybrid infrastructure for secured internal and external access to the computer network. LACERS shall consider this approach in the build-out of the new HQ, which includes wireless access points secured from the internal computing network.

Opportunities – Virtualize Network – FY23

As related to strategic goal, “Maximize Operational Efficiency & Effectiveness,” LACERS had deployed virtual desktops to over one hundred fifty (150) users. The use of virtual desktops provides substantial cost savings of two hundred percent, and streamlines the process of managing these computing endpoints.

With this successful roll-out, LACERS shall consider opportunities to expand the virtual infrastructure to include network appliances. These appliances comprise of email security, web security, and security incident & event management, providing cost savings and a centralized platform to manage the network.

NEXT STEPS

In the next two quarters, LACERS will continue to build-out modernization of the new HQ, and redesign the central repository to provide a high-level view of business processes.

JULY – DECEMBER 2021

SUMMARY

MOBILE WORKFORCE

NEXT STEPS CONTINUED...

HQ, Pre-Migration & Final Config

LACERS expects most equipment to be received by third quarter of the fiscal year. The near-term activities include build-out of the security room, providing Internet connectivity and point-to-point access between the current headquarter and new HQ, inclusive of LA City services.

In the fourth quarter, activities shall comprise of completing technology infrastructure such as audio visual, access control, asset tracking, cabling, mass communication, and surveillance. Also, phased migration of all data servers will be coordinated with movers, with last phase to complete a final cutover.

Central Repository, Vendor Contract

LACERS intends to employ contractual services for redesign efforts as related to the central repository, within the third quarter. As strategized, the new design will advance the capabilities of accessing high level information through mobile platforms, while retaining secured access to detailed datasets for onsite users.

Expected in the fourth quarter, LACERS intends to integrate business intelligence software with the central repository, and further build-out mobile dashboards in early FY23, providing management and executives a high-level dashboard of organization status utilized for decision making.

INITIATIVE SUMMARY

The Headquarters (HQ) Move initiative seeks to relocate LACERS to its new home at 977 N Broadway. With construction underway, the project involves consultants, contractors, and key LACERS representatives that work together to build LACERS' new home for staff and Members.

KEY INDICATORS

STRUCTURAL AND EXTERIOR WORK TENANT IMPROV. WORK INSTALL 123 SAFETY MEASURES MOVE BY JUNE 30, 2022 CLOSE OUT LAT BY JUNE 30, 2022 ACHIEVE FITWEL CERTIFICATION

BUDGET

Appropriation:	\$21,415,441
Expenses:	\$2,779,459
Unspent:	\$18,635,982

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
Increased Costs	Ongoing supply chain constraints which continue to inflate costs	Purchase materials with longer lead times; increased contingency	
Supply Constraints	Supply chain constraints have created a high demand for materials with long lead times.	Work with consultants to secure purchase order earlier and with longer lead-times	Some delays
Permitting Delays	Longer than expected delays on permitting processing	Open lines of communication with City counterparts, anticipate delays in schedules	Some delays
LA Times (LAT) Close Out	Possible delays with moving, salvaging items, scanning, and closing out requirements for LAT	Increased office support, earlier launch of Movers RFP, archiving support from City Clerk	

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
Onboard General Contractor and all discipline sub-contractors	<ul style="list-style-type: none"> GC contract complete Signed initial pre-construction contracts 			
Make-Ready and Early Demolition Complete	<ul style="list-style-type: none"> Begin demolition as-needed for future Tenant Improvements. 	<ul style="list-style-type: none"> Make a 977 a Hard-Hat Construction site Prepare for construction 		
Seismic Strengthening	<ul style="list-style-type: none"> Seismic work initiated on all 5 levels Improvements to elevator shafts begins 	<ul style="list-style-type: none"> Structural columns work 90% complete 		
Asbestos Remediation Complete	<ul style="list-style-type: none"> Consultant secured 		<ul style="list-style-type: none"> ACM remedied by 2/1/2022 	
Roof Replacement	<ul style="list-style-type: none"> Bid scope released 	<ul style="list-style-type: none"> Material goods ordered 		<ul style="list-style-type: none"> Roof installed by 9/15/22
Complete Tenant Improvement Work	<ul style="list-style-type: none"> Submit Permit Applications 	<ul style="list-style-type: none"> Secure Permits 		<ul style="list-style-type: none"> TI Completed by 5/15/22
Building Furnished	<ul style="list-style-type: none"> Furniture contract finalized Design process begins 	<ul style="list-style-type: none"> Furniture order placed 		<ul style="list-style-type: none"> Installed by 6/6/22 Install Tech by 6/17/22
Move LACERS Staff and Operations	<ul style="list-style-type: none"> Initial walk thru with potential vendor(s) 	<ul style="list-style-type: none"> Released Moving Svcs RFP 		<ul style="list-style-type: none"> Move by 6/30/2022
FitWel Certification	<ul style="list-style-type: none"> Initiate FitWel process 	<ul style="list-style-type: none"> Meet with FitWel consultants Establish criteria 	<ul style="list-style-type: none"> Submit checklist documents for evaluation 	<ul style="list-style-type: none"> Inspection by 6/30/22

