



DEPARTMENT OF FIRE AND POLICE PENSIONS

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REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: APRIL 15, 2021

ITEM: B.4

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: THIRD QUARTER UPDATE OF THE 2020-21 BUSINESS PLAN AND POSSIBLE BOARD ACTION

THIS REPORT IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY

BACKGROUND

The 2020-21 Business Plan was approved by the Board on June 18, 2020 and includes a total of 11 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."*

DISCUSSION

Staff is providing the third quarter update on the status and progress of the 2020-21 Business Plan projects. The third quarter update is summarized in Attachment I, the 2020-21 Business Plan Dashboard. This attachment provides a brief overview of the projects, including the progress toward meeting the Milestones, the overall project duration, the overall project status and whether the project is over/under budget. As presented in Attachment I, the status of the 2020-21 Business Plan through the third quarter is summarized as follows:

- Nine (9) out of the 11 projects are on schedule and within budget;
- One (1) out of the 11 projects missed the March 31st milestone date, but is expected to meet the overall project schedule for this fiscal year ; and
- One (1) out of the 11 projects remains deferred to Fiscal Year 2021-22¹.

¹ On January 21, 2021, the Board instructed staff to defer Project No. 2 ALGA Peer Review to FY 2021-22. Subsequently, on March 18, 2021, the Board approved the FY 2021-22 Preliminary Business Plan which included ALGA Peer Review.

PROJECTS AT RISK OF FALLING BEHIND SCHEDULE

Project No. 3 – Enterprise-wide Cyber Security Program

While the overall project schedule remains on track, one Milestone date will be missed by two weeks. Staff was scheduled to provide to the Board an educational session on Cyber Liability Insurance by March 31, 2021. However, that session is currently scheduled to be provided to the Board on April 15, 2021.

BUDGET

No additional funding is requested at this time.

POLICY

No policy changes have been recommended.

This report was prepared by:

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Administrative Services Section

RPC:WSR:MTS:EC:EH

Attachments: I. 2020-21 Business Plan Dashboard - Third Quarter Update
 II. 2020-21 LAFPP Business Plan

**DEPARTMENT OF FIRE AND POLICE PENSIONS
2020-21 BUSINESS PLAN
THIRD QUARTER UPDATE (AS OF MARCH 31, 2021)**

2020-21 BUSINESS PLAN DASHBOARD

PROJECT TITLE	Overall Project Duration	2020-21 Milestone Dates	Overall Project Schedule	Overall Project Budget
Goal 1 – Ensure a Financially Sound Retirement System				
1. NEW – Implementation of Asset Allocation	2020-21	●	●	●
Goal 2 – Manage Risk Throughout the Organization				
2. NEW – Association of Local Government Auditors (ALGA) Peer Review	Defer to 2021-22	Defer to 2021-22	Defer to 2021-22	●
3. NEW – Enterprise-wide Cyber Security Program	2020-21 2021-22	●	●	●
Goal 3 – Enhance Customer Care and Stakeholder Relations				
4. NEW – Direct Deposit for Refund of Contributions	2020-21	●	●	●
5. NEW – LAFPP Benefits Information Session	2020-21	●	●	●
6. NEW – Rollovers via Wire Payment	2020-21	●	●	●
7. PARIS (Pension and Retirement Information System) Implementation	2015-16 2016-17 2017-18 2018-19 2019-20 2020-21	●	●	●
Goal 4 – Pursue Operational Efficiencies				
8. NEW – Improvements to the Disability Claims Database	2020-21	●	●	●
9. Pensions Division Business Process Reengineering	2019-20 2020-21	●	●	●
10. Department-wide Business Process Improvements	2019-20 2020-21	●	●	●
Goal 5 – Build and Support a Talented Workforce				
11. NEW – Department-wide Cross-Training Program	2020-21	●	●	●

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



2020-21 FINAL BUSINESS PLAN

**AS SUBMITTED TO THE BOARD:
JUNE 18, 2020**

**REVISED:
JANUARY 21, 2021
OCTOBER 15, 2020**





2020-21 FINAL BUSINESS PLAN INTRODUCTION

Los Angeles Fire and Police Pensions (LAFPP) annually prepares a Business Plan to develop projects to help successfully accomplish our goals and identify necessary allocation of resources to the most critical areas of our operations. With preparation of the Business Plan, we strive to fulfill our vision and support our mission as outlined in the 2019-21 Three-Year Strategic Plan. The Strategic Plan as approved by the Board on February 1, 2018, reaffirms LAFPP’s commitment to:

