



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

---

### Agenda Item 8

**MEETING DATE:** October 21, 2020

**SUBJECT:** Strategic Management Plan – Quarterly Performance Report

**SUBMITTED FOR:**  Consent       Deliberation and Action       Receive and File

---

#### **RECOMMENDATION**

Staff recommends the Board receive and file the Strategic Management Plan Quarterly Performance Report.

#### **PURPOSE**

This item informs the Board on progress with implementation of the Strategic Management Plan.

#### **DISCUSSION**

SCERS established the Strategic Management Program to measure and guide progress in achieving continuous enterprise performance improvement. The program is organized around six areas (goals). There are three operational objectives to be managed within each goal:

1. Identify and complete specific initiatives (tasks) that will incrementally improve performance.
2. Develop and track a set of quantitative measures indicative of performance.
3. Identify and manage risks that potentially negatively impact SCERS' ability to maintain and improve its performance.

At the beginning of the 2019-20 fiscal year, the SCERS management team prepared a Strategic Management Plan identifying specific initiatives to be accomplished during the year. The attached presentation reports the progress against the plan during the second quarter of the fiscal year and presents initiatives to be undertaken in the third quarter. (Note: The list of initiatives evolves over time as conditions change or new opportunities surface.)

The management team plans to expand the set of metrics presented in each quarterly report based on needs, experience, and system capabilities.

The 2019-20 Strategic Management Plan will also be extended for two additional quarters as SCERS transitions the Strategic Management Plan to a calendar-year cycle. A special Board meeting and strategic planning workshop will be scheduled in November 2020 to review the organizational mission statement and long-term goals, and develop the 2021 Strategic Management Plan for the upcoming year.

**ATTACHMENT**

- Strategic Management Plan Presentation

Prepared by:

/S/

---

Stephen Hawley  
Chief Strategy Officer

Reviewed by:

/S/

---

Eric Stern  
Chief Executive Officer



# Strategic Management Program

Report for Fiscal Year 2020-21 Q1

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

# Strategic Goals



# Goal 1: Customer Service and Experience

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

---

## Completed Last Quarter

- Continued to maintain consistent service levels in remote work environment
- Deployed DocuSign to expedite form processing
- Improved communication tools for members to contact staff

## Looking Ahead

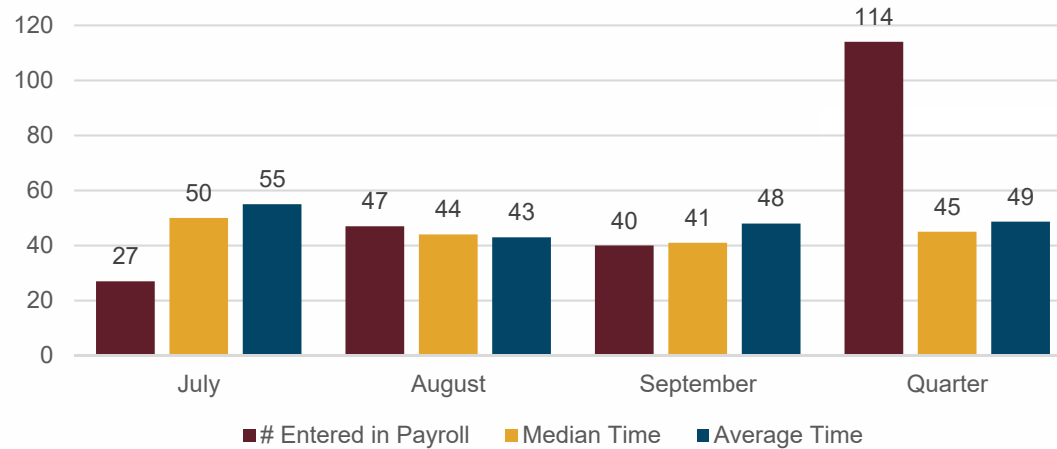
- Map out process changes to improve timeliness of death benefits
- Prepare to re-open office

