



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: AUGUST 10, 2021
ITEM: VIII – B

**SUBJECT: YEAR-END REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING
JUNE 30, 2021**

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Executive Summary

The LACERS Strategic Plan is achieved through various Board sponsored initiatives that move the organization toward established strategic goals. Highlights of the annual achievements under each goal is provided within this report, and the attached Business Plan Initiative report details the year-end status of four initiatives adopted into the Business Plan for 2020-21: The Member Experience Initiative, the Separation Incentive Program Initiative, the Mobile Workforce Initiative, and the Headquarters Move Initiative. The Business Plan for 2021-22 continues these initiatives and adds a fifth – Environmental Social Governance Investing. These initiatives and other LACERS' highlights and achievements of Fiscal Year 2020-21 are discussed herein.

Discussion

In this reporting period marked by the global health care crisis and the spotlight on social injustice, LACERS embraced the environment of change with transformative and innovative results. Events clearly illuminated an operational need for LACERS to be more open in various areas, from opening of the Information Technology (IT) infrastructure to the cloud, adding additional channels of communications and ways to serve Members, and recommitting to expanding contracting and employment opportunities to the broadest audience possible, particularly those who are underrepresented in LACERS' workforce and consultant pool.

With crisis came opportunity. We completely changed our IT model in a few short weeks, from a wholly on-premises computing environment to virtual environment, enabling all full-time employees the ability to access our primary enterprise system from home. We implemented our emergency procedures and activated our Business Continuity Plan, resulting in successful execution of our mission critical function to pay our Retirees on time and maintain health benefits. While in-person services are still on hold, we continue to add ways of reaching out to Members. For example, LACERS launched a modern and user-

friendly website, a cloud-based call center system, and most recently a new online retirement application portal. Further, we are working to expand our Member interactions and communications through implementation of one-on-one video counseling. For employees that must report to the office, we promote a high standard of workplace health and safety, limiting the on-site workforce through continued remote working and staggering of work shifts as made possible by our Mobile Workforce Initiative efforts.

Highlights of other department accomplishments toward LACERS Strategic Goals include:

Accurate and Timely Delivery of Benefits

- Retired 2,148 Members in Fiscal Year 2020-21 the largest number retired in a single year since the Early Retirement Incentive Program (ERIP) eleven years ago. Collaboration with Los Angeles World Airports (LAWA) to retire 334 LAWA employees and with the City to retire 1,372 employees through Separation Incentive Programs (SIP).

Outstanding Customer Service

- Significant strides in providing video content for Members having produced and posted 84 videos, gaining 1,049 subscribers, and a total of 40,856 views on the LACERS YouTube channel.
- Launched a new retirement application portal, which provides Members with an online system to file their retirement application, upload all required documents and provide their electronic signature. This portal uses the highest level of cyber security and greatly enhances the Member experience.

Value Health and Wellness Benefits

- Reviewed Health Plan utilization data to modify plan design for the greatest value at the best cost. Renewal costs increased by only 0.72% versus the Medical trend rate of 6.75%.
- Continued the multi-year campaign of Purposeful Living.
- Conducted an online two-part Financial Mastery Program for Retirees.

Superior Investments

- Realized close of fiscal year investment returns of \$22.53 Billion, an increase of \$4.85 Billion or 29.09%. This historic asset growth represents the greatest return for LACERS on record, further strengthening the Plan.
- In May 2021, the Board approved a new Asset Allocation Policy to increase U.S. public equity and private equity while decreasing non-U.S. developed equity exposures.
- In support of the principles of equal opportunity outlined in Mayoral Directive #27, LACERS continues outreach to underrepresented groups in the Investment Industry. This effort continues through the *Emerging Investment Manager Program*. LACERS conducts extensive emerging manager outreach through networking events and individual manager meetings to help increase the number of firms participating in LACERS investment manager searches. Despite the pandemic, LACERS was able to maintain the caliber of its Emerging Investment Manager Program by conducting virtual meetings with emerging managers and attending virtual emerging manager conferences. A YouTube video was produced in the Spring of 2021 and is now live on the internet that explains LACERS Emerging Investment Manager Program.

Good Governance

- LACERS became a signatory to the Principles for Responsible Investing (PRI) in 2019. As a signatory, LACERS is integrating the six PRI principles into its investment program that is designed to be sensitive to, and account for, Environmental, Social, and Governance (ESG) risk factors. LACERS Board approved its multi-year PRI Action Plan in July 2021 that outlines how the six PRI principles will be integrated into LACERS investment program for the current and next fiscal years.
- Received Board approval for an Environmental, Social and Governance Risk Framework that will help guide LACERS investment program into the future.
- Instituted and improved upon Board Meetings in a virtual environment allowing even greater public access to LACERS Board and Committee meetings.

Organizational Effectiveness, Efficiency, and Resiliency

- LACERS has successfully and nearly fully transitioned to remote work except for those functions requiring in office presence, such as facilities and hardware related work. Every LACERS staff member is equipped with a laptop and docking station in-lieu of a desktop computer, and mobile phones in lieu of desk phones. Software to facilitate remote work such as Office 365 and tools such as Zoom.com for virtual meetings have been deployed, as well as software and hardware to enhance IT security.
- Augmenting a strong cyber security infrastructure, cyber liability insurance was secured for the first time for the Plan, providing significant financial, legal and other resources to support the Plan in the event of data breach or loss.
- Preparation for demolition and construction of LACERS' permanent headquarters facility, a long-term strategic asset of the Plan. Construction completion and move in of LACERS staff is estimated for June 2022.

