



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 8

MEETING DATE: October 20, 2021

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.

The attached presentation reports the progress against the plan during the second quarter of 2021 and presents upcoming initiatives. The list of initiatives evolves over time as conditions change or new opportunities surface.

ATTACHMENT

- Board Order
- Strategic Management Plan Presentation

Prepared by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
October 20, 2021**

MOTION:

Strategic Management Plan—Quarterly Performance Report

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file the Strategic Management Plan—Quarterly Performance Report for the third quarter 2021.

I HEREBY CERTIFY that the above order was passed and adopted on October 20, 2021 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



SCERS
CELEBRATING **80** YEARS

Strategic Management Plan

Third Quarter - 2021

October 2021

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Strategic Framework





Goal 1

Customer Service and Experience

Customers satisfied with timely, friendly, convenient, and accurate pension administration services.

Completed

- Closed out March retirement wave
- Cleared retirement application backlog
- Reopened office for member appointments

Looking Ahead