### Key Risks:

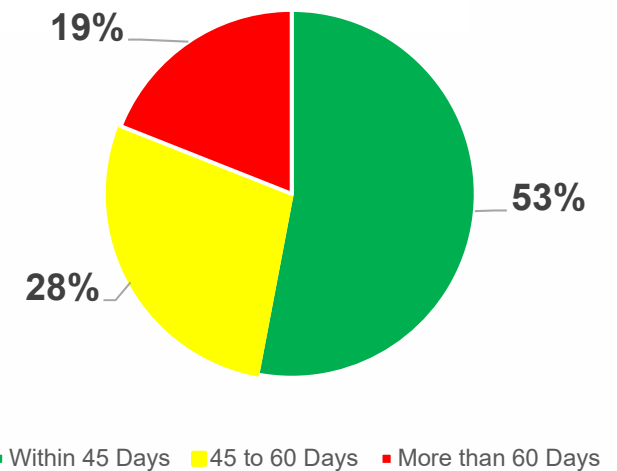
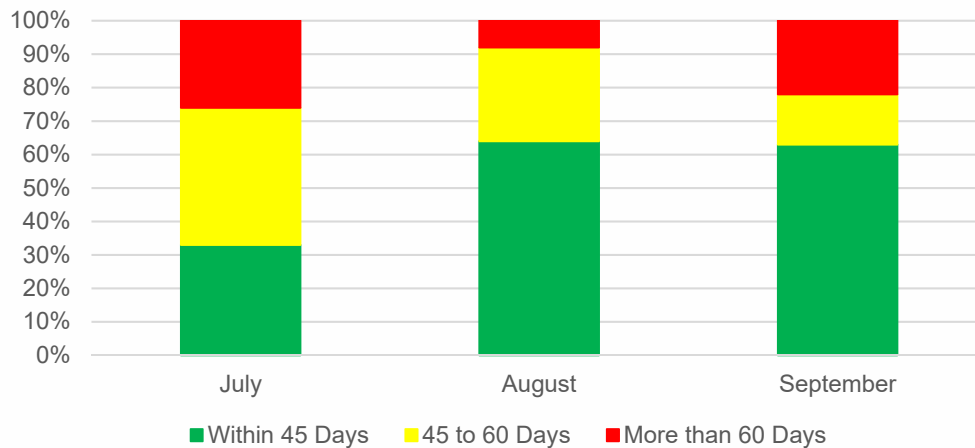
- Staff participation in IT project combined with staff working from home creates challenge to maintaining consistent service levels and project progress