High-Performing Workforce

- Hired 75 employees, and coordinated temporary transfers of 14 former LACERS employees, to support the Separation Incentive Program implementation.
- Processed 25 internal appointments related to the new Benefits Analyst and Senior Benefits Analyst classification effective July 1, 2020, culminating a six-year effort to develop this specialized class.
- Implemented Weekly Senior Staff Meetings regarding COVID-19 to keep supervisors advised of Safety Protocols.
- Ensured 100% compliance with Anti-Bias Learning for Employees; Cybersecurity; and Fraud Waste and Abuse Trainings.
- Hired two employees from the Targeted Local Hire Program for a total of 16 since program inception.

BUSINESS PLAN INITIATIVES

The year-end report on the four Business Plan Initiatives for 2020-21 is attached.

In the current Fiscal Year 2021-22, five major initiatives were funded by the Board and work has started on all initiatives as further described below.

Separation Incentive Programs – Close Out Phase

The operational priority for the fiscal year, and significant resources, will go toward auditing LAWA SIP and City SIP case files and the implementation and processing of 79 retirements under the Harbor Separation Incentive Programs (HSIP). Temporary staff and limited sub-authority positions will be utilized to assist with auditing, reconciling, and following up with SIP participants who were allowed to submit ancillary retirement documents at a later date.

Member Experience Improvements

LACERS will continue to make virtual resources available to Members with an initiative to begin providing an option for one-on-one video counseling for select situations, augmenting LACERS current group video engagement sessions. Additional functionality will be implemented in the retirement application portal for member ease and staff processing.

Mobile Workforce Initiative

This initiative continues focus on the next level of cyber security and mobile services within the new LACERS Headquarters. Projects consist of purpose-built cyber security software to protect user endpoints, implementing a mobile friendly workplace environment at LACERS Headquarters, and continuing cyber security education for staff.

Headquarters Project

LACERS aims to complete the build-out and readiness of the Headquarters by May 2022 with move-in of staff shortly thereafter. Significant risks to the project schedule remain due to the pandemic and the impacts on labor, supplies, work efficiency and costs. Nevertheless, LACERS and the Headquarters project team are doing everything possible to mitigate these risks and complete delivery of this project.

Environmental Social Governance Investing Initiative

LACERS Board approved its first ESG Risk Framework that outlines how ESG risk factors will be integrated into LACERS investment program for the current and following fiscal years. In addition, LACERS Board approved amendments to its Proxy Voting Policy that addressed particular voting positions specific to, and support of, ESG issues including:

- a. Lack of Women Representation on Corporate Boards
- b. Gender, Race, or Ethnicity Pay Gap
- c. Reports on Employee Diversity
- d. Social & Environmental Issues

LACERS is drafting a Responsible Investment Policy, which will include an ESG belief statement, define broad goals and focused objectives, how ESG will be integrated into LACERS investment process, and monitoring and reporting requirements. The Responsible Investment Policy is designed to align with the broader mission and goals of the PRI organization and support the six PRI principles.

A semi-annual report on the progress of these BPIs will be provided in January/February 2022.

Strategic Plan Impact Statement

The purpose of the Business Plan Initiative Program is to meet Strategic Plan Goals by designating the highest priority projects for the fiscal year as initiatives under the program. The department leadership actively engages in collaborative efforts toward successful outcomes for this initiative.

Prepared By: Edeliza Fang, Senior Benefits Analyst II, Administration Division

NMG/TB/DWN/EF

Attachment: Business Plan Initiatives Fiscal Year 2020-2021 Dashboards for the Reporting Period Ending June 2021



BOARD Meeting: 08/10/21
Item VIII – B
Attachment 1

REPORTING PERIOD ENDING JUNE 30, 2021

BUSINESS PLAN INITIATIVES

FISCAL YEAR 2020-2021

Prepared for

LACERS BOARD OF ADMINISTRATION

August 10, 2021

TABLE OF CONTENTS

01 LACERS GOALS

02 EXECUTIVE SUMMARY DASHBOARD

03 BUSINESS PLAN INITIATIVE DASHBOARDS

03 Member Experience

05 Mobile Workforce

07 Headquarters Move

09 Separation Incentive Program

11 APPENDIX A – BUSINESS PLAN INITIATIVE TEMPLATE



LACERS GOALS

CUSTOMER SERVICE *To provide outstanding customer service.*

BENEFITS DELIVERY *To deliver accurate and timely Member benefits.*

HEALTH AND WELLNESS *To improve the value and minimize costs of Members' health and wellness benefits.*

INVESTMENT *To optimize long-term risk adjusted returns through superior investments.*

GOVERNANCE *To uphold good governance practices which affirm transparency, accountability, and fiduciary duty.*

ORGANIZATION *To increase organizational effectiveness, efficiency, and resiliency.*

WORKFORCE *To recruit, retain, mentor, empower, and promote a high-performing workforce.*

