



DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: OCTOBER 17, 2019

ITEM: A.3

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: FIRST QUARTER UPDATE FOR THE 2019-20 BUSINESS PLAN AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

1. Authorize a revision to the Project History and the September 30, 2019 Milestone narrative for Project No. 5 – Direct Deposit Transition, as reflected in the revised Business Plan;
2. Authorize a revision to the December 31, 2019 Milestone date to June 30, 2020 for Project No. 7 – PARIS (Pension and Retirement Information System) Implementation, as reflected in the revised Business Plan; and
3. Authorize a revision to the Business Plan for Project No. 10 – Pensions Division Business Process Reengineering, to extend portions of this project to next fiscal year and instruct staff to continue this project in the 2020-21 Business Plan.

DISCUSSION

Staff is providing the first quarter update on the status and progress of the 2019-20 Business Plan projects (Attachment II).

The 2019-20 Business Plan was approved by the Board on June 20, 2019 and includes a total of 12 projects that fall within the department's five Strategic Goals:

1. Ensure a Financially Sound Retirement System
2. Manage Risk Throughout the Organization
3. Enhance Customer Care & Stakeholder Relations
4. Pursue Operational Efficiencies
5. Build and Support a Talented Workforce

These primary goals help keep the System resources focused on the most critical areas to ensure we successfully fulfill our Mission Statement:

“To advance the health and retirement security of those who dedicate their careers and risk their lives to protect the people of Los Angeles”

The 2019-20 Business Plan first quarter update is summarized in Attachment I. This attachment provides a brief overview of the projects, including the overall project duration, the progress towards meeting the 2019-20 Milestones, the overall project status and whether the project is currently over/under budget.

As presented in Attachment I, the table can be summarized as follows:

- Ten out of the 12 projects are on schedule and within budget;
- One out of the 12 projects is at risk of falling behind schedule; and
- One out of the 12 projects is behind schedule.

Project No. 5 – Direct Deposit Transition

Of the ten projects which are on schedule, staff requests technical revisions to the Direct Deposit Transition project write-up.

The City Attorney has recently advised staff that LAFPP may adopt a policy requiring direct deposit, but members would be allowed to opt-out in order to comply with California law. This new information has been added to the Project History.

The September 30, 2019 Milestone will be revised, replacing check messages with emails. Due to the limitations of PARIS, staff cannot place messages on the paper checks only for the affected members (~500). As an alternative to the check messages, LAFPP will be emailing the same letters and direct deposit forms directly to the affected members. The check message feature will be utilized if PARIS gains the ability to place check messages in the future.

The project continues to be on-schedule and on-budget.

Project No. 7 – PARIS (Pension and Retirement Information System) Implementation

As communicated in the September 19, 2019 Board Monthly Report, the Project Team is currently assessing the major processes/functionality and reports to identify those that are not properly working and need to be fixed as soon as possible within the core pension administration system (Phase 4A). A comprehensive list of functionality fixes along with the previously identified functionality intentionally deferred after Phase 4A Go-Live is being compiled and prioritized in order to address them in the upcoming Post Support builds. Due to the number and complexity of identified issues, it has now been determined that these needed fixes will be prioritized over the Phase 4B work (delivery, testing and implementation of additional system functionality for DocuShare and Workflow integration). The Project team anticipates that the needed Phase 4A functionality will be rolled out by December 2019. As such, the Phase 4B Milestone will be pushed back to June 30, 2020.

Staff will continue to update the Board on the Project status in the Monthly Reports and the Quarterly Business Plan Reports.

Project No. 10 – Pensions Division Business Process Reengineering

Due to continuing development work on Project No. 7 - PARIS (Pension and Retirement Information System) as described above, the first two Milestone dates for Project No. 10 will be delayed by six

months, to March 31, 2020 and June 30, 2020. As such, staff proposes to modify the scope of the work to deliver six Milestones over the course of two fiscal years. Modifying the timeline to complete the Project by June 30, 2021 allows for a one-quarter review per section.

BUDGET

No additional funding is requested at this time.

POLICY

No policy change as recommended.