# Customer Service Dashboard (1)

## Retirements



## Processing Time Summary

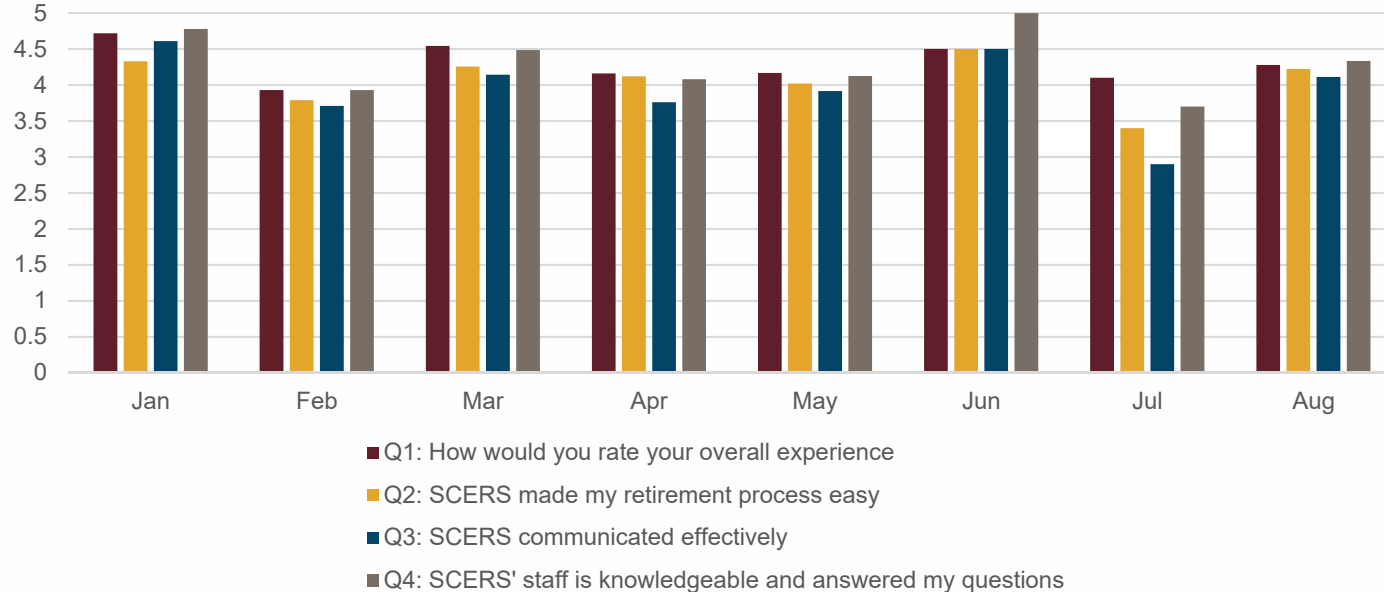


# Customer Service Dashboard (2)

## Retiree Survey Response Rates

|                     | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Number of Surveys   | 28  | 54  | 72  | 53  | 110 | 15  | 25  | 44  |
| Number of Responses | 9   | 28  | 35  | 25  | 48  | 2   | 10  | 18  |
| Response Rate       | 32% | 52% | 49% | 47% | 44% | 13% | 40% | 41% |

## Retiree Responses to Questions



## Goal 2: Stakeholder Communication and Outreach

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

---

### Completed Last Quarter

- Hosted retirement webinar to replace in-person seminars
- Produced additional education videos on website

### Looking Ahead

- Updated policies on sick leave conversion and final compensation
- Begin planning to fill alternate safety Board vacancy

### 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 Last Quarter

- Adopted Error Correction Policy
- Initiated compliance with *Alameda* decision
- Secured amended agreement re: North Highlands Fire pension liabilities

### Looking Ahead

- Finalize adjustments to pensions and refund contributions post-*Alameda*
- Adopt June 30, 2020 valuation and 2020-21 contributions based on new assumptions

### Key Risks:

- *Alameda* compliance presents significant workload and technical challenges that may prolong correction process.

## 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 Last Quarter

- Identified new private-market opportunities
- Initiated small-cap manager search

### Looking Ahead

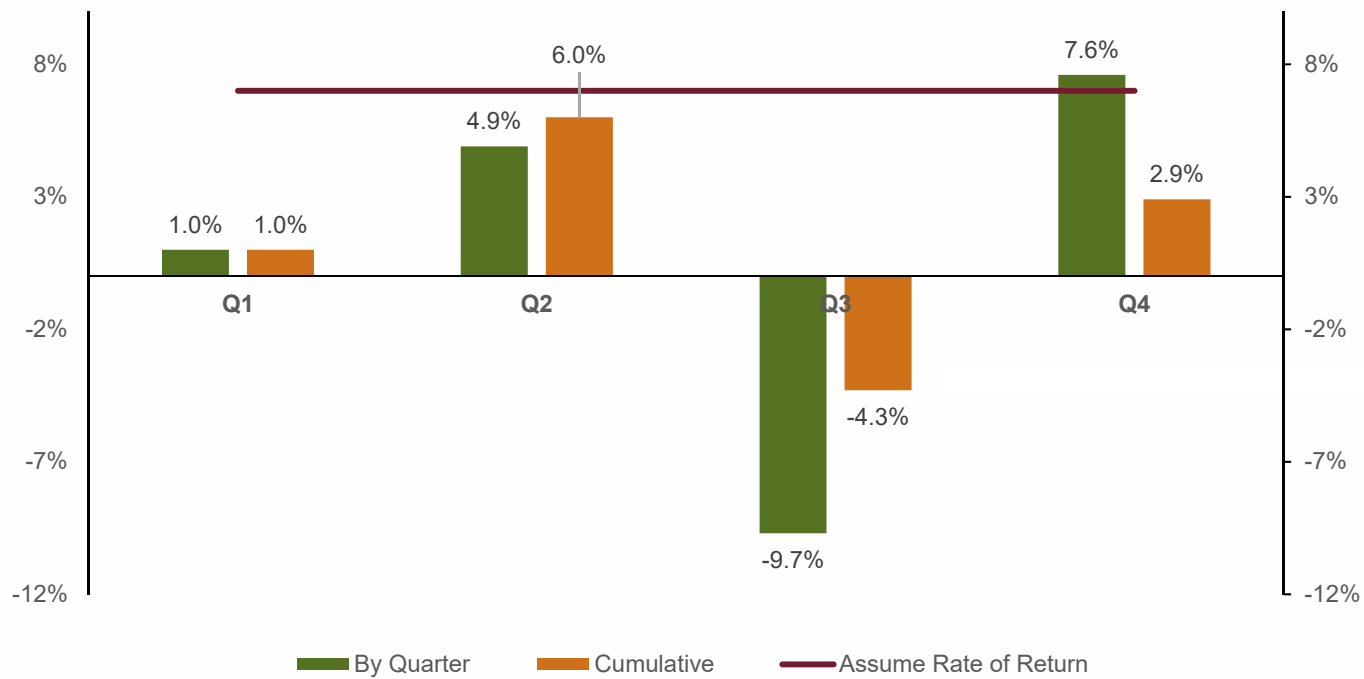
- Complete alternative assets consultant search
- Introduce 2021 Asset Liability Modeling study
- Conduct investment-risk tolerance survey for Board

