



**ATTACHMENT**

- Strategic Management Plan Presentation

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# Strategic Management Program

Report for Fiscal Year 2019-20 Q2



**SCERS**

SACRAMENTO COUNTY  
EMPLOYEES' RETIREMENT SYSTEM



# Goal 1: Customer Service and Experience

Enhance the services provided to all SCERS' customers to improve efficiency, effectiveness, and accountability.

## Completed 2<sup>nd</sup> Quarter

- Evaluated disability retirement backlog and improved process management
- Evaluated and refined procedures for handling returned mail and updating member addresses
- Streamlined retirement processing in preparation for “busy season”
- Developed new retiree satisfaction survey

## Planned 3<sup>rd</sup> Quarter

- Deploy new retiree satisfaction survey
- Focus on final “busy season” under legacy processes

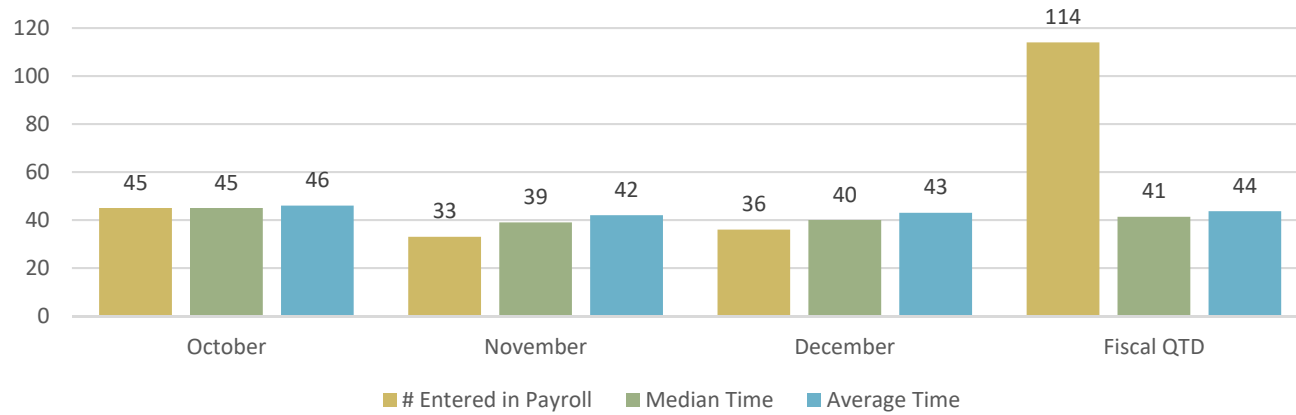
### Key Risks:

- Staff participation in IT project creates challenge to maintaining consistent service levels

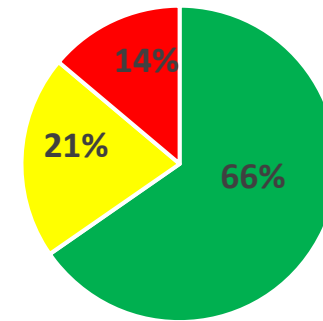
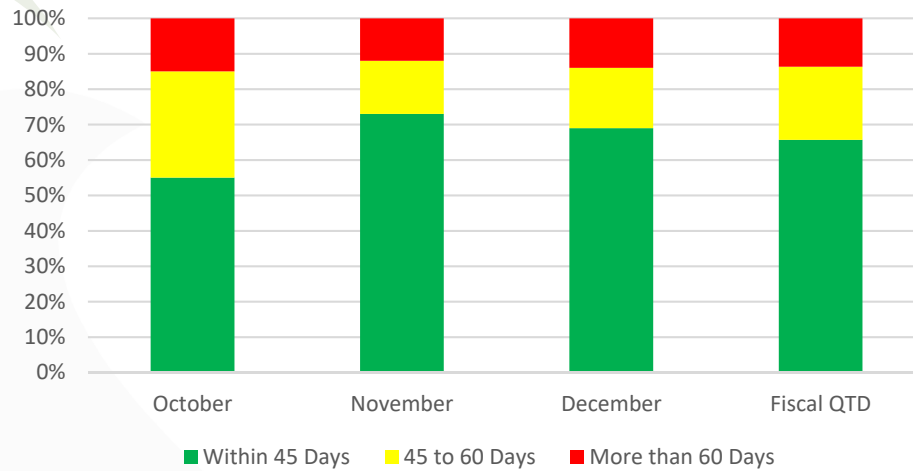


# Customer Service Dashboard

## Retirements



## Processing Time Summary



# Goal 2: Stakeholder Communication and Outreach

Maintain transparent communication among stakeholders and promote understanding of roles and responsibilities.