This report was prepared by:

Elijah Hernandez, Management Assistant
Administrative Services Section

RPC:WSR:MTS:DP:EH

- Attachments:
- I. 2019-20 Business Plan Dashboard - First Quarter Update
 - II. 2019-20 Revised LAFPP Business Plan

**DEPARTMENT OF FIRE AND POLICE PENSIONS
2019-20 BUSINESS PLAN
FIRST QUARTER UPDATE (AS OF SEPTEMBER 30, 2019)**

2019-20 BUSINESS PLAN DASHBOARD

PROJECT TITLE	Overall Project Duration	2019-20 Milestone Dates	Overall Project Schedule	2019-20 Project Budget
Goal 1 – Ensure a Financially Sound Retirement System				
1. NEW – Emerging Manager Program and Policy Review	2019-20	●	●	●
2. NEW – Actuarial Assumption Research	2019-20	●	●	●
3. NEW – Investment Benchmarking	2019-20	●	●	●
Goal 2 – Manage Risk Throughout the Organization				
4. NEW – Contractor Disclosure Review Process Enhancements	2019-20	●	●	●
Goal 3 – Enhance Customer Care and Stakeholder Relations				
5. NEW – Direct Deposit Transition	2019-20	●	●	●
6. NEW – Focused Communications	2019-20	●	●	●
7. PARIS (Pension and Retirement Information System) Implementation	2015-16 2016-17 2017-18 2018-19 2019-20	●	●	●
Goal 4 – Pursue Operational Efficiencies				
8. Implementation of New Accounting Software	2019-20	●	●	●
9. NEW – Department-wide Business Process Improvements	2019-20 2020-21	●	●	●
10. NEW – Pensions Division Business Process Reengineering	2019-20 2020-21	●	●	●
Goal 5 – Build and Support a Talented Workforce				
11. NEW – Investment Staff Duties Rotation and Development of Junior Staff	2019-20	●	●	●
12. NEW – Workforce Succession Planning	2019-20	●	●	●

Legend:	●	On schedule or on budget
	●	At risk of falling behind schedule or going over budget
	●	Behind schedule/over budget
	✓	Project completed

LAFPP

LOS ANGELES FIRE AND POLICE PENSIONS



2019-20 BUSINESS PLAN

AS ADOPTED BY THE BOARD:
JUNE 20, 2019

[REVISED: OCTOBER 17, 2019](#)



2019-20 FINAL BUSINESS PLAN INTRODUCTION

The 2019-21 Strategic Plan serves as a blueprint to guide LAFPP in the development of the annual 2019-20 Business Plan and includes the Vision, Mission, Values and Strategic Goals for LAFPP. The Strategic Plan was approved by the Board on February 1, 2018, reaffirming its commitment to the LAFPP Vision Statement:

To be a leader and innovator in the public pension industry through an uncompromising dedication to excellence, customer service, transparency, and education

The 2019-20 Final Business Plan methodically allocates resources to the most critical areas of our operations to successfully accomplish our Mission:

To advance the health and retirement security of those who dedicate their careers and risk their lives to protect the people of Los Angeles

Our Business Plan includes twelve projects, including ten new projects; one multi-year project and one deferred project from last year. We believe these twelve projects are the most critical to ensure we continue to meet the Department's five primary Goals:

- 1) Ensure a Financially Sound Retirement System
- 2) Manage Risk Throughout the Organization
- 3) Enhance Customer Care and Stakeholder Relations
- 4) Pursue Operational Efficiencies
- 5) Build and Support a Talented Workforce

In Fiscal Year 2018-19, the Department implemented the new Pension Administration System Project, which has been named "**PARIS**" (Pensions and Retirement Information System). This marked the culmination of a multi-year effort to transition all member data and payment processing to a new system and required significant resources. While the core system has been implemented, work continues on the last phase of the project, which should be completed by [June 30, 2020](#) ~~December 31, 2019~~.

The Department will now shift resources to other areas throughout the organization, as discussed in the following Project details. We believe these Projects will enable the Department to meet our Mission and Strategic Goals as envisioned during the development of the 2019-21 Strategic Plan.