JULY – DECEMBER 2021

SUMMARY

HEADQUARTERS MOVE – PHASE 3

ACCOMPLISHMENTS

The HQ Move Project made significant progress in the first half of FY22 by kicking off the Pre-Construction Phase. This phase focused on early demolition of the existing layout on all floors and performing structural reinforcement work on the building's support columns and elevator shafts. This is pivotal to ensuring the building has good strong bones to support LACERS' home for decades to come.

LACERS coordinated the early release of construction bids for materials experiencing long lead times or volatile pricing. This effort was carried out as part of ongoing efforts to implement a proactive cost management plan to mitigate the COVID-19-related cost increases. The early release of crucial bids allowed LACERS to lock in pricing, mitigate long lead times for materials, and reduce the negative impact on the project schedule.

With the onboarding of Corporate Contractors Inc. (CCI) as LACERS' General Contractor, LACERS was able to bid out numerous trade scopes such as Electrical, Plumbing, Low-Voltage Technology, Network Infrastructure, Lighting, etc. Working in partnership with CCI, LACERS has been able to secure competitive pricing on these scopes and material costs and has maintained lines of communication to vendors for expected delays. Additionally, the Furniture Purchase Order has been completed allowing us to secure competitive pricing on furniture for the Board Room and Reception Area, private offices, workspaces, and ancillary spaces.

Progress has also been made in securing most of the necessary permits from the various regulatory agencies that have enabled the project to proceed from the design phase to construction.

The Team has been in ongoing communication with the Los Angeles Department of Building and Safety (LADBS), the Southern California Air Quality Management District (SC-AQMD), and the Los Angeles Fire Department (LAFD) to coordinate the various plan checks and permit applications.

Concurrently, LACERS has begun preparatory work to strategically migrate the network to 977. This delicate work involves LACERS' Systems Group working with Presidio to evaluate and design the network connections at LA Times and 977. The work would migrate connectivity from LA Times to the new Headquarters using a phased approach meant to ensure uninterrupted network access.

Lastly, the project has begun making the initial preparations for the exterior building envelope repairs which will replace the roof, contain the Asbestos Containing Material (ACM) in the curtain wall, upgrade caulk joints, revitalize the existing exterior panels, and change the façade color. While this entire scope won't be complete for several months to come, the building exterior will see visible improvements in the second half of FY23.

CHALLENGES & OPPORTUNITIES

Despite LACERS' best efforts to coordinate the early release of bids, the HQ Move Project experienced noteworthy supply-chain constraints and volatile pricing on most of the construction materials and equipment needed on this project. These effects are not unique to the City of Los Angeles and are being felt across the country.

Early in the first half of FY22, the HQ Move Project saw immediate increases in both lead times and increased material costs. LACERS' Back-Up Generator saw both a price increase and an increased lead time from 10 weeks to 28 weeks.

The roofing membrane material saw a substantial increase in costs and lead time where the material first increased by \$75,000. Upon ordering, the cost increased an additional \$50,000 and lead time increased from 28 to 42 weeks. These effects are not unique to just these two components. In fact, LACERS' consultants have indicated that the construction industry is experiencing similar effects.