EXECUTIVE SUMMARY DASHBOARD

COMPLETED
ON-TRACK
OFF-TARGET
NEEDS INTERVENTION

INITIATIVES, GOALS & EXECUTIVE SPONSORS	JUNE STATUS	INITIATIVE LEADS
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<p>1 MEMBER EXPERIENCE</p> <p>CUSTOMER SERVICE, BENEFITS DELIVERY, ORGANIZATION Executive Sponsor: Lita Payne</p>	<div style="background-color: #FFD700; width: 40px; height: 40px; margin: 0 auto;"></div>	<p>Lead: Heather Ramirez, Vanessa Lopez, Brittany Cotton & Sandra Ford-James</p>
<p>2 MOBILE WORKFORCE</p> <p>ORGANIZATION Executive Sponsor: Todd Bouey</p>	<div style="background-color: #76B82A; width: 40px; height: 40px; margin: 0 auto;"></div>	<p>Lead: Jason Leung & Thomas Ma</p>
<p>3 HEADQUARTERS MOVE</p> <p>ORGANIZATION Executive Sponsor: Todd Bouey</p>	<div style="background-color: #FFD700; width: 40px; height: 40px; margin: 0 auto;"></div>	<p>Lead: Isaias Cantú & Horacio Arroyo</p>
<p>4 SEPARATION INCENTIVE PROGRAM</p> <p>BENEFITS DELIVERY Executive Sponsor: Lita Payne</p>	<div style="background-color: #76B82A; width: 40px; height: 40px; margin: 0 auto;"></div>	<p>Lead: Karen Freire, Ferralyn Sneed & Bruce Bernal</p>

INITIATIVE SUMMARY

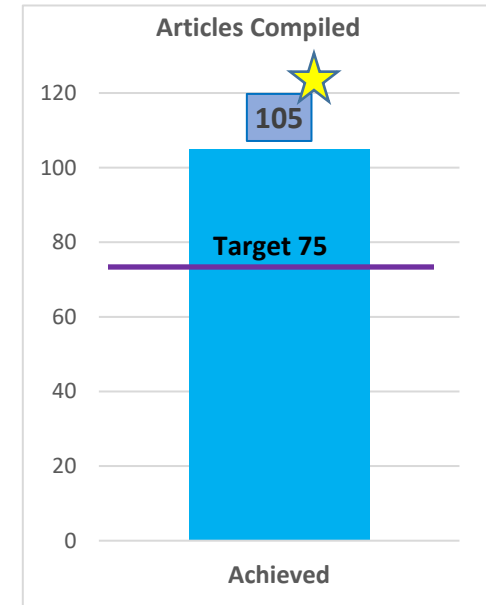
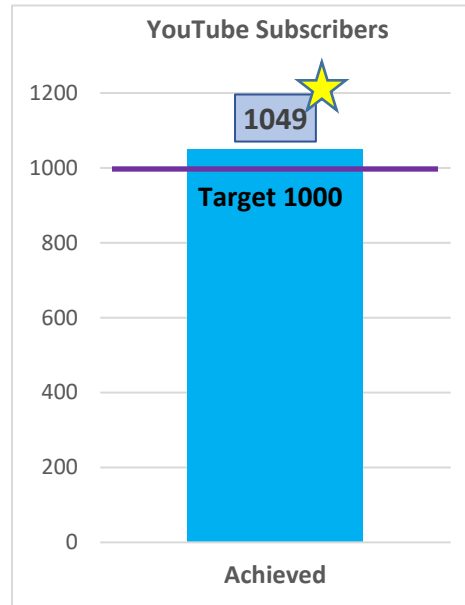
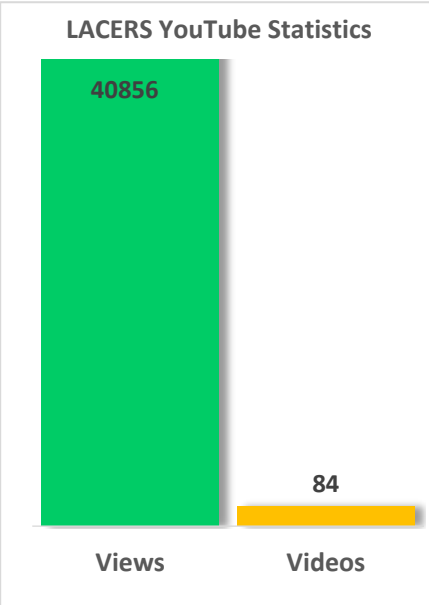
Increase Member communication channels and web-based service options via:

- Produce and Post Videos (PPV)
- Article Repository and Communications Timeline (ARCT)
- Benefits Calculators (BC) – *deferred to FY 22-23*
- One-On-One Video Conferencing (VC) – *deferred to FY 21-22*
- Online Retirement Application Portal (RAP) – *full implementation in FY 21-22*

BUDGET

Appropriation:	\$365,400
Expense:	\$351,906
Unspent:	\$13,494

KEY INDICATORS



MILESTONES/DELIVERABLES

MEMBER COMMUNICATIONS CHANNELS & WEB-BASED SERVICE OPTIONS	Project Initiation	Project Planning	Project Execution	Project Performance /Monitoring	Project Close	NOTES
Produce and Post Videos (PPV)	Q1		Q1, Q2, Q3, Q4	Q4	Close BPI - Move to on-going work	84 videos produced. Continue to expand content and promote usage.
Article Repository and Communications Timeline (ARCT)	Q1	Q1	Q1, Q2	Q4	Close BPI - Move to on-going work	105 LACERS articles compiled to date. On-going initiative.
Online Retirement Application Portal (RAP) – <i>full implementation in FY 21-22</i>	Q1	Q2	Q3, Q4	FY21-22		Launched in July 2021. Improvements continue.
Benefits Calculators (BC) – <i>deferred to FY 22-23</i>	Q2		FY22-23			Project deferred to FY22-23 due to competing priorities of key units
One-On-One Video Conferencing (VC) – <i>deferred to FY 21-22</i>	Q1		FY21-22			Project deferred to FY21-22 due to competing priorities of key units

JULY 2020 - JUNE 2021 SUMMARY

MEMBER EXPERIENCE

ACCOMPLISHMENTS

The Member Experience Initiative has broadened communications to our Members through expanded channels by developing a comprehensive content management structure to efficiently manage information for newsletters, the website, and other communication avenues such as LACERS' YouTube Channel and other communication platforms.