### Key Risks:

- Market volatility and economic downturn during public health emergency is testing SCERS' investment strategy

# Investment Dashboard

2019-20 Investment Return



# Goal 5: Organizational Development and Culture

Maintain a high-performance organizational structure and workforce.

---

## Completed Last Quarter

- Conducted 2<sup>nd</sup> annual employee satisfaction survey
- Resumed hiring for accounting and investment positions

## Looking Ahead

- Foster remote work environment while planning for office re-opening
- Support ongoing virtual training opportunities

## Key Risks:

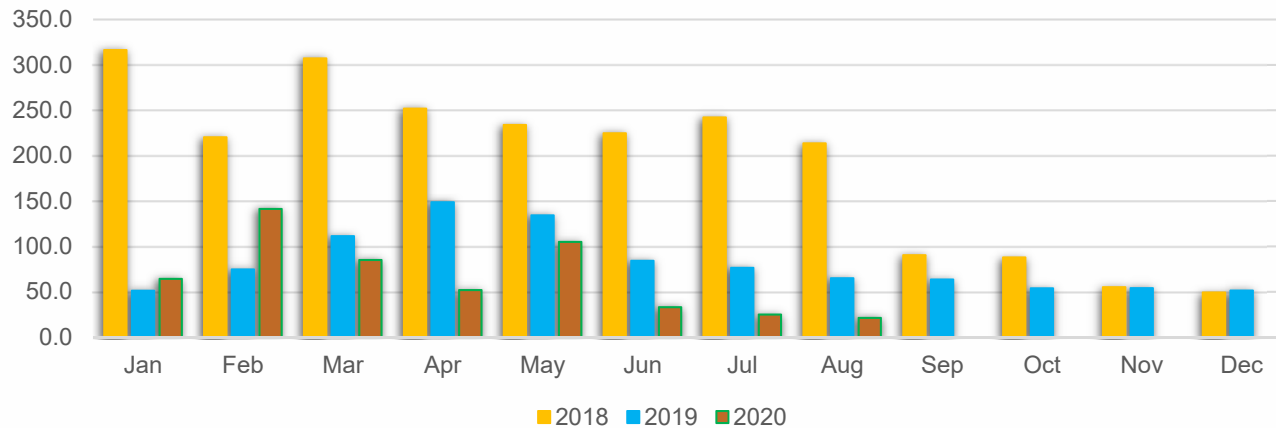
- The COVID-19 pandemic may reduce SCERS staff availability and productivity causing a decline in customer service.

# Goal 5: Workforce Development Dashboard

| As Of    | Employees | Vacancy Rate |
|----------|-----------|--------------|
| 9/30/19  | 49        | 18%          |
| 12/31/19 | 50        | 17%          |
| 3/31/20  | 51        | 15%          |
| 6/30/20  | 51        | 15%          |
| 9/30/20  | 51        | 15%          |

| Staff Evaluations: Q4 | Number | Percent |
|-----------------------|--------|---------|
| Due                   | 10     | 100%    |
| On Time               | 8      | 80%     |
| Within 1 month        | 2      | 20%     |
| 1-2 months late       | 0      | 0%      |
| 2+ months late        | 0      | 0%      |

**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 Last Quarter

- Continued User Acceptance Testing in remote environment
- Initiated staff training on new system

## Looking Ahead

- Hold Strategic Planning Workshop, update mission/vision statements
- Ensure success of next Go-Live phase
- Reduce reliance on outside vendors

## Key Risks:

- Staff activity levels for roll-out of modernized systems are peaking and will remain very high for 12-18 months
- Pandemic travel restrictions is limiting vendor staff on-site participation which may impact the productivity or effectiveness of some activities such as User Acceptance Testing and Phase 2 Go-Live