VISION *Be a leader and innovator in the public pension industry through an uncompromising dedication to excellence, customer service, transparency, and education.*

MISSION *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 eleven projects, including eight new projects and three continuing projects from last year. We believe these projects are the most critical to ensure we continue to meet the Department’s primary goals while upholding our values:

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

VALUES

- Collaboration
- Respect
- Efficiency
- Accountability
- Transparency
- Ethics

Included within the projects for the 2020-21 Business Plan is the conclusion of the Pension Administration System (PAS) Project. This will mark the culmination of a multi-year effort to transition all member data and payment processing to a new system, which required significant resources. The Department next shifts its focus towards leveraging the new PAS to increase efficiencies throughout the organization and enhance the member experience.

Other projects in the 2020-21 Business Plan include: improvements to the Disability Claims Database, which will enhance metrics reporting and archive functionality for Disability Pension applications; additional member services, with the offering of direct deposit for contribution refunds and wire payments for rollovers; and an expansion of the department-wide cross training program, which will ensure our staff is knowledgeable and efficient in service delivery, while supporting continuity of operations in the face of increasing retirements.

I believe these projects will enable the Department to achieve its strategic goals and uphold its Mission. As always, I extend my gratitude to the Board and staff for their hard work and continued dedication to the members of our system.

Sincerely,

Raymond Ciranna, General Manager



2020-21 FINAL BUSINESS PLAN PROJECT MATRIX SUMMARY

GOAL 1 – Ensure a Financially Sound Retirement System

1. **(NEW)** Implementation of Asset Allocation

Objective

To improve the risk/return profile for LAFPP's investments.

Duration

2020-21

Workload Indicator

Lead: Moderate

Participants: Moderate

GOAL 2 – Manage Risk Throughout the Organization

2. **(DEFERRED)** Association of Local Government Auditors (ALGA) Peer Review

Objective

To determine whether Internal Audit Section's quality control system is suitably designed, operates effectively, and produces quality work in compliance with professional standards.

Duration

Deferred to 2021-22

Workload Indicator

Lead: High

Participants: Moderate

3. **(NEW)** Enterprise-wide Cyber Security Program

Objective

To develop an enterprise-wide cyber security program that will focus on all levels of the organization to improve the Department's posture and defense against cyber-attacks.

Duration

2020-21, 2021-22

Workload Indicator

Lead: Moderate

Participants: Moderate

GOAL 3 – Enhance Customer Care and Stakeholder Relations

4. **(NEW)** Direct Deposit for Refund of Contributions

Objective

To improve efficiency in processing refunds of contributions by providing former members and related parties the option to direct deposit their refunds.

Duration

2020-21

Workload Indicator

Lead: Moderate

Participants: Moderate



2020-21 FINAL BUSINESS PLAN PROJECT MATRIX SUMMARY

GOAL 3 – Enhance Customer Care and Stakeholder Relations

5. (NEW) LAFPP Benefits Information Session

Objective

To communicate the benefits offered by the Department to members in a more personalized and focused setting, as well as electronic/virtual formats.

Duration

2020-21

Workload Indicator

Lead: High



Participants: Moderate



6. (NEW) Rollovers via Wire Payment

Objective

To provide members and beneficiaries the option to rollover DROP Distributions via wire transfer.

Duration

2020-21

Workload Indicator

Lead: Moderate



Participants: Moderate



7. (CONTINUING) PARIS (Pension and Retirement Information System) Implementation

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.

Duration

2015-16, 2016-17, 2017-18,
2018-19, 2019-20, 2020-21

Workload Indicator

Lead: Moderate



Participants: Moderate



GOAL 4 – Pursue Operational Efficiencies

8. (NEW) Improvements to the Disability Claims Database

Objective

Pursue operational efficiencies by creating a functional and technologically up-to-date Disability Claims database that will track the status of all applications received by Disability Pensions Section and serve as an archive for all Disability Pension applications. It is desirable that the system will also be capable of generating reports for accurate reporting metrics.