Members will soon have the option to complete their retirement application forms electronically via an online application portal.

Produce and Post Videos

The team produced and posted 84 videos, gained 1,049 YouTube subscribers, and had a total of 40,856 views on the LACERS' YouTube channel. The goal this FY had been to gain at least 1,000 subscribers which was exceeded.

Article Repository and Communications

The team exceeded the target goal of 75 articles and compiled a total of 105 articles for the Evergreen Article Repository which is a collection of articles used for communication to Members. The team completed the communications timeline.

Retirement Application Portal (RAP)

The RAP is going live for Members to use, with full implementation expected in July. The Member Engagement team has hosted four demos for Members and these will continue to be provided on a monthly basis ongoing. A full marketing plan has been initiated which includes website postings, email blasts, etc.

LACERS initiated Phase 3 of the build allowing for enhanced workflow capability, process tracking, electronic signature, and application withdrawal. Phase 3 costs were \$65,000 with funds provided from the Calculator Project (postponed) and other budgetary savings.

Total cost of the project, including Phase 3, is \$259,500.

Benefits Calculators

This project has been pushed and will be re-evaluated in the budget process as key team participants were unavailable to dedicate time on this project due to competing priorities. Funding that was set aside for this was redirected to the RAP project.

Video Conferencing

Zoom video conferencing for group sessions has been implemented. Zoom has also been identified to be used for One-On-One Online Member Counseling. However, due to the multiple Separation Incentive Programs (LAWA, City, and Harbor), this initiative is postponed until next fiscal year.

CHALLENGES & OPPORTUNITIES

Key subject matter experts for the benefits calculator project and the one-on-one video counseling project are tasked with two other Business Plan Initiatives: the Separation Incentive Program (SIP) and Mobile Workforce. Therefore, these projects have been delayed.

NEXT STEPS

In 2021-22, this initiative aims to expand self-service options for Members including retirement seminars via webinars. It will provide Members with the ability to video conference with retirement counselors and the option to complete their retirement application forms electronically via an online application portal.

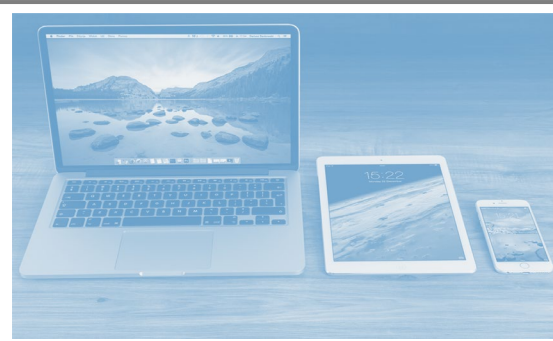
INITIATIVE SUMMARY

Implement remote work solutions deploying mobile equipment and cloud services to maximize operational productivity without requiring physical in-office presence, with focus on key priorities:

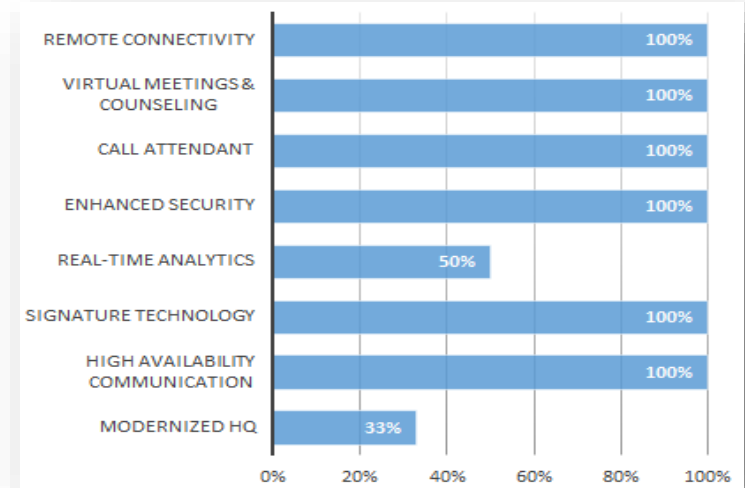
- Secured Remote Access to Enterprise Systems
- Cost-Efficiency & Reduction of Physical Footprint
- Productive Counseling & Meeting Conferences
- Real-Time Statistics & Operational Health
- Modernized Building & Mobility
- High Availability of Collaboration & Communication Tools

BUDGET

Appropriation:	\$624,766.00
Expense:	(\$570,496.00)
Unspent:	\$45,154.00



KEY INDICATORS



MILESTONES/DELIVERABLES

MOBILE WORKFORCE	Q1	Q2	Q3	Q4	NOTES
Azure Web Services		Project Planning	User Train & Deploy		
Infrastructure Buildout	Telecommute Infra	Azure & Multi Factor			
Cyber Policies	Adopt				On-going communications, training, & enhanced cyber tools
Software Deployment		Mobile Equipment Box.com MS Teams Monday.com Zoom	Virtual Desktop MS Office 365		
Exchange Hybrid		Plan	Setup & Test	Implementation	
Enterprise Data Analytics		Plan	Procurement & Setup		
Beyond Trust Remote Support			Procure & Deploy		
Digital Fax Migration			Plan & Requirements	Test & Deploy	
AI Security				Procure & Plan	FY22 Setup & Deploy
Endpoint Security				Procure & Plan	FY22 Setup & Deploy
Power BI				Procure & Setup	FY22 Deploy

JULY 2020 - JUNE 2021 SUMMARY

MOBILE WORKFORCE

ACCOMPLISHMENTS

Remote work productivity is expanded and mobile technologies further secured as a result of the completion of all milestones for the year related to the Mobile Workforce Initiative.