I want to extend my deep appreciation to the Board and staff for the continued support of the Strategic and Business Plans over the years.

Sincerely,

Raymond Ciranna, General Manager

2019-20 FINAL BUSINESS PLAN PROJECT MATRIX SUMMARY

GOAL 1 – Ensure a Financially Sound Retirement System			
Project Title	Workload Level	Duration	Project Objective
(1) (NEW) Emerging Manager Program and Policy Review	Lead: Moderate Participants: Moderate	2019-20	To research and pursue potential improvements in the emerging manager program.
(2) (NEW) Actuarial Assumption Research	Lead: Low Participants: Low	2019-20	To research and gather actuarial information and trends for the next experience study. The next experience study will cover July 1, 2016 - June 30, 2019 and is expected to be presented to the Board in June 2020.
(3) (NEW) Investment Benchmarking	Lead: Moderate Participants: Moderate	2019-20	To perform a cost and performance benchmarking analysis of the LAFPP portfolio.
GOAL 2 – Manage Risk Throughout the Organization			
Project Title	Workload Level	Duration	Project Objective
(4) (NEW) Contractor Disclosure Review Process Enhancements	Lead: Low Participants: Moderate	2019-20	To enhance assurance that investment and procurement decisions are made solely on the merits of the goods or services proposed to be provided by contractors to LAFPP.
GOAL 3 – Enhance Customer Care and Stakeholder Relations			
Project Title	Workload Level	Duration	Project Objective
(5) (NEW) Direct Deposit Transition	Lead: Moderate Participants: Moderate	2019-20	To reduce the usage of physical checks by 50% and have members voluntarily enroll into direct deposit.

2019-20 FINAL BUSINESS PLAN PROJECT MATRIX SUMMARY

GOAL 3 – Enhance Customer Care and Stakeholder Relations			
Project Title	Workload Level	Duration	Project Objective
(6) (NEW) Focused Communications	Lead: Moderate Participants: Moderate	2019-20	To create focused benefit communications on individual topics that will address frequently asked questions and reduce member inquiries.
(7) PARIS (Pension and Retirement Information System) Implementation	Lead: High Participants: High	2015-16 2016-17 2017-18 2018-19 2019-20	To design and implement a new Pension Administration System that will result in improved overall efficiency in the department's business operations and continued superior service to our membership.
GOAL 4 – Pursue Operational Efficiencies			
Project Title	Workload Level	Duration	Project Objective
(8) Implementation of New Accounting Software	Lead: Moderate Participants: Moderate	2019-20	To replace the current accounting software and improve financial reporting.
(9) (NEW) Department-wide Business Process Improvements	Lead: Moderate Participants: Moderate	2019-20 2020-21	To identify and implement operational best practices based on insights gained from pension administration benchmarking process and results for the period ending June 30, 2018.
(10) (NEW) Pensions Division Business Process Reengineering	Lead: Moderate Participants: Moderate	2019-20 2020-21	To review Pensions Division Sections' business processes by PASCo in consultation with the Internal Audit Section. Recommendations will be made to leverage PARIS and DocuShare to improve efficiency

2019-20 FINAL BUSINESS PLAN PROJECT MATRIX SUMMARY

GOAL 5 – Build and Support a Talented Workforce			
Project Title	Workload Level	Duration	Project Objective
(11) (NEW) Investment Staff Duties Rotation and Development of Junior Staff	Lead: High Participants: High	2019-20	To continue the development of junior and senior staff through rotation of duties, cross-training and educational opportunities.
(12) (NEW) Workforce Succession Planning	Lead: High Participants: Low	2019-20	To develop and implement a cross-training pilot program on a limited basis and study results to assist in the efficient expansion of the pilot program.