Duration

2020-21

Workload Indicator

Lead: High



Participants: Moderate





2020-21 FINAL BUSINESS PLAN PROJECT MATRIX SUMMARY

GOAL 4 – Pursue Operational Efficiencies

9. (CONTINUING) Pensions Division Business Process Reengineering

Objective

Business processes for Pensions Division will be reviewed by PASCo Section in consultation with Accounting Section and Internal Audit Section. Recommendations will be made to leverage PARIS and DocuShare to improve efficiency.

Duration

2019-20, 2020-21

Workload Indicator

Lead: High



Participants: Moderate



10. (CONTINUING) Department-wide Business Process Improvements

Objective

To 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.

Duration

2019-20, 2020-21

Workload Indicator

Lead: Moderate



Participants: Moderate



GOAL 5 – Build and Support a Talented Workforce

11. (NEW) Department-wide Cross-Training Program

Objective

To expand the cross-training pilot program basis to include the full Department and to study the results to assist in the efficient expansion of the Department Workforce Succession Plan.

Duration

2020-21

Workload Indicator

Lead: High



Participants: Moderate



GOAL 1 – Ensure a Financially Sound Retirement System

Project 1: NEW – Implementation of Asset Allocation

Duration: 2020-21
 Project Lead: Tom Lopez, Chief Investment Officer, Investments Division
 Project Participants: Investments Division Staff, Consultants, and the Board
 Stakeholders: LAFPP Members and the Board

PROJECT OBJECTIVE	To improve the risk/return profile for LAFPP's investments.
PROJECT HISTORY	As indicated in the Board Investment Policy, Section 1.6, "The Asset Allocation Plan shall be reviewed at least once every five years." LAFPP is now due for a review in FY 2020-21. After the Board selects an Asset Allocation Plan, the next step is to develop a plan for implementation.
2020-21 DELIVERABLES	Implementation of a new Asset Allocation Plan, as reviewed and approved by the Board. Begin any changes to the individual asset classes as necessary and conduct any searches that are needed.
2020-21 MILESTONES	<p>BY SEPTEMBER 30, 2020:</p> <p>a. Evaluate and formulate plan to achieve new Asset Allocation targets.</p> <p>BY DECEMBER 31, 2020:</p> <p>a. Begin implementation of the new Asset Allocation strategy, including any necessary manager searches.</p> <p>BY MARCH 31, 2021:</p> <p>a. Schedule and hold interviews if needed for new managers.</p> <p>BY JUNE 30, 2021:</p> <p>a. Complete new Asset Allocation Plan.</p>
2020-21 RESOURCES	Three manager searches are provided for within the 2020-21 budget; should additional searches be required based on the Board's decisions, supplemental funds may be needed.

GOAL 2 – Manage Risk Throughout the Organization
Project 2: *NEW* – Association of Local Government Auditors
(ALGA) Peer Review
Deferred to 2021-22¹

Duration: 2020-21
 Project Lead: Cynthia Varela, Manager, Internal Audit Section
 Project Participants: Internal Audit Section and Peer Review Team
 Stakeholders: LAFPP

PROJECT OBJECTIVE	To determine whether Internal Audit Section’s quality control system is suitably designed, operates effectively, and produces quality work in compliance with professional standards.
PROJECT HISTORY	<p>As stipulated in the Internal Audit Charter (Section 3.0 Appendix 2 of the Board’s Governance Policies), Internal Audit must conduct its auditing activities in compliance with the Professional Practices Framework of Internal Auditing (IIA Standards) and with Government Auditing Standards issued by the United States Government Accountability Office (GAO). These professional standards require audit organizations undergo independent (external) peer reviews every three to five years to assess the audit organization’s quality control system and ensure the audit activity conforms with the standards. ALGA helps coordinate external peer reviews. Peer review teams are generally comprised of three experienced professional auditors who are well versed in IIA Standards and the GAO’s Government Auditing Standards.</p> <p>Internal Audit Section’s last external ALGA peer review was completed in June 2017.</p> <p>Due to the COVID-19 Pandemic, the GAO extended the deadline for completing peer reviews. Audit organizations will have 15 months after their review period to have the peer review completed. For LAFPP, the extension period ends September 2021. As of April 21, 2020, ALGA has suspended all peer reviews for an indefinite time. Once it is safe to do so, ALGA will resume peer reviews. Internal Audit Section will work with ALGA to ensure the peer review is completed within the GAO guidelines.</p>
2020-21 DELIVERABLES	Completed peer review reports that conclude Internal Audit Section’s quality control system is effective and the auditing activities are conducted in compliance with the Professional Practices Framework of Internal Auditing and with the GAO’s Government Auditing Standards.
2020-21 MILESTONES	<p>BY MARCH 31, 2021:</p> <ol style="list-style-type: none"> a. Undergo the external ALGA Peer Review and confirm results of the peer review; and b. Identify corrective actions that may be needed to address recommendations.