Enabling capabilities for staff to work remotely throughout the pandemic crisis was a critical expectation that was successfully met with the added benefit of significant cost savings through the reduction of equipment and power hosted at the LACERS offices.

Cloud-based productivity tools deployed to all staff have enhanced internal communications as well as customer services through online capabilities; mobile services including webinars to conduct larger group meetings; secure content sharing capabilities; and the option for Members to complete retirement applications online.

Enhancements to our Mobile Workforce include:

Exchange Hybrid & Email Security

LACERS deployed a hybrid email solution which combines integration with internal applications, and cloud-based expansion of services to ensure availability of email communication during a disruptive event such as the upcoming Headquarters building move.

LACERS deployed an email content and security solution to create an additional layer of security, reducing exposure to malicious content in our computing environment.

BeyondTrust Remote Support

LACERS successfully deployed BeyondTrust technology to the computing environment enabling IT staff to securely connect to remote workers to provide assistance and deploy software to remote machines.

Mobile Fax

LACERS completed migration of a secured cloud-based fax solution which provides accessibility for telecommute users, cost savings of up to 400% of the annual upkeep of existing telecom appliances and software, and achievement of the highest industry cyber security standard to ensure compliance with PII, HIPAA, and bank information.

The process included requirements gathering, user testing, training, and soft launch. To minimize disruption, LACERS ran parallel with the existing fax system. In addition, LACERS ported the existing fax numbers to ensure continuity and prevent potential mishaps of external reuse of the fax numbers. Overall, a total of fifteen business units were migrated to the new system.

Box Shield, Data Leakage Protection

LACERS completed setup of data leakage and prevention technology to protect the critical data files that are stored on the content sharing platform. The security solution protects the inadvertent sharing of sensitive data with external users, and has built in malware detection to scan files at real-time. In addition, the solution includes machine learning capabilities to auto classify documents, and identify files containing personal information.

CHALLENGES

Prior to March 2020, LACERS maintained all computing equipment within the physical building. During the pandemic, the department enabled remote connections, extending access to the department computer network for staff working at home. This resulted in a bigger footprint for the IT Team to monitor cyber-related activities. To mitigate risks, LACERS deployed necessary safeguards to manage these activities such as multi-factor authentication, cyber policies, endpoint software, and management tools.

The deployment schedule for the Mobile Workforce Initiative was challenged by the significant increase in Department staff due to operational demand. The BPI team mitigated this risk by establishing a work plan focused on priorities, projects and resources.

NEXT STEPS

In completing the “Mobile Workforce” initiative, LACERS shall continue to maintain and support the technologies relating to remote work solutions, productivity tools, cloud services, and mobile equipment. The initiative shall transition towards efforts relating to the new headquarters such as modernization of workspace with solutions inclusive of audio/video, wireless, and mobility appliance.