Moreover, the Second-Floor tenant relocation efforts significantly delayed the pre-construction phase and demolition of the Second Floor. This required isolating the Second Floor from plan check submissions until the tenant was successfully relocated. As of this report, the progress on the Second Floor has virtually caught up to the rest of the build schedule. However, permitting of the Tenant Improvements on the remaining floors are still in process with some back-and-forth redesign based on comments from the City. At this time, a delay is anticipated since the latest schedule was completed, likely placing the project completion nearer to the end of the 1st Quarter in FY23.

NEXT STEPS

LACERS will work closely with consultants and their suppliers to mitigate supply-chain delays and price increases and, where necessary, adapt in order to maintain the overall project timeline.

The HQ Project Team is actively working with City plan checkers to finalize floor plans in order to proceed with tenant improvement work.

INITIATIVE SUMMARY

RSD's Business Plan Initiative – Year 2 will focus on two SIP closeout activities:

- 1) Auditing all SIP cases to determine and ensure member file information is complete and accurate
- 2) Conducting an after-action review of the SIP retirement process, documenting lessons learned and procedural improvements for future incentive program implementations.

KEY INDICATORS

DESCRIPTION		TARGET	ACTUAL July-Dec	STATUS
#	Audit Category	Per Quarter	Per Quarter	
1.1	Member Case File Reviews	150	0	Deferred
1.2	Member Case File Outstanding Documentation Follow-up	15	0	Deferred
2.1	After-Action Review – Analyze webinar attendance vs webinar sign-up	Three (3) SIP Groups	2	Pending
2.2	After-Action Review - Analyze Members who retired on time vs not on time	Three (3) SIP Groups	0	Pending

BUDGET

Appropriation:	\$242,295
Expenses:	\$113,192
Unspent:	\$129,103

*Includes part-time salaries and OT

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
Staffing	Insufficient staff to perform audit.	Reduce caseload, adjust metrics, revise milestones, reassignments, overtime – mitigation measures enacted.	Yellow
Funding	Insufficient funding to acquired staff to perform or assist with project.	Hiring was delayed and resources refocused to address CSIP problem cases and the RAP.	Orange
Audit extended	Competing priorities delay completing audit tasks.	Adjust number of cases reviewed and the number of members contacted – Deliverables adjusted and audit will be extended beyond FYE 2022.	Orange
External factors	Pandemic or other external factors may affect the audit.	External financial and pandemic related factors have delayed the audit schedule, requiring a revision to audit milestones and deliverables. Initial case reviews are not expected to occur before the Q4 and monthly targets will be cut in half.	Orange

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
BPI Project Documents		<ul style="list-style-type: none"> Develop Charter Mid-Year Reporting 		
Audit of Member Case Files		<ul style="list-style-type: none"> Audit 150 case files Outstanding Member document follow-up (est. 10% of cases) 	<ul style="list-style-type: none"> Audit 150 case files Outstanding Member document follow-up (est. 10% of cases) 	<ul style="list-style-type: none"> Audit 150 case files Outstanding Member document follow-up (est. 10% of cases)
After-Action Analysis			<ul style="list-style-type: none"> CSIP & LSIP webinar and retirement comparison charts Assessment of electronic and virtual resources 	<ul style="list-style-type: none"> Final Audit After-Action Report