GOAL 1 – Ensure a Financially Sound Retirement System

Project 1: *NEW* – Emerging Manager Program and Policy Review

Duration: 2019-20

Project Lead: Tom Lopez, Chief Investment Officer, Investments Division

Project Participants: Investments Staff and RVK

Stakeholders: Board Members, LAFPP Members

PROJECT OBJECTIVE	To research and pursue potential improvements in the emerging manager program.
PROJECT HISTORY	The Emerging Manager program was created in the early 90's in order to seek out firms that may outperform their peers but have less ability to market themselves to large institutional investors. Similar to other managers, the performance of emerging managers varies and given the evolution of the marketplace in recent years, a deeper look into the program would be beneficial for LAFPP.
2019-20 DELIVERABLES	Comprehensive review of the Emerging Manager Program and Policy reported to the Board.
2019-20 MILESTONES	BY SEPTEMBER 30, 2019: Begin review of Emerging Managers and the existing policy. BY DECEMBER 31, 2019: Complete review process with RVK. BY MARCH 31, 2020: Compile data, form recommendations and present to the Board the results of the comprehensive review of the Emerging Manager Program.
2019-20 RESOURCES	There are no anticipated additional costs associated with this project. Staff will utilize existing resources.

GOAL 1 – Ensure a Financially Sound Retirement System

Project 2: *NEW* - Actuarial Assumption Research

Duration: 2019-20

Project Lead: Greg Mack, Chief Benefits Analyst, Pensions Division

Project Participants: Greg Mack

Stakeholders: LAFPP Staff, Management, and Board of Commissioners

PROJECT OBJECTIVE	To research and gather actuarial information and trends for the next experience study. The next experience study will cover July 1, 2016 - June 30, 2019 and is expected to be presented to the Board in June 2020.
PROJECT HISTORY	The 2020 experience study will review the economic and demographic actuarial assumptions and compare actual experience with what was expected under the current assumptions. The Society of Actuaries have released a new mortality table for retiree public safety members. The Board's actuarial consultant may recommend changes to the mortality table along with other potential assumption changes including and not limited to inflation, investment return, salary increases, termination and disability incidence rates.
2019-20 DELIVERABLES	Presentation to the Board regarding actuarial industry trends that could impact the assumptions recommended in the next experience study.
2019-20 MILESTONES	BY DECEMBER 31, 2019: Research the actuarial assumptions changes being recommended for other Pension systems by their actuarial consultants. BY JUNE 30, 2020: Presentation to the Board of the results regarding actuarial information and trends as they relate to the experience study.
2019-20 RESOURCES	The final budget includes existing staffing and actuarial costs associated with this project. No additional costs are anticipated.

GOAL 1 – Ensure a Financially Sound Retirement System

Project 3: *NEW* – Investment Benchmarking

Duration: 2019-20

Project Lead: Tom Lopez, Chief Investment Officer, Investments Division

Project Participants: Investments Division and Investment Benchmarking Firm

Stakeholders: Board Members and LAFPP Members

PROJECT OBJECTIVE	To perform a cost and performance benchmarking analysis of the LAFPP portfolio.
PROJECT HISTORY	The Board regularly reviews the Plan’s investment performance, risk taken, and costs associated with the management of its investment program. This project will provide a comprehensive comparison of how LAFPP is performing versus its peers.
2019-20 DELIVERABLES	Comprehensive review of LAFPP’s portfolio investment performance, risk and costs compared to a peer group of funds for the period ending December 31, 2018.
2019-20 MILESTONES	BY MARCH 31, 2020: Review the draft report to the General Manager and CIO. BY JUNE 30, 2020: Present the final report to the Board.
2019-20 RESOURCES	The costs associated with this project are unknown at this time. No additional staffing costs are anticipated.

GOAL 2 – Manage Risk Throughout the Organization

Project 4: *NEW* – Contractor Disclosure Review Process Enhancements

Duration: 2019-20

Project Lead: James Yeung, Internal Auditor IV, Internal Audit Section

Project Participants: Internal Audit Section Staff

Stakeholders: LAFPP and LAFPP Contractors

PROJECT OBJECTIVE	To enhance assurances that investment and procurement decisions are made solely on the merits of the goods or services proposed to be provided by contractors to LAFPP.
PROJECT HISTORY	The Contractor Disclosure Policy requires contractors to disclose contributions, gifts, and contacts to provide transparency on conflicts of interest. The policy was intended to supplement city and state ethics laws. Current procedures rely solely on self-reporting, and review procedures are independent of city/state compliance requirements.
2019-20 DELIVERABLES	Enhanced Internal Audit Section review of procedures and processes.
2019-20 MILESTONES	BY SEPTEMBER 30, 2019: Identify available external data resources. Develop, document, and test procedures and processes to cross reference reported contractor disclosures to external data resources. BY DECEMBER 31, 2019: Full implementation.
2019-20 RESOURCES	There are no anticipated costs associated with this project. Existing Internal Audit Section staff will be utilized for this project.