INITIATIVE SUMMARY

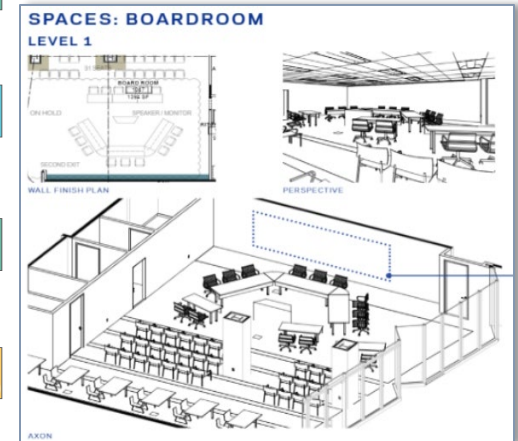
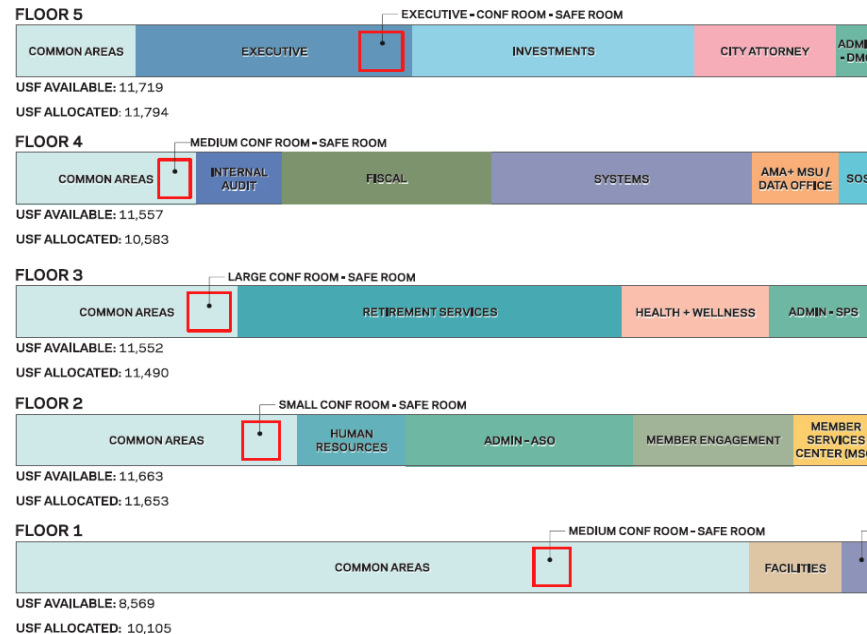
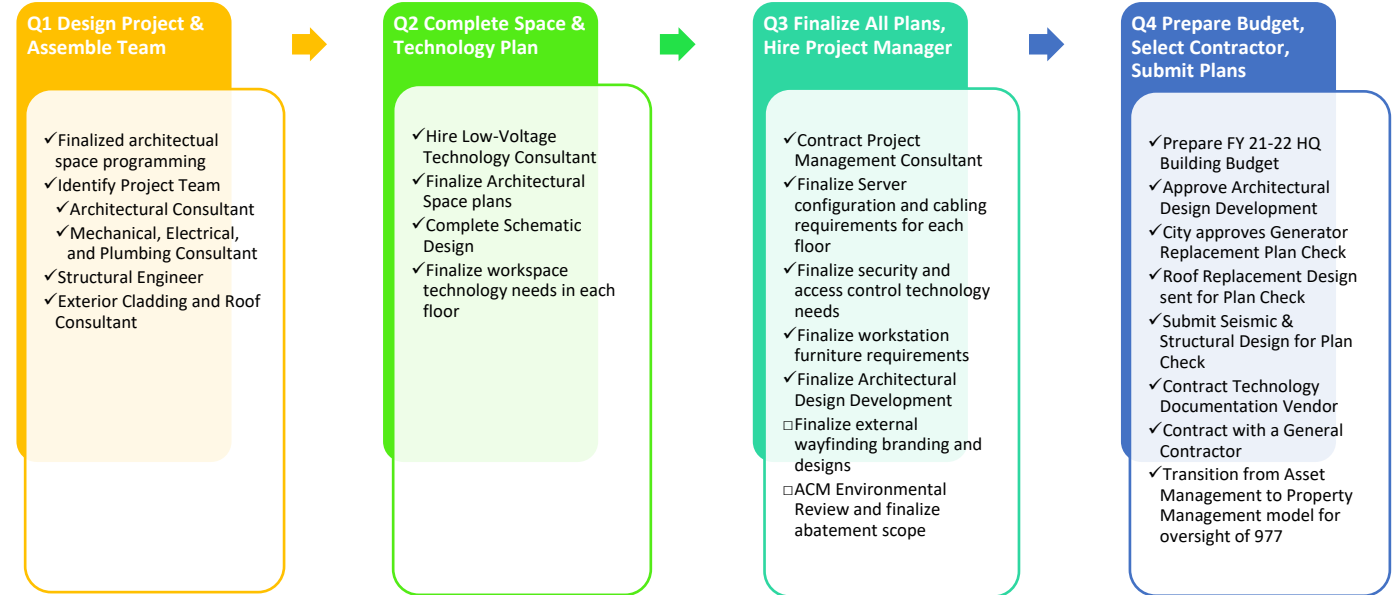
The Headquarters (HQ) Move Initiative (HQMI) tracks the transition of LACERS from its current headquarters to its new location and will focus on the following key priorities:

- Approve architectural space plans and designs for internal tenant improvements to all floors and the parking garage and furniture that meet the WELL standard
- Structural improvements that include curtain wall, seismic, and emergency generator upgrades; roof replacement, and asbestos abatement
- Provide technological improvements to the building’s infrastructure as well as incorporate security and owner technology that supports LACERS’ Mobile Workforce BPI
- Support network migration from LA Times to 977 including the transfer of servers, user technology, and office equipment
- Coordinate weekly status meetings with Executive staff, consultants, and contractors
- Prepare Board reports related to the HQ Move
- LACERS’ occupancy goal is for 3rd Quarter but is estimated to be end of 4th Quarter of FY21-22

BUDGET

Appropriation:	\$22,519,976
Expense:	(\$1,670,853)
Unspent:	\$20,849,123

MILESTONES/DELIVERABLES



JULY 2020 - JUNE 2021

SUMMARY

HEADQUARTERS MOVE – PHASE 2

ACCOMPLISHMENTS

The impact of this initiative to LACERS' strategic goals is extensive. Ownership in 977 North Broadway is a cost-effective investment in the long-term as compared to leasing and provides LACERS with complete control over its administrative and Member services facilities. This control adds to the organization's efficiency, effectiveness, and resiliency, and gives LACERS sole discretion to implement physical office changes that can enhance services to Members. Ensuring that this project is completed on schedule, within budget, and according to the identified specifications, is of utmost importance to LACERS.

The HQ Move Project made significant progress in FY20/21 (FY21) by maintaining project design momentum throughout the COVID-19 Pandemic; implementing an assertive cost management plan to mitigate the COVID-19 related cost increases; and by building a team of project partners capable of planning and implementing the LACERS HQ buildout.

Through weekly meetings to communicate project timeline goals and deliverables, and leveraging teleconferencing technology, the work of designing the HQ Buildout continued at a steady pace to advance plans on the structural work, internal construction and design, architectural space programming and stacking plans, private office and cubicle layouts, furniture selection, network infrastructure, access control, and security.

Once initial designs were costed out, LACERS with its partners, worked hard to revise the project to ensure

costs remained within the budget approved by the LACERS Board of Administration.