## Completed 2<sup>nd</sup> Quarter

- Established framework for new Employer Services Unit
- Updated SCERS Bylaws with electronic signature policy and IRS/tax provisions
- Improved timeline for posting contribution rate information
- Hired new Public Information Officer

## Planned 3<sup>rd</sup> Quarter

- Improve disability retirement information and education materials
- Conduct 2<sup>nd</sup> annual Employer Forum
- Formalize Board Election Policy
- Improve integration with county benefit web content and presentations

### Key Risks:

- Ambitious goals to ramp up of member/employer engagement programs



# Goal 3: Funding Integrity and Sustainability

Maintain prudent and effective funding policies and practices that assist in producing low contribution rate volatility and plan sustainability.

## Completed 2<sup>nd</sup> Quarter

- Worked with Segal to identify UC Davis Medical Center pension liabilities

## Planned 3<sup>rd</sup> Quarter

- Initiate negotiation with UC Davis to resolve liabilities
- Perform contribution-rate/funding risk analysis
- Continue to refine budget materials for enhanced transparency

### Key Risks:

- Upcoming review of actuarial assumptions could lead to discount rate debate.





# Goal 4: Investment Planning and Growth

Maintain an investment program that targets performance that meets SCERS' assumed rate of return over time and which mitigates and carefully manages investment risks, including market volatility.

## Completed 2<sup>nd</sup> Quarter

- Educated Board on path for new private equity opportunities through co-investments
- Evaluated SCERS role in proxy voting
- Provided update on capital market assumptions

## Planned 3<sup>rd</sup> Quarter

- Issue RFP for alternative assets consultant
- Review/update Fiduciary Standard of Care Policy

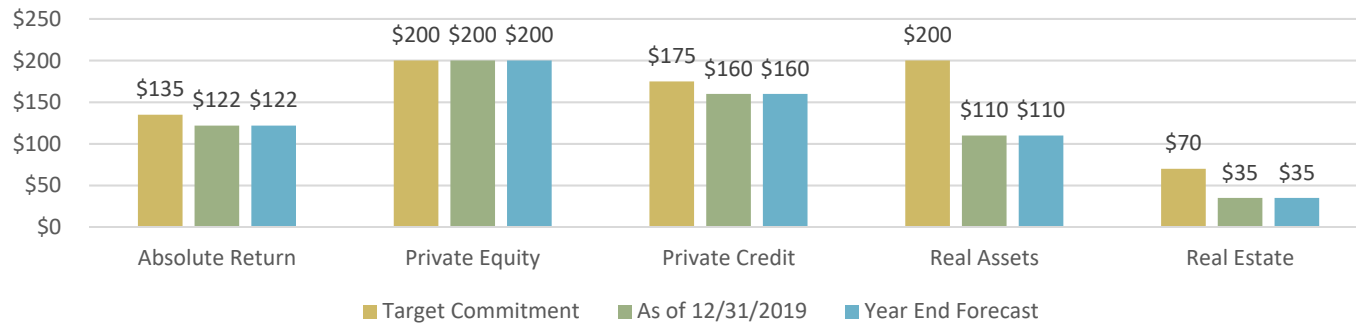
### Key Risks:

- Increasing market volatility and possible economic downturn will make it critical to stick to the investment strategy

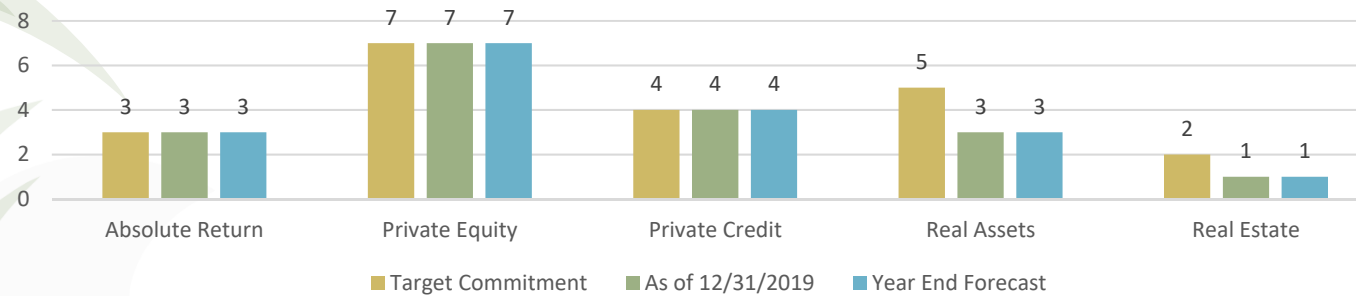


# Goal 4: Investment Dashboard

New Commitments by Dollars (in Millions)