JULY – DECEMBER 2021 SUMMARY

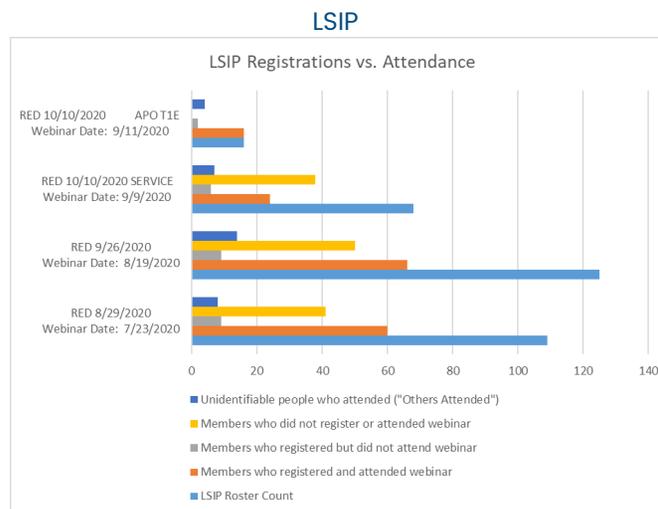
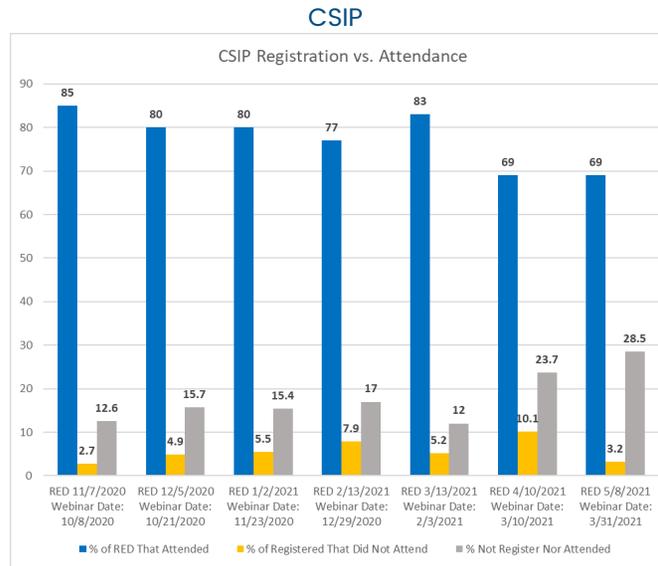
CITY SEPARATION INCENTIVE PROGRAM

The FY21 Business Plan Initiative (BPI) focused on the development, execution and completion of the Los Angeles World Airports Separation Incentive Program (LSIP) and City Separation Incentive Programs (CSIP). The goals and objectives involved meeting monthly targets related to the retirement process such as retirement package distribution, webinar counseling, health enrollment, and securing needed ancillary resources.

This year RSD's BPI will focus on reviewing and evaluating the general outcome of the SIP retirement process. To assess this outcome, RSD will audit all SIP cases to: (1) determine and ensure member file information is complete and consistent; (2) conduct follow up with those members who were required to provide documentation later due to delays in retrieving information from other agencies; and, (3) determine lessons learned and if procedural improvements are needed. It will also evaluate the effectiveness of the added electronic and virtual platforms used in the SIP retirement process.

ACCOMPLISHMENTS

Review and Compare – Analysis of Webinar Attendance



CSIP

The analysis of CSIP webinar participation revealed an average webinar attendance rate of 78% per scheduled retirement effective date. The percentage of CSIP participants who registered to attend but failed to attend a webinar averaged 5.6%. Furthermore, CSIP participants who chose to forgo registering or attending a webinar averaged 18%.

Webinar attendance began strong and remained above 80% for the first five months, then tapered down to 69% for the final two months. Staff noted having to spend more time with members in the latter two groups because of member computer accessibility issues and Spanish speaking members who required additional assistance.

LSIP

The attendance rate for LSIP participants was lower than CSIP, averaging 58%. The no show rate for participants who registered was 17% and the rate for those who chose not to attend a webinar at all was 34%. These lower participation rates are more than likely attributable to LAWA's pre-LSIP communication campaign with possible participants. LAWA issued several department-wide memos, conducted a Q & A session and requested information from LACERS on required documents and health coverage (limited) prior to the official launch and filing period in preparation. LAWA also actively worked to aid participants and LACERS in making sure submitted retirement packages were complete.

JULY – DECEMBER 2021

SUMMARY

CITY SEPARATION INCENTIVE PROGRAM

ACCOMPLISHMENTS CONTINUED...

Lessons Learned and Procedural Improvements

In evaluating SIP processing, one practice that improved efficiency and helped highlight areas impeding the case workflow, was the separating of retirement counseling responsibilities from in-progress case auditing duties. The separation allowed for the counseling team to process non-problem cases quickly and efficiently without having the distraction of spending inordinate amounts of time dealing with issues. Having an analyst dedicated to performing a higher-level review, audit and/or to troubleshoot and resolve problem cases proved invaluable. The analyst aided counselors with Members requiring more assistance, generated aging and performance reports, and kept management apprised of any serious issues.