GOAL 3 –Enhance Customer Care and Stakeholder Relations

Project 5: *NEW* - Direct Deposit Transition

Duration: 2019-20

Project Lead: Kyle Susswain, Manager, Retirement Services

Project Participants: Retirement Services Staff

Stakeholders: LAFPP Members and Retirement Services Staff

PROJECT OBJECTIVE	To reduce the usage of physical checks by 50% and have members voluntarily enroll into direct deposit.
PROJECT HISTORY	Members receiving checks can possibly receive their payments late, forget if they cashed them, or lose them. To replace a lost check, members must complete and return a notarized affidavit by a certain day to meet LAFPP's Off-Cycle check repayment date. If they miss that date, it would take another month to receive payment. CPAS allows for retroactive direct deposit payments to be made much more frequently. The City Attorney has advised staff that LAFPP may adopt a policy requiring direct deposit, however, members need to be allowed to opt-out in order to comply with California law.
2019-20 DELIVERABLES	Reduce physical check usage by 50% and have members voluntarily enroll into direct deposit.
2019-20 MILESTONES	<p>BY SEPTEMBER 30, 2019: Identify members receiving checks and verify addresses. Email and Mmail letters with direct deposit forms to these members. Also post direct deposit transition information to the LAFPP website and place messages on their checks.</p> <p>BY DECEMBER 31, 2019: Receive forms and enroll 16% of check receiving members into direct deposit. Send 2nd round of letters to those that did not enroll.</p> <p>BY MARCH 31, 2020: Receive forms and enroll 33% of check receiving members into direct deposit. Verify phone numbers and call the remaining members, send final round of letters to those that did not enroll.</p> <p>BY JUNE 30, 2020: Receive forms and enroll 50% of check receiving members into direct deposit. Continue efforts to enroll the remaining members.</p>
2019-20 RESOURCES	There are no anticipated costs associated with this project other than existing staff. Potential for cost savings are \$0.055 per deposit versus \$0.62 per check.

GOAL 3 – Enhance Customer Care and Stakeholder Relations

Project 6: *NEW* – Focused Communications

Duration: 2019-20

Project Lead: Elizabeth Trevizo, Management Analyst, Communications & Education

Project Participants: LAFPP Staff

Stakeholders: LAFPP Members and Beneficiaries, and LAFPP Staff and Management

PROJECT OBJECTIVE	To create focused benefit communications on individual topics that will address frequently asked questions and reduce member inquiries.
PROJECT HISTORY	The Charter and Administrative Code define pension benefits and the Summary Plan Descriptions summarize the benefit information. Newsletters provide information on current benefits or upcoming changes to benefits. Focused communications such as information sheets, brochures and handbooks provide easy access to specific topics, as needed.
2019-20 DELIVERABLES	To create focused communications that are accessible and easy to update at a minimal cost.
2019-20 MILESTONES	BY SEPTEMBER 30, 2019: a) Determine information requested most often – poll staff and members; and b) Create a library of titles and types of communications (info sheets, brochures, etc.). BY DECEMBER 31, 2019: a) Prioritize topics; and b) Draft a minimum of two (2) communications. BY JUNE 30, 2020: Finalize two (2) communications and post on Website.
2019-20 RESOURCES	\$500 is included in the 2019-20 Final Budget for the new template from the graphic designer. No additional staffing costs are anticipated for this project.