New Commitments by Number of Funds



## Absolute Return:

- Target: Reduce Growth Oriented allocation to 3%      As of 12/31: 3.0%
- Target: Increase Diversifying allocation to 7%      As of 12/31: 6.4%

Note: Targets are for 12/31/2019 based on the calendar year annual investment plan.



# Goal 5: Organizational Development and Culture

Maintain a high-performance organizational structure and workforce.

## Completed 2<sup>nd</sup> Quarter

- Secured Civil Service Commission approval of Sr. Investment Officer classification
- Finalized office lease renewal
- Conducted staff training in following areas:
  - Supervisory/Management
  - Customer Service
  - Public Speaking

## Planned 3<sup>rd</sup> Quarter

- Review staffing needs as part of budget development

### Key Risks:

- In our tight labor market, keeping turnover low is important as our new staff gain experience

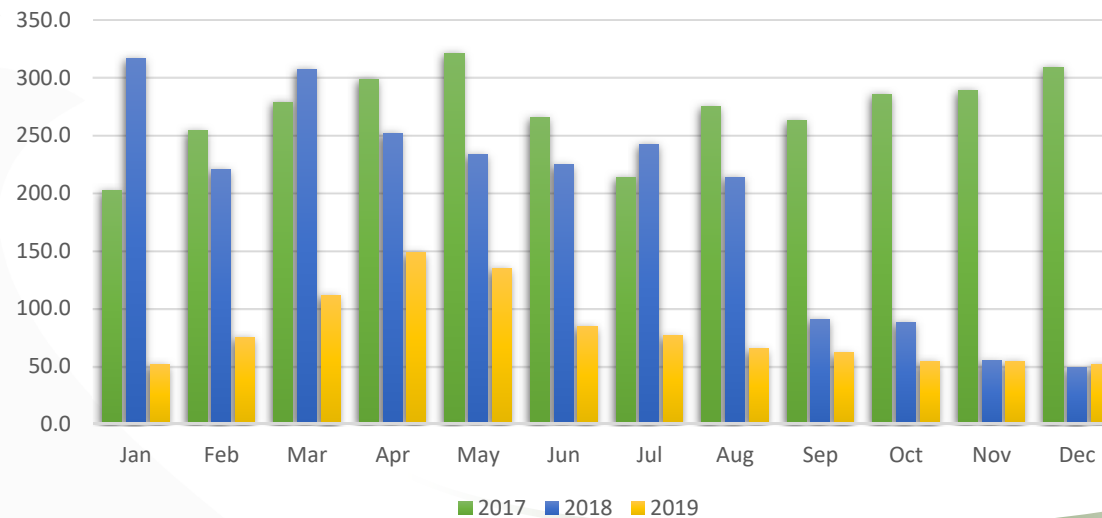


# Goal 5: Workforce Development Dashboard

As Of	Employees	Vacancy Rate
12/31/18	49	18%
3/31/19	45	25%
6/30/19	48	20%
9/30/19	49	18%
12/31/19	50	17%

Staff Evaluations: Q2	Number	Percent
Due	15	100%
On Time	10	66%
Within 1 month	3	20%
1-2 months late	1	7%
2+ months late	1	7%

**SCERS Total Overtime by Month**



# Goal 6: Enterprise Capability and Technology

Maintain and enhance enterprise cross-functional capabilities. Continuously refresh SCERS technology platforms to improve performance, productivity, and efficiency.

## Completed 2<sup>nd</sup> Quarter

- Updated record management and retention policy
- Onboarded new private-market investment accounting service-provider
- Developed new SCERS performance “dashboard”

## Planned 3<sup>rd</sup> Quarter

- Transition more IT project ownership to SCERS staff
- Expand workload tracking and reporting for benefits
- Finalize Conduct Continuity of Operations Plan (COOP) training and testing

### Key Risks:

- Staff activity levels for roll-out of modernized systems are peaking and will remain very high for 18-24 months