¹ Due to the ongoing suspension of ALGA’s audits, this project has been deferred until FY 2021-22 (revised per 2nd Quarter Update).

**Project 2: *NEW* – Association of Local Government Auditors
(ALGA) Peer Review**
Deferred to 2021-22

2020-21 MILESTONES (CONT.)	BY JUNE 30, 2021: a. Report ALGA peer review results and corrective actions, if necessary, to the Board.
2020-21 RESOURCES	The peer review is estimated to cost \$8,900 for the travel and lodging costs of three non-local Peer Review Team members. Costs have been accounted for in the FY 2020-21 Proposed Budget.

GOAL 2 – Manage Risk Throughout the Organization

Project 3: *NEW* – Enterprise-wide Cyber Security Program

Duration: 2020-21 and 2021-22
 Project Lead: William S. Raggio, Executive Officer
 Administrative Operations Division
 Project Participants: Executive Management and Systems Staff
 Stakeholders: Board Members, LAFPP Members

PROJECT OBJECTIVE	To develop an enterprise-wide cyber security program that will focus on all levels of the organization to improve the Department’s posture and defense against cyber-attacks.
PROJECT HISTORY	<p>In March 2020 staff presented to the Board the “Cyber Security Posture for LAFPP and Our Business Partners – Update” that built upon the report provided to the Board in January 2019. Subsequently, in April 2020, Foley & Lardner LLP, one of two outside counsel firms hired by the Board to provide specialized, expert advice in the areas of health law, data privacy, and data security matters, provided the Board with a “Cybersecurity Program Education” session. The Enterprise-wide Cyber Security Program will build upon this information to leverage in-house expertise, along with outside counsel as necessary, to develop a more holistic cyber security program.</p> <p>An Enterprise-wide Cyber Security Program is comprised of several elements that are actively overseen by Executive Management and reported to the Board regularly. This Program will assess several cyber security elements, including but not limited to: 1) A top down review of the existing cyber security program and procedures, 2) Follow-up work with outside counsel to implement best practices on handling member Personally Identifiable Information (PII), 3) Create an incident response team, and develop action plans, and conduct exercises, 4) Data encryption best practices, 5) Cyber liability insurance assessment, 6) Personnel policies and procedures review/revision, and 7) Employee Training review/revision.</p>
2020-21 DELIVERABLES	Comprehensive review and begin initial implementation of an Enterprise-wide Cyber Security Program.
2020-21 MILESTONES	<p>BY SEPTEMBER 30, 2020:</p> <ul style="list-style-type: none"> a. Further research cyber security programs and begin holistic review of current cyber security posture. <p>BY DECEMBER 31, 2020:</p> <ul style="list-style-type: none"> a. Continue work with outside counsel to implement PII handling best practices; b. Form incident response team and begin development of incident response procedures; and c. Begin network-wide encryption implementation. <p>BY MARCH 31, 2021:</p> <ul style="list-style-type: none"> a. Complete encryption implementation and assess encryption posture; and b. Research cyber liability insurance and provide education and findings to the Board.

Project 3: *NEW* – Enterprise-wide Cyber Security Program

2020-21 MILESTONES (CONT.)	JUNE 30, 2021: a. Begin cyber liability insurance procurement process, if determined to be appropriate; and b. Begin development of personnel policies and procedures, and additional employee training, if appropriate.
2020-21 RESOURCES	Existing staff will be utilized along with funding included in the FY 2020-21 Budget for Health & Data Privacy Outside Counsel.
(TENTATIVE) FUTURE YEAR DELIVERABLE	The Future Year Deliverable(s) will be based on research and status of the Project as of June 30, 2021.