LACERS revised its team of partners by transitioning from an Asset Manager to a Property Management model, realizing efficiencies and cost savings.

Key partners on this project include Project Manager Cushman & Wakefield (CW); Executive Real Estate Advisor Twenty-One 11 Ventures LLC, to provide project oversight and industry expertise; and Architectural Consultant, Hellmuth, Obata & Kassabaum, Inc. (HOK) is designing the exterior and interior space. Additional consultants contracted during FY21 include: ARC Engineering serving as the project's Mechanical, Plumbing, and Engineering Consultant; Corporate Contractors hired as the General Contractor; Exante360 performing as the Technology Documentation Consultant; Haworth engaged as the Furniture Manufacturer; Jensen Hughes hired as the Fire Life Safety Consultant; MHP contracted as the Structural Engineering Consultant; Presidio acting as the Low Voltage Integrator and Network Consultant & Installation; Targus Environmental performing Environmental Consulting, Testing, and Monitoring regarding the Asbestos Containing Material mitigation; Unisource Solutions selected as the Furniture Dealer and Installer; and Wiss, Janey, Elstner Associates (WJE) overseeing the building roof replacement and façade improvements.

CHALLENGES & OPPORTUNITIES

COVID-19 has caused some unexpected delays and increase in costs for the initiative. LACERS and its partners continue to develop plans for mitigating these challenges including creating a construction timeline that emphasizes early purchasing of materials and equipment to avoid the expected

spikes in costs and shortages. LACERS will continue to monitor these effects and rely on guidance from the consultants on how to mitigate any future delays and pricing.

Additionally, analysis and feedback revealed unforeseen expenses related to mitigation of asbestos containing materials (ACM). Working with our partners, LACERS has approved a plan to encapsulate the ACMs to avoid a far more costly removal process.

The HQ Move project team of internal and external partners has met the expectations expressed in the BPI. The project has required a perpetual readiness to address the unexpected, frank communication of challenges and mitigation, and the ability to compromise to meet budget and timeline targets while still achieving valued objectives for the project.

NEXT STEPS

In FY22, staff will kick off the construction phase of the HQ Move Project. This phase will require the finalization and permitting of build plans; vacating the building; then construction will begin. Construction is expected to be completed by May 2022 with staff move-in expected by the end of FY22. LACERS will continue to monitor the budget and project schedule with the support of our Project Management.

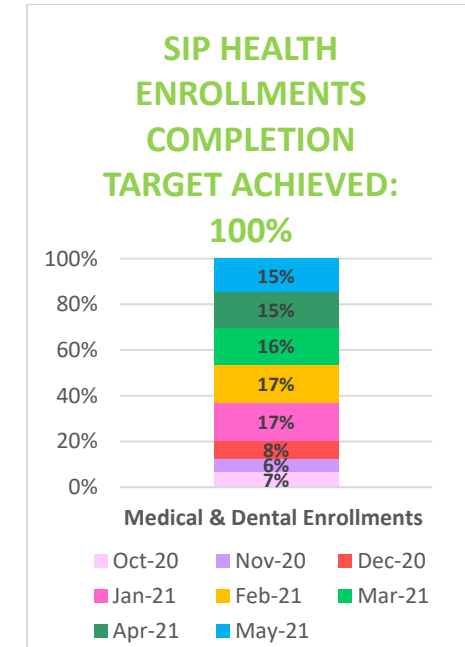
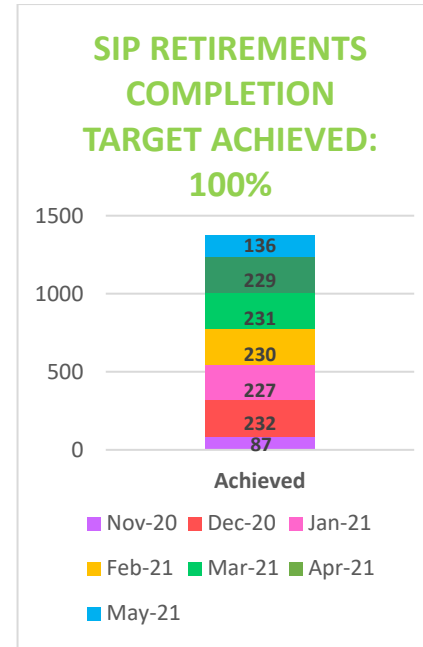
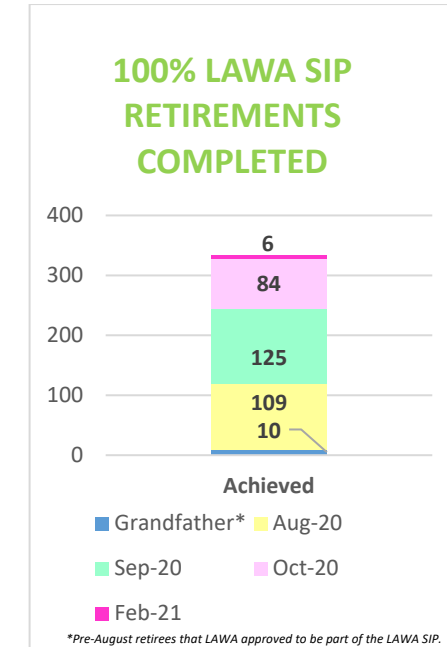
INITIATIVE SUMMARY

The implementation of the Separation Incentive Program (SIP) for the Los Angeles World Airport (LAWA) and the City was designed to meet the City's budgetary savings goals through targeted staff reductions. This initiative is to ensure the timely delivery of both SIP and non-SIP participant retirements and health enrollments with efficiencies achieved through streamlined processes and increased technology utilization resulting in processing 2,148 total retirements for FY 20/21 with 1,706 attributed to the SIP (LAWA: 334; CSIP: 1,372).