CHALLENGES & OPPORTUNITIES

- Competing priorities and COVID-19 has delayed and affected the Division's ability to perform the primary audit tasks of case reviews and documentation follow-up.
- The introduction of new electronic platforms designed to aid staff working remotely and assist members in submitting documents to LACERS added to staff's workload.
- Temporary budgetary constraints and reallocations prevented the Division from hiring the staff needed to perform the case reviews.
- Staffing changes (retirements, promotions and reassignments) also had an impact on BPI tasks.
- RSD was also unable to secure full time staff willing to fill temporary positions.
- The lack of an active Benefits Analyst list resulted in having to utilize emergency appointments from a limited pool of internal candidates.
- RSD also completed the Harbor SIP on schedule retiring 79 participants by December 2021.

NEXT STEPS

- Determine the effectiveness of the various electronic/virtual platforms employed to process SIP participants.
- Review and Compare - Members who retired on time versus Members who did not.
- Revise the timeline for the audit and update the metrics to reflect more realistic achievable goals based on available resources and encroaching external factors.

INITIATIVE SUMMARY

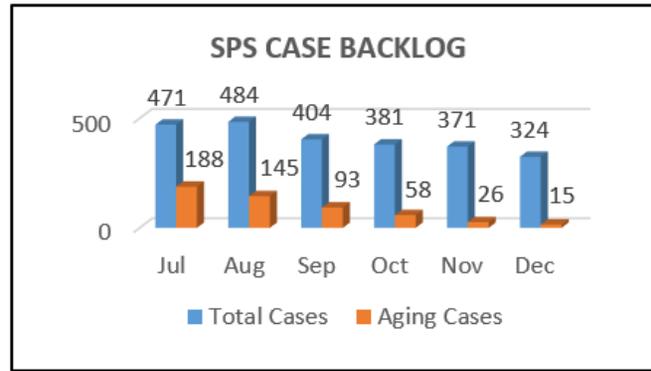
This initiative is to address and reduce the case backlog in the Service Processing Section. The backlog consists of service purchase applications, service certifications from DWP, LAFPP and other agencies, and reciprocity requests. These cases were placed on hold in FY21 to focus on SIP work. For FY22, the Board approved additional resources (5 substitute authorities, 3 part-time employees) and use of overtime to manage the backlog.

In July 2021, the total case count was at 471, with 188 of those being aging cases (6 months or more in the queue), and average wait time of 12 months.

To date, the total case count is down to 324, with 15 of those being aging cases, and average wait time of 6 months.

KEY INDICATORS

Month/Year	Total outstanding cases in the queue	Aging cases (6 months or older)	Average wait time
July 2021	471	188	12 months
Aug 2021	484	145	11 months
Sep 2021	404	93	9 months
Oct 2021	381	58	9 months
Nov 2021	371	26	7 months
Dec 2021	324	15	6 months



BUDGET

Appropriation:	\$147,000
Expense:	\$84,259
Unspent:	\$62,741

Note: This is the budget only for SPS overtime. It does not include salaries of substitute authorities and part-time employees.

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
Staffing	Only two of the five substitute authorities are filled.	All the regular positions and 3 of the 4 part-time positions are filled. Additionally, staff has been working overtime.	

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
Reduce the number of aging cases (6 months or older) in the queue down to zero.	The number of aging cases as of Sept 2021 is 93.	The number of aging cases as of Dec 2021 is 15.		
Reduce Member wait time from 12 months to 8 months by the end of the FY.	The wait time average (July thru Sept 2021) is 10.5 months.	The wait time average (Oct thru Dec 2021) is 7 months.		

JULY – DECEMBER 2021

SUMMARY

SERVICE PURCHASE BACKLOG

ACCOMPLISHMENTS

By mid-fiscal year, the Service Processing Section (SPS) was able to reduce service purchase the backlog by 31%. In July 2021, the section's outstanding case count was at 471. By the end of December, the count was at 324.

There was also a significant decrease in the number of aging cases managed by the section, from 93 cases in July to 15 cases in December. This represents an 84% decrease. Aging cases are applications that have been in the queue for 6 months or longer.

The average processing wait time for all service buyback applications also lessened from 12 months to 6 months.

- For City service purchases, the average processing time decreased from 10 months to 5 months.
- For Non-City service purchases, the average processing wait time decreased from 12 months to 7 months.

Based on the mid-fiscal year numbers above, SPS not only met, but surpassed, expectations for this initiative. The overall goal is to reduce the number of aging cases down to zero (or close to zero) by the end of the fiscal year. SPS also aimed to reduce the average processing time or Member wait time from 12 months to 8 months by the end of the fiscal year. Since that goal has already been met, SPS is aiming to reduce that average wait time further, down to 5 months.