GOAL 3 – Enhance Customer Care and Stakeholder Relations

Project 4: *NEW* – Direct Deposit for Refund of Contributions

Duration: 2020-21
 Project Lead: Riza Mulawin, Manager, Active Member Services Section
 Project Participants: Active Member Services Section and PASCo Section
 Stakeholders: Former LAFPP Members and Related Parties (Ex-Spouse or Beneficiary), and LAFPP Staff

PROJECT OBJECTIVE	To improve efficiency in processing refunds of contributions by providing former members and related parties the option to direct deposit their refunds.
PROJECT HISTORY	Former members and related parties have reported previous incidents of lost or stolen checks in the mail. To replace lost or stolen checks, recipients must complete and return a notarized affidavit by a monthly deadline to meet LAFPP'S Off-Cycle check repayment date. If the notarized affidavit is not received by the deadline, it could take another month to reissue payment. The direct deposit option is already available for DROP Disbursements and monthly pension payments.
2020-21 DELIVERABLES	A new payment process that will reduce the risk of lost or stolen checks and provide members and related parties an expedient way of receiving their funds.
2020-21 MILESTONES	<p>BY SEPTEMBER 30, 2020:</p> <p>a. Review and test direct deposit functionality in PARIS with PASCo Staff.</p> <p>BY DECEMBER 31, 2020:</p> <p>a. Project Lead to provide training to Active Member Services Staff on entering direct deposit information in PARIS.</p> <p>BY MARCH 30, 2021:</p> <p>a. Revise the Refund of Contribution Form to include necessary direct deposit information; b. Mail revised forms to former members and related parties; and c. Post revised forms on LAFPP website.</p> <p>BY JUNE 30, 2021:</p> <p>a. Begin processing requests by former LAFPP members and related parties to direct deposit their refund of contributions.</p>
2020-21 RESOURCES	There are no anticipated costs associated with this project. Staff has processed an average of ninety-five refunds for the past two fiscal years. Potential cost savings are \$0.305 per direct deposit versus \$0.78 per check.

GOAL 3 – Enhance Customer Care and Stakeholder Relations

Project 5: *NEW* – LAFPP Benefits Information Session

Duration: 2020-21 and 2021-22
 Project Lead: Stephen Bayutas, Management Analyst,
 Communications & Education Section
 Project Participants: Active Member Services Section, DROP/Service Pensions Section,
 and Medical & Dental Benefits Section
 Stakeholders: LAFPP Members, LAFPP Staff, and Executive Management

PROJECT OBJECTIVE	To communicate the benefits offered by the Department to members in a more personalized and focused setting, as well as electronic/virtual formats.
PROJECT HISTORY	<p>LAFPP currently offers its members semi-monthly off-site Financial Planning Education (FPE) seminars. These seminars typically last up to 6 hours and have an average of 70 attendees per seminar. The full session provides a full review of pension benefits, as well as, financial planning strategies for members at specific stages in their career.</p> <p>The Communications & Education Staff will now develop a brief information session focused on pension benefits only. This session will provide a comprehensive overview of benefits in a smaller group size and shorter time period. It will serve as an introduction or refresher of information and allow members the time to interact with staff for specific questions and answers. This session may also serve as an introduction to the full day FPE seminar.</p> <p>A virtual seminar will also be developed so members have the option of receiving this information remotely. This will supplement the virtual Financial Planning Seminar and the Pension Information Videos that are currently in development.</p>
2020-21 DELIVERABLES	Create and schedule in-house monthly presentations focused on LAFPP pension benefits.
2020-21 MILESTONES	<p>BY DECEMBER 31, 2020:</p> <ol style="list-style-type: none"> a. Create schedule of information sessions*; b. Draft presentation and handouts*; c. Create outline and storyboard for informational videos; and d. OPTIONAL: Research software options for a possible live virtual component. <p>BY MARCH 31, 2021:</p> <ol style="list-style-type: none"> a. Finalize presentation content and calendar*; b. Assign, train, and schedule staff designated to present*; c. Design informational videos for digital component; and d. OPTIONAL: Feedback on live virtual component.