GOAL 3 – Enhance Customer Care and Stakeholder Relations

Project 7: PARIS (Pension and Retirement Information System) Implementation

Duration: 2015-16, 2016-17, 2017-18, 2018-19, and 2019-20

Project Lead: Alfred Domagat, Sr. Systems Analyst II, Systems Section

Project Participants: LAFPP Staff, Consultants, and Northern Trust

Stakeholders: LAFPP Staff and Management, and LAFPP Members and Beneficiaries

PROJECT OBJECTIVE	To design and implement a new Pension Administration System that will result in improved overall efficiency in the department's business operations and continued superior service to our membership.
PROJECT HISTORY	<p>The Request for Proposal (RFP) to replace the current Pension Administration System was released in July 2014 with several bids received in October 2014. The Evaluation Team reviewed the bids and selected Xerox (now assigned to Avenu Insights and Analytics, LLC) as the top-ranking vendor with the lowest cost. The Board awarded the contract to Avenu on May 21, 2015 and implementation of the project began in July 2015. The new system that is being developed was later named PARIS (Pension and Retirement Information System).</p> <p>For the last four years, staff has worked with the Avenu team to setup the hosting environment, confirm and document the various specifications, and test/validate delivered functionality, including critical reports and correspondences. After a thorough User Acceptance Testing (UAT) and a two-month "parallel testing" period, PARIS went live with Phase 4A – Core Pension Functionality on January 9, 2019. This allowed the project team to focus on the next phase of the project, Phase 4C- Member Web Functionality, which went live on May 16, 2019.</p> <p>Fiscal Year 2019-20 will serve as the final year of project implementation as staff completes the last phase of the project, Phase 4B – DocuShare and Workflow Integration.</p>
2019-20 DELIVERABLES	a) Configure and deliver for testing additional system functionality for DocuShare and Workflow integration; and b) Ongoing data cleansing.
2019-20 MILESTONES	BY <u>JUNE 30, 2020</u> DECEMBER 31, 2019 : Delivery, testing and implementation of additional system functionality for DocuShare and Workflow integration (Phase 4B).

Project 7: PARIS (Pension and Retirement Information System) Implementation

2019-20 RESOURCES	<p>On May 21, 2015, the Board approved an amount not-to-exceed \$9.02 million to implement a new Pension Administration System (PAS) (3 years) and provide post-implementation services (5 years) by Avenu. The Board also approved LRWL, Inc. to provide oversight project management and quality assurance services for an amount not to exceed \$1.16 million.</p> <p>The 2019-20 Final Budget includes \$725,833 in contractual costs for the PARIS Project. All staff resources, including three resolution positions, have been budgeted through the salary account.</p>
----------------------	--

GOAL 4 - Pursue Operational Efficiencies

Project 8: Implementation of New Accounting Software

Duration: 2019-20

Project Lead: Yolanda Huang, Dept. Chief Accountant IV, Accounting Section

Project Participants: Accounting and Systems Sections

Stakeholders: LAFPP Staff and Management, LAFPP Members and Public

PROJECT OBJECTIVE	To replace the current accounting software and improve financial reporting.
PROJECT HISTORY	Accounting currently uses Microsoft Dynamics-Solomon which is no longer being supported by Microsoft in its current form. A new version of the same software would require purchasing the entire package which is too expensive at this time. Accounting and Systems are looking for other alternative software that would provide equal or better accounting functionality at a more reasonable cost.
2019-20 DELIVERABLES	New accounting software with better functionality would be the expected output of this project.
2019-20 MILESTONES	BY MARCH 31, 2020: a) Review existing software features and gather new requirements; b) Research and evaluate available software and cloud-based services; and c) Select and procure software. BY JUNE 30, 2020: a) Install, configure, and deploy software in production; and b) Migrate data and conduct user training.
2019-20 RESOURCES	The cost associated with this project is included in Systems' 2019-20 Final Budget. No additional staffing costs are anticipated.