CHALLENGES & OPPORTUNITIES

Launching this initiative during the COVID-19 pandemic did not have a negative effect on deliverables or accomplishments. Challenges and issues that SPS may face that could impact progress on the initiative are loss of staffing due to retirement, promotion, and transfer; as well as the addition or continuation of special projects that could take staff's focus away from regular and backlog work.

We are addressing these potential challenges by ensuring that all staff are cross-trained in the processing of the different types of buybacks. We are also requesting, in the FY23 budget, for the regularization and/or continuation of substitute authorities so institutional knowledge can be captured from departing staff. Additionally, SPS is ensuring that procedures, desk manuals, and reference materials are updated.

The impact of this initiative to LACERS strategic goals has been positive as SPS has been able to provide timely and accurate Member benefits and provide improved customer service.

The impact of this initiative to Members is financial in nature as LACERS is able to provide them with their service buyback cost more quickly. This translates to a lesser cost to the Member since most buybacks are based on their current salary at the time of purchase.

NEXT STEPS

The next steps expected for the period covering January to June 2022 are the continuation of efforts to further reduce the backlog and shorten the processing wait times for both City and Non-City service purchases. In addition, SPS expects to fill the remaining vacant positions.

INITIATIVE: ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTING
 DIVISION(S)/SECTIONS: INVESTMENT
 STRATEGIC GOAL(S): TO OPTIMIZE LONG-TERM RISK ADJUSTED RETURNS THROUGH SUPERIOR INVESTMENTS

STATUS: ON-TRACK
 REPORT MONTH: DECEMBER 2021
 LEAD(S): BRYAN FUJITA/ELLEN CHEN

INITIATIVE SUMMARY

LACERS became a signatory to the Principles for Responsible Investment (PRI) on September 3, 2019. Responsible investing incorporates environmental, social, and governance (ESG) factors into investment decisions and the investment process to better manage risk and generate sustainable, long-term outperformance. The ESG BPI tracks the progress of the implementation of LACERS' ESG Program, pursuant to LACERS' commitment to PRI.

KEY INDICATORS

Key indicators for the ESG BPI are the milestones/deliverables detailed in the section below

BUDGET

Appropriation:	\$18,750
Expense:	\$0
Unspent:	\$18,750

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
Competing Priorities	Limited staff resources may result in competing priorities and insufficient time to appropriately address critical and essential priorities.	Staff receives essential resources and continued ESG education both externally from credible and reliable academic sources as well as cross training of staff, and relying on and leveraging the expertise of LACERS' ESG Consultant.	ON TRACK
Staff Inexperience	Staff has not received formal ESG training and education.	Staff will seek the expertise of the LACERS' ESG Consultant, pursue formal ESG education, and continue to participate in ESG conferences and networking events.	ON TRACK

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
Update the PRI Action Plan	Completed on 7/13/21			
Include ESG questions into Passive Index and Real Estate Consultant RFPs	Completed on 8/24/21			
Review the annual proxy votes	Completed on 9/14/21			
Host inaugural Emerging Manager Symposium		Completed on 10/20/21		
Review LACERS' 2021 PRI Private Transparency Reports		Completed on 11/26/21		
Execute contract with MSCI, Inc. for ESG risk screening tool		Completed on 12/30/21		
Develop ESG Activity Log		Completed on 12/30/21		
Present draft Responsible Investment Policy for Board consideration			Completed on 1/11/22	
Respond to City Council Motions on divestment from Facebook and Unilever (CF 21-116 and CF 21-1460)			Completed on 1/11/22	
Incorporate ESG questions into the forthcoming Transition Manager RFP			Due 1/14/22	
Revise questions in annual ESG due diligence questionnaire for public markets managers as needed			Due 2/28/22	
Review Emerging Investment Manager Policy				Due 5/31/22
Review the Proxy Voting Policy				Due 8/31/22
Consolidate PRI and ESG Risk Framework Action Plans into one comprehensive action plan document				Due 12/31/22

JULY – DECEMBER 2021

SUMMARY

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTING

ACCOMPLISHMENTS

The Investment Division has met most of the targeted milestones on time or ahead of schedule. Key accomplishments include:

- Updating the PRI Action Plan, an operational document that guides the implementation of the ESG Program.
- Hosting LACERS' inaugural Emerging Manager Symposium, attended by a total of 212 professionals including 168 from emerging manager firms.
- Reviewing LACERS' draft PRI Transparency Report which provides comprehensive information on LACERS ESG Program and activities for the calendar year 2020; PRI to publish the Transparency Report in 2022.
- Developing an ESG Activity Log to maintain a database of LACERS' ESG efforts.
- Incorporating ESG questions into LACERS' Passive Index and Real Estate Consultant RFPs to evaluate proposers' ESG capabilities.
- Executing a contract with MSCI, Inc. for an ESG risk screening tool to monitor carbon exposure within the public markets portfolio.

The completion of one key milestone, the Responsible Investment Policy, has been delayed from December 2021 to the second half of FY22. Staff presented an initial draft policy for Board consideration in November 2021 and continues to work with the Board to refine the proposed policy framework.

CHALLENGES & OPPORTUNITIES

Currently, one Investment staff is dedicated to managing LACERS' ESG Program while also maintaining other investment responsibilities. Staff does not have capacity to engage in every ESG matter, particularly time-sensitive engagement campaigns that may be important to PRI signatories and LACERS stakeholders.

Actions being taken to address this challenge include:

- Requesting additional Investment staff through the FY23 budgeting process.
- Assigning ESG projects to other existing Investment staff to the extent those staff have excess capacity.
- Proposing language in the draft Responsible Investment Policy that delegates authority to engage in time-sensitive letter writing campaigns from the Board to the General Manager, Chief Investment Officer, and the Board President in order to meet campaign deadlines.

NEXT STEPS

The Investment Division will continue to work on ESG BPI projects through the remainder of the fiscal year including:

- Continuing Board discussion of the proposed Responsible Investment Policy in January 2022
- Presenting a draft joint letter response from LACERS and LAFFP for Board consideration in January 2022 regarding two City Council motions directing divestment of Meta (Facebook) and Unilever securities (CF 21-1116 and CF 21-1460); engaging in further research and analysis as directed by the Board.
- Reviewing and potentially revising the Emerging Investment Manager Policy and Proxy Voting Policy to address changes in the market.
- Consolidating actions and initiatives established in the PRI Action Plan and the ESG Risk Framework Action Plan into one comprehensive action plan document.

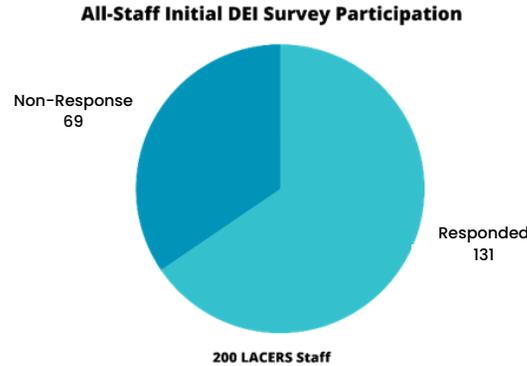
INITIATIVE: **DIVERSITY, EQUITY, AND INCLUSION**
 DIVISION(S)/SECTIONS: **MEMBER SERVICES DIVISION & INVESTMENT DIVISION**
 STRATEGIC GOAL(S): **ORGANIZATIONAL EFFECTIVENESS, EFFICIENCY, & RESILIENCY;
 RECRUIT, RETAIN, MENTOR, & EMPOWER WORKFORCE**

STATUS: **ON-TRACK**
 REPORT MONTH: **DECEMBER 2021**
 LEAD(S): **TIFFANY OBEMBE/EDUARDO PARK**

INITIATIVE SUMMARY

LACERS is committed to a diverse, equitable, inclusive workplace where everyone has an opportunity to thrive. LACERS has incorporated DEI most notably in our investment policies and programs, and in talent acquisition and retention. There's more that can be done, and we are committed to expanding opportunities to advance DEI in the workplace, in serving our Members, and with our partners. The DEI Team plans to do this by analyzing the current state of DEI at LACERS and offering staff wide training and resources.

KEY INDICATORS



- Staff participation in DEI initial survey:
- 131 fully complete surveys
 - 155 highest individual section response received, out of a total of 200 staff members.
 - 65% response rate.