Project 5: *NEW* – LAFPP Benefits Information Session

<p>2020-21 MILESTONES (CONT.)</p>	<p>BY JUNE 30, 2021:</p> <ul style="list-style-type: none"> a. Conduct a pilot launch for presentations; b. Send announcements and invitations to members; c. Post informational videos on LAFPP website; and d. Conduct a survey of attendees to gain feedback for improvement. <p>*Milestones and deliverables for “In-House” sessions may be impacted by future developments related to Coronavirus (COVID-19) response and local/State social distancing guidelines.</p>
<p>2020-21 RESOURCES</p>	<p>The costs associated with this project are unknown at this time. We are proposing light refreshments that may be reimbursed through petty cash. No additional staffing costs are anticipated for this project.</p>
<p>(TENTATIVE) FUTURE YEAR DELIVERABLES</p>	<p>BY SEPTEMBER 30, 2021</p> <ul style="list-style-type: none"> a. Fine tune program via surveys and feedback; and b. Log suggested improvements.

GOAL 3 – Enhance Customer Care and Stakeholder Relations

Project 6: *NEW* – Rollovers via Wire Payment

Duration: 2020-21
 Project Lead: May Simmons, Manager, DROP/Service Pensions Section
 Project Participants: DROP/Service Pensions Section, PASCo Section, and Northern Trust
 Stakeholders: LAFPP Members and Beneficiaries, Rollover Institutions

PROJECT OBJECTIVE	To provide members and beneficiaries the option to rollover DROP Distributions via wire transfer.
PROJECT HISTORY	<p>Upon exiting DROP member currently have the option to disperse their DROP Distributions directly to themselves via check or direct deposit or, alternatively, they can elect to rollover the funds to a financial institution of their choice via check only. On average it can take between one to two weeks for a financial institution to receive and process the rollover check; during which time the member’s funds may not accrue interest depending on the recipient institution’s policies.</p> <p>Members have expressed interest in an option to rollover their DROP Distributions via wire transfer. With the new Pension Administration System (PARIS), wire transfer is an available option and is currently being used for pension payments.</p>
2020-21 DELIVERABLES	Wire transfers will reduce the risk of checks being lost/stolen and will be received by the recipient institutions more quickly.
2020-21 MILESTONES	<p>BY SEPTEMBER 30, 2020:</p> <p>a. Coordinate with PASCo Staff and Northern Trust to test the functionality of wire transfers for rollover of DROP Distributions.</p> <p>BY DECEMBER 31, 2020:</p> <p>a. Train DROP Staff in processing rollover of DROP Distributions via wire transfer.</p> <p>BY MARCH 31, 2021:</p> <p>a. Update applicable forms and communications to reflect the availability of a wire transfer option for rollover payments.</p> <p>BY JUNE 30, 2021:</p> <p>a. Post an article to the LAFPP website to inform members the availability of wire transfer option for rollover payments; b. Implement rollover payments via wire transfers; and c. Process wire payments for rollovers as requested by members.</p>
2020-21 RESOURCES	If necessary, budgeted overtime will be used for testing the functionality of wire transfers. An additional cost is associated with wire transfers and will be the responsibility of the members and/or beneficiaries.

GOAL 3 – Enhance Customer Care and Stakeholder Relations

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

Duration: 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21
 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>Since fiscal year 2015, 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 2020-21 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>
2020-21 DELIVERABLES	<ol style="list-style-type: none"> Configure and deliver for testing additional system functionality for DocuShare and Workflow integration; and Ongoing data cleansing.
2020-21 MILESTONES²	<p>BY JUNE 30, 2021: Delivery, testing, and integration of three of ten Workflows.</p>

² Original milestone date of March 31, 2021 was extended pending a comprehensive review of the project schedule by staff in collaboration with the vendor. Staff will report back to the Board with a revised completion date (revised per 1st Quarter Update). Original milestone date of March 31, 2021 was extended to June 30, 2021 (revised per 2nd Quarter Update).