GOAL 4 –Pursue Operational Efficiencies

Project 9: *NEW* – Department-wide Business Process Improvements

Duration: 2019-20 and 2020-21

Project Lead: Myo Thedar, Administrative Operations Division

Project Participants: Administrative Operations and Pensions Divisions

Stakeholders: LAFPP Staff and LAFPP Members

PROJECT OBJECTIVE	To identify and implement operational best practices department-wide based on insights gained from the pension administration benchmarking process and results for the period ending June 30, 2018.
PROJECT HISTORY	<p>Pension administration benchmarking was initiated in FY 18-19 (Business Plan Project No. 8). In June 2019, Cost Efficiency Management (CEM) Benchmarking presented the benchmarking results for the FY 2018.</p> <p>The benchmarking survey and results:</p> <ul style="list-style-type: none"> • provided a better understanding of the service metrics measured in a pension administration benchmarking and how LAFPP compares to a peer group; • identified the department’s high performing areas and areas where there are opportunities to become more efficient; and • provided access to Peer Intelligence Network (PIN), a knowledge base and forum through which pension administration best practices are shared. <p>Based on the benchmarking results, the LAFPP Board instructed staff to implement operational best practices and perform a follow-up CEM Benchmarking survey in three years (based on FY 2021 data) to measure changes in departmental operations.</p>
2019-20 DELIVERABLES	Methodical research, prioritization and implementation of best practices in areas where department operations can immediately become more efficient with minimal impact to current service levels.
2019-20 MILESTONES	<p>BY JUNE 30, 2020:</p> <ul style="list-style-type: none"> • Research and identify opportunities for efficiencies based on CEM’s results • Determine which of these opportunities are short term projects (may be implemented immediately) and which are longer term projects (that may impact service levels) that require additional research <ul style="list-style-type: none"> ○ Short Term Projects with Minimal Service Level Impact: <ul style="list-style-type: none"> ▪ Complete research on process improvements ▪ Implement immediately and quantify impact (if possible) ▪ Report implemented projects to the Board ○ Longer Term Projects that May Impact Service Levels: <ul style="list-style-type: none"> ▪ Report research and findings to the Board ▪ Propose future Deliverables and Milestones

Project 9: *NEW* – Business Process Improvements

2019-20 RESOURCES	There is no funding request associated with this project. Budget or other resource requests will be made in future years, if necessary. Existing staff will be utilized to manage and coordinate this project.
(TENTATIVE) FUTURE YEAR DELIVERABLES	<ul style="list-style-type: none">• Survey members for feedback on big impact items• Prioritize improvements based on member feedback and availability of digital solutions and resources• Discuss with Board opportunities that may impact service levels• Develop Milestones that incorporate process improvement research and proposed operational efficiencies.

GOAL 4 –Pursue Operational Efficiencies

Project 10: *NEW* – Pensions Division Business Process Reengineering

Duration: 2019-20 and 2020-21

Project Lead: Anthony Torres, Manager, PASCo

Project Participants: Pensions Division, Accounting Section, and Internal Audit Section

Stakeholders: Executive Management, Pensions Division Staff, and Accounting Section

PROJECT OBJECTIVE	To review Pensions Division Sections’ business processes by PASCo in consultation with the Internal Audit Section. Recommendations will be made to leverage PARIS and DocuShare to improve efficiency.
PROJECT HISTORY	<p>This project is an outgrowth of the implementation of PARIS and DocuShare. The workload involved with conversion and testing activities has not left staff with much time to reevaluate their business processes to make the most of PARIS and DocuShare.</p> <p><u>Due to continuing development work on PARIS, the first milestone date has been delayed until March 31, 2020. The timeline has also been extended to June 30, 2021 to allow for a one-quarter review per section. A total of six milestones will be delivered over the two years.</u></p>
2019-20 DELIVERABLES	Process improvement recommendations for Pensions Division with respect to payment of member benefits. Proposals for further PARIS enhancements.
2019-20 MILESTONES	<p>BY SEPTEMBER 30, 2019: Business process review completed and recommendations made for one Section in Pensions Division.</p> <p>BY DECEMBER 31, 2019: Business process review completed and recommendations made for an additional two Sections in Pensions Division.</p> <p>BY MARCH 31, 2020: <u>Business process review completed, recommendations made, and process manuals developed for one Section in Pensions Division.</u> Business process review completed and recommendations made for remaining three Sections in Pensions Division.</p> <p>BY JUNE 30, 2020: <u>Business process review completed, recommendations made, and process manuals developed for one Section in Pensions Division.</u> Complete consultation with Accounting to improve benefit payment workflow between Pensions Division and Accounting.</p>
<u>2019-20 RESOURCES</u>	<u>The final budget includes salary costs for three resolution positions (PASCo) associated with this project. Additional costs for future enhancements may be required for PARIS as a result of this project.</u>