BUDGET

	BUDGET	ACTUAL
Full Hiring Salary & Benefits, Loaned staff	\$2,316,861	\$2,143,068
Addtl Part-Time	\$423,600	\$553,899
Overtime	\$304,057	\$248,080
Office space & furnishings	\$291,400	\$197,639
Expenses	\$184,616	\$147,649
TOTAL	\$3,520,534	\$3,290,336

KEY INDICATORS



MILESTONES/DELIVERABLES

	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
RETIREMENTS					HEALTH ENROLLMENTS				
Plan & prepare: forms, application packets, FAQs, instructional videos					Plan & prepare: forms, electronic distribution/collection; allowance of digital signatures				
Review Members' service credit & retirement eligibility					Coordinate with health plan carrier to handle volume				
Conduct counseling, work with Members					Prepare instructional video, health plan enrollment packet				
Work with Departments					Early notification of retirees 65 and over (approx. 35% of CSIP population) regarding Medicare enrollment				
Retire targeted # of Members					Conduct education, counseling, communications with Members				
					Enroll all SIP Members electing health coverage				

JULY 2020 - JUNE 2021

SUMMARY

SEPARATION INCENTIVE PROGRAMS (SIP)

ACCOMPLISHMENTS

Retirement Services Division (RSD)

RSD successfully retired 334 participants of the Los Angeles World Airports Separation Incentive Program (LAWA SIP/LSIP), and 1,372 participants of the City Separation Incentive Program (CSIP).

These milestones included the implementation of innovative and creative solutions to operate in a pandemic environment:

- “How to” video on completing retirement packet for LSIP and CSIP
- Implemented CSIP Retirement electronic packets
- Conducted a virtual session on Abeyance
- On-Boarded 34 full-time staff

Health Benefits and Wellness Division (HBWD)

HBWD successfully enrolled 100% of LSIP and CSIP.

These milestones included the implementation of innovative and creative solutions to operate in a pandemic environment:

- Adapted health enrollment forms for electronic distribution, collection, and electronic signatures to mitigate loss of in-person counseling
- Created “how to” video on health plan options and completion of health plan enrollment material for posting online
- Conducted four Health Q&A webinars for LAWA and CSIP participants, approximately 650 attendees in total
- Extended Open Enrollment period to avoid workload overload simultaneous with SIP processing

- Onboarded 16 additional staff to address increased workload demands

CHALLENGES & OPPORTUNITIES

- The COVID Pandemic posed a challenge in the delivery of Member counseling and the processing of retirement applications. However, by implementing safety protocols and utilizing video conferencing, webinars, content, and document management platforms, the risk to both staff and members was significantly lessened
- Factors contributing to the success of the SIP implementation included detailed logistical planning, technological upgrades, the hiring of sub-authority and temporary staff, and the use of borrowed former staff
- With implementation of a CSIP abeyance period, from November 2020 to January 2021, a limited number of retirement applications were processed during the initial phase of the CSIP, allowing staff the opportunity to work out technical and communications issues arising from switching to a completely electronic retirement process successfully
- During the post-abeyance period, the number of non-CSIP retirement applications, exceeded the projected figures; however, the *managed retirement process policy* helped keep the number of applications processed within staff and resource capabilities
- The transition from in-person to virtual retirement counseling was a necessity and a challenge; however, the one-on-one personal

interaction that Members expected was maintained as much as possible through webinars and follow-up phone calls with retirement counselors

- The extended Open Enrollment period added approximately 400 enrollment changes/additions to the workload. As expected, Open Enrollment requests were spread out over several months, as requests continued through to the end of March and processed into June

It was necessary for Health Division to continue processing health plan enrollments for survivors, assist with plan changes, process Medicare transactions, and reconcile Member health plan accounts, while concurrently onboarding new staff. Despite these challenges, staff prevailed in meeting the expectations of SIP.

NEXT STEPS

In Fiscal Year 2021-22, RSD will focus on audit of all regular, LSIP and CSIP to ensure accuracy of retirement benefits and processing of 79 Members under the Harbor SIP which began in June and will conclude in December 2021.

HBWD will continue current processes; continue mentoring new staff; and refine the division structure to streamline enrollment form processing, distribution, collection, and verification.

APPENDIX A – BUSINESS PLAN INITIATIVE TEMPLATE

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

Shade the cells according to status:

- Completed
- On-Track
- Off-Track
- Intervention Needed

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

INITIATIVE SUMMARY

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

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

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.]

MILESTONES / DELIVERABLES

QE 09/30/2020

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

QE 12/31/2021

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

QE 03/31/21

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

QE 06/30/21

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

KEY INDICATORS

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

Survey Feedback

"How helpful was this medical section for you?"

"Do you feel like you have a better understanding of how your medical benefits work now?"



Choice	Count	%	Choice	Count	%
Extremely helpful	6	42.9%	Yes, definitely	7	29.2%
Very helpful	3	21.4%	Yes, a little	9	37.5%
Somewhat helpful	3	21.4%	Maybe	2	8.3%
Not very helpful	1	7.1%	No, not really	4	16.7%
Not at all helpful	1	7.1%	No, definitely not	2	8.3%