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

<p>2020-21 RESOURCES</p>	<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 2020-21 Final Budget includes \$504,983 in contractual costs for the PARIS Project. All staff resources, including two resolution positions, have been budgeted through the salary account.</p>
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GOAL 4 – Pursue Operational Efficiencies

Project 8: NEW – Improvements to the Disability Claims Database

Duration: 2020-21
 Project Lead: Kristen Rosauer, Manager, Disability Pensions Section
 Project Participants: Disability Pensions Section, Systems Section, and PASCo Section
 Stakeholders: LAFPP Members, Disability Pensions Section, and Executive Management

PROJECT OBJECTIVE	Pursue operational efficiencies by creating a functional and technologically up-to-date Disability Claims database that will track the status of all applications received by Disability Pensions Section and serve as an archive for all Disability Pension applications. It is desirable that the system will also be capable of generating reports for accurate reporting metrics.
PROJECT HISTORY	<p>Application processing for Disability Pensions Section has historically been tracked by an Access database, the Disability Pension Claims Database. This database has been in use for many years and contains all data on Disability applicants from 1997 to present.</p> <p>Although the database serves a purpose for basic data retrieval and generates some reports, it is unable to archive surveillance video and does not incorporate chronological working log notes. Working log notes for closed cases are not stored with documents accompanying the application.</p> <p>Due to the amount of data present in this program, there are concerns that unless this information is backed up on a continuous basis, member information may be lost if the system fails.</p>
2020-21 DELIVERABLES	It is expected that the identified system will provide a centralized archive for all Disability case information as well as a report generating program that will provide accurate, real time metrics.
2020-21 MILESTONES	<p>BY SEPTEMBER 30, 2020:</p> <ul style="list-style-type: none"> a. Complete an analysis of the current Disability Pension Claims Database; b. Identify gaps and areas for improvement; and c. Identify reports which are obsolete and any new reports that the system will need to generate. <p>BY DECEMBER 31, 2020:</p> <ul style="list-style-type: none"> a. Disability Pensions Section, Systems Section, and PASCo Section will meet to discuss the functionality and limitations of PARIS for Disability's purposes.

Project 8: *NEW* – Improvements to the Disability Claims Database

<p>2020-21 MILESTONES (CONT.)</p>	<p>BY MARCH 31, 2021:</p> <ul style="list-style-type: none"> a. Outline what may be implemented in PARIS; b. Determine if PARIS will be able to meet needs of a Disability archiving system; c. Research how other pension systems archive Disability data and compare against PARIS; d. Determine if a separate program or outside technology would serve purposes better; and e. Research other methods of archiving (software programs, etc). <p>BY JUNE 30, 2021:</p> <ul style="list-style-type: none"> a. Make final determination as to if PARIS will be able to function as an archive for Disability Case information, or if outside resources should be used; b. If PARIS will be used, develop implementation plan and outline for data migration and functional menus; and c. If PARIS will be used, develop schedule for transfer of data and testing modules with input from Systems Staff and PASCo Staff.
<p>2020-21 RESOURCES</p>	<p>There is no additional funding or staffing requested for this project.</p>

GOAL 4 – Pursue Operational Efficiencies

Project 9: CONTINUING – Pensions Division Business Process Reengineering

Duration: 2019-20 and 2020-21
 Project Lead: Anthony Torres, Manager, PASCo Section
 Project Participants: Pensions Division, Accounting Section, and Internal Audit Section
 Stakeholders: Executive Management, Pensions Division, and Accounting Section

PROJECT OBJECTIVE	Business processes for Pensions Division will be reviewed by PASCo Section in consultation with Accounting Section and Internal Audit Section. Recommendations will be made to leverage PARIS and DocuShare to improve efficiency.
PROJECT HISTORY	<p>This project is an outgrowth of 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>Due to continuing development work on PARIS in fiscal year 2019-20, the project was 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-year duration.</p>
2020-21 DELIVERABLES	Process improvement recommendations and manuals for Pensions Division with respect to payment of member benefits. Proposals for further PARIS enhancements.
2020-21 MILESTONES	<p>BY SEPTEMBER 30, 2020:</p> <p>a. Business process review completed, recommendations made, and process manuals developed for one Section in Pensions Division.</p> <p>BY DECEMBER 31, 2020:</p> <p>a. Business process review completed, recommendations made, and process manuals developed for one Section in Pensions Division.</p> <p>BY MARCH 31, 2021:</p> <p>a. Business process review completed, recommendations made, and process manuals developed for one Section in Pensions Division.</p> <p>BY JUNE 30, 2021:</p> <p>a. Business process review completed, recommendations made, and process manuals developed for one Section in Pensions Division.</p> <p>b. Recommendations made for handoffs between Pensions Division and Accounting Section.</p>
2020-21 RESOURCES	There are no additional funding or staffing requests associated with this project.