Project 10: NEW – Pensions Division Business Process Reengineering

<u>(TENTATIVE) FUTURE YEAR DELIVERABLES</u>	<u>BY JUNE 30, 2021 (EXTEND INTO NEXT FISCAL YEAR): Business Process review completed, recommendations made, and process manuals developed for remaining four Sections in Pensions Division.</u>
---	--

GOAL 5 - Build and Support a Talented Workforce

Project 11: *NEW* - Investment Staff Duties Rotation and Development of Junior Staff

Duration: 2019-20

Project Lead: Tom Lopez, Chief Investment Officer, Investments Division

Project Participants: Investments Division Staff

Stakeholders: Board Members and LAFPP Members

PROJECT OBJECTIVE	To continue the development of junior and senior staff through rotation of duties, cross-training and educational opportunities.
PROJECT HISTORY	The size and complexity of the Fund's investment portfolio have grown significantly over the last decade. With junior Staff coming into the Investment Division, succession planning and cross-training are important. By changing the Investment Division structure both junior and senior Staff will gain more exposure to additional asset classes.
2019-20 DELIVERABLES	Change reporting structure of junior staff and asset class coverage of senior Investments Staff.
2019-20 MILESTONES	<p>BY SEPTEMBER 30, 2019: Begin the rotation of senior Staff asset classes and new reporting structure of junior Staff.</p> <p>BY DECEMBER 31, 2019: Continue cross-training through conferences, seminars and staff cross collaboration.</p> <p>BY MARCH 31, 2020: Internal staff review to revise responsibilities to match section needs.</p> <p>BY JUNE 30, 2020: Final implementation of staff rotation.</p>
2019-20 RESOURCES	There are no additional staffing costs associated with this project.

GOAL 5 – Build & Support a Talented Workforce

Project 12: NEW – Workforce Succession Planning

Duration: 2019-20

Project Lead: James Schiffhauer, Department Personnel Officer, Human Resources

Project Participants: All Sections

Stakeholders: LAFPP Staff and Management

PROJECT OBJECTIVE	To develop and implement a cross-training pilot program on a limited basis and study results to assist in the efficient expansion of the pilot program.
PROJECT HISTORY	<p>Succession planning has long been an integral part of our operations. It was first developed in 2005-06 for the General Manager and Chief Investment Officer positions (General Manager Goal #3). In 2012-13, succession plans for the two Assistant General Manager positions were incorporated to the existing plan.</p> <p>As part of the 2018-19 Business Plan, the succession plans for these four positions were updated in 2018-19. Additionally, a Workforce Succession Planning (WSP) Team was formed to study other agencies' succession planning approaches. The study revealed that most of the agencies use either a cross-training program or a mentoring program. Based on a departmentwide survey, WSP concluded that the best option would be a cross-training program.</p> <p>The WSP Team also identified additional positions in middle management as key to succession planning: Management Analyst, Senior Management Analyst, Chief Benefits Analyst, and the newly formed positions of Benefits Analyst and Senior Benefits Analyst.</p>
2019-20 DELIVERABLES	To develop and implement cross-training pilot program.
2019-20 MILESTONES	<p>BY DECEMBER 31, 2019:</p> <ul style="list-style-type: none"> • Develop goals and selection criteria for the cross-training pilot program • Identify sections / positions to participate in the cross-training pilot program • Begin cross-training pilot program <p>BY JUNE 30, 2020:</p> <ul style="list-style-type: none"> • Expand cross-training pilot program to include multiple sections / divisions within LAFPP. Build cross-training into the onboarding of new employees and create evaluation system to gauge success • Develop method / process for allowing employees opportunities to apply their new skills.
2019-20 RESOURCES	There is no additional funding or staffing request associated with this project. Existing staff will manage and coordinate this project.