- Metrics of to be tracked:
- hours of training per course content
 - # of participants per course
 - employee sentiment over time

*Must create baseline, possible semi-annual survey with clear and consistent structure over the course of 2 years)

BUDGET

Appropriation:	Requesting: \$309,800 (Includes salary of Sr. PA I @\$134,000 and All-LACERS Fellowship training @ \$165,000, plus Cornell Trainings)
Expense:	\$0
Unspent:	N/A

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
Staffing	Need a dedicated staff member to oversee DEI Initiative	Submit budget request for Sr. PA I position in HR	Yellow
Funding	A total of \$369,400 will be needed for new staff position, DEI Cornell training, and all-LACERS Fellowship training.	Will need to separate Cornell training and all-LACERS fellowship cohort into multiple fiscal years to spread out costs	Yellow

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
Project Charter	Complete			
Initial DEI All-Staff Survey	Complete			
Cal State LA Partnership Contract		Establish agreement with CSULA		
Prepare and submit FY23 DEI Budget Package		Submitted budget request for FY22-23		
Quarterly Open Forums		Selecting topics	Offering first open forum end of FY	Next open forum

JULY – DECEMBER 2021

SUMMARY

DIVERSITY, EQUITY, AND INCLUSION

ACCOMPLISHMENTS

Over the past few months the LACERS' DEI team and working group have accomplished a handful of our intended milestones. In December 2021, we completed an initial LACERS-wide DEI Survey and received a 65% response rate. The results will help the DEI team narrow its focus on issues most relevant to LACERS as a whole. We also partnered with Cal State Los Angeles and will be working with the undergraduate and graduate students to establish a baseline and help develop a DEI program that will create and maintain a diverse, equitable, and inclusive environment for LACERS' employees and its Members. As a result of this partnership, the DEI team in association with the City Attorney, created a NDA document to further ensure that LACERS' confidentiality is honored through any new and existing relationships that LACERS embarks on with outside vendors and entities in the pursuit of achieving a DEI environment for all.

The DEI team has also identified the need for a full-time LACERS staff member (Sr. PA I) within the Human Resources Division to oversee DEI initiatives. In addition, LACERS will pursue staff-wide DEI training through a fellowship cohort. The cost of both positions and training will be included in the upcoming budget request for FY23.

CHALLENGES & OPPORTUNITIES

The DEI initiative is brand new to LACERS and as such, all funding for recommended trainings and resources will need to go through the budget process for approval. There is still some apprehension from LACERS' staff to share their thoughts and opinions on the state of DEI at LACERS, as evident by the survey's participation rate (65%). We see this as an opportunity to grow from this benchmark and hope to encourage more participation as the years go on and as LACERS' staff begin to feel more comfortable sharing their ideas.

NEXT STEPS

The DEI team will finalize the partnership with Cal State Los Angeles and work with the professors to create a work plan that will fit LACERS' DEI needs.

Budget requests for the Sr. PA I position and fellowship cohort training will be included in the next budget cycle.

The DEI team will work to hold quarterly open forums on various DEI topics. The first forum is projected to be held in July 2022, if not sooner.

DEI information resources are being collected and once ready, will become available to all LACERS' staff via the intranet.

APPENDIX A – BUSINESS PLAN INITIATIVE TEMPLATE

INITIATIVE: [NAME OF BUSINESS PLAN INITIATIVE]
 DIVISION(S)/SECTIONS: [DIVISION NAME/SECTION UNIT]
 STRATEGIC GOAL(S): [ASSOCIATED STRATEGIC GOAL AREA]

Shade the cells according to status:

Completed
On-Track
Off-Track
Intervention Needed

STATUS: ON-TRACK
 REPORT MONTH: [REPORTING MONTH AND YEAR]
 LEAD(S): [FIRST AND LAST NAMES]

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

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

1200
1000
800
600
400
200
0

BUDGET

Appropriation:		\$
Expense:		\$
Unspent:		\$

RISKS/MITIGATION

Risks	Description	Mitigation Address	Status
[Staffing]			
[Technology]			
[Time]			
[Funding]			

MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4
[Milestone/Deliverable #1]				
[Milestone/Deliverable #2]				
[Milestone/Deliverable #3]				