GOAL 4 – Pursue Operational Efficiencies

Project 10: CONTINUING – Department-wide Business Process Improvements

Duration: 2019-20 and 2020-21
 Project Lead: Myo Thedar, Chief Benefits Analyst
 Administrative Operations Division
 Project Participants: Administrative Operations and Pensions Divisions
 Stakeholders: LAFPP Staff and LAFPP Members

PROJECT OBJECTIVE	To 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 HISTORY³	<p>In June 2019, CEM Benchmarking presented to the LAFPP Board results of the pension administration benchmarking for the period ending June 2018. (FY 2019 Business Plan Project No.7)</p> <p>Based on these results, the LAFPP Board instructed staff to research and implement operational best practices and perform a follow-up CEM Benchmarking survey in three years to measure changes in departmental operations. (FY 2020 Business Plan Project No. 9)</p> <p>To that end, staff researched the benchmarking results in 12 service metrics and prioritized a total of 21 opportunities for process improvements via the Business Process Improvement matrix. The matrix is intended to track the disposition of the opportunities as short-term and long-term projects. To summarize, there were five (5) implemented FY 2020; ten (10) to be implemented FY 2021; and six (6) requiring further research for implementation in future fiscal years.</p>
2020-21 DELIVERABLES³	Implementation of the ten (10) projects that have been identified on the Business Process Improvement matrix as short-term projects for completion in FY 2021.
2020-21 MILESTONES	<p>JUNE 30, 2021:</p> <p>a. Report the final implementation status of the projects via the FY 2020-21 Business Plan – 4th Quarter Report.</p>
2020-21 RESOURCES	There is no funding request associated with the tracking of the projects. Funding for each project, if necessary, has been requested in the FY 2020-21 Budget. Existing staff will be utilized to manage and coordinate the projects.
(TENTATIVE) FUTURE YEAR DELIVERABLES	It is anticipated the pension administration benchmarking for the period ending FY 2021 will take place in FY 2022. At that time, staff will report on research into the long-term projects that required further research.

³ The 2020-21 Business Plan, as adopted by the Board on June 18, 2020, contained an error in the number of short-term opportunities. The number has been revised as a technical correction to the Project History and 2020-21 Deliverables.

GOAL 5 – Build and Support a Talented Workforce

Project 11: NEW – Department-wide Cross-Training Program

Duration: 2020-21
 Project Lead: James Schiffhauer, Department Personnel Officer, Human Resources
 Project Participants: All Sections
 Stakeholders: LAFPP Staff and Executive Management

PROJECT OBJECTIVE	To expand the cross-training pilot program on a permanent basis and Department-wide and to study the results to assist in the efficient expansion of the Department workforce succession plan.
PROJECT HISTORY	<p>This project is an expansion of the 2019-20 Business Plan Workforce Succession Planning project with a new focus on developing and implementing a cross-training program for all LAFPP employees. A cross-training team was established and met several times throughout 2019-20. The team established a goal to cross train two employees across two sections over a span of three months to prepare employees for promotional opportunities and gain valuable pensions-related experience.</p> <p>The team met and selected the two trainer-trainee pairs: one cross-training team within the same section and one cross-training team within different sections. The program is running successfully.</p> <p>LAFPP now plans on expanding the cross-training program department-wide and will be coordinating with Retirement Services Section and DROP/Service Pensions Section to develop section-specific cross-training programs.</p>
2020-21 DELIVERABLES	To develop and implement department-wide cross-training program.
2020-21 MILESTONES	<p>BY DECEMBER 31, 2020:</p> <ol style="list-style-type: none"> a. Identify sections/positions and number of pairs to participate in the department-wide cross-training program; b. Complete orientation of new trainers and trainees for the program; and c. Begin new set of cross-training pairs. <p>BY JUNE 30, 2021:</p> <ol style="list-style-type: none"> a. Assess the success of the department-wide cross-training program and make any necessary adjustments to program; and b. Consider expanding number of pairs and continuing department-wide cross-training program.
2020-21 RESOURCES	There are no additional funding or staffing requests associated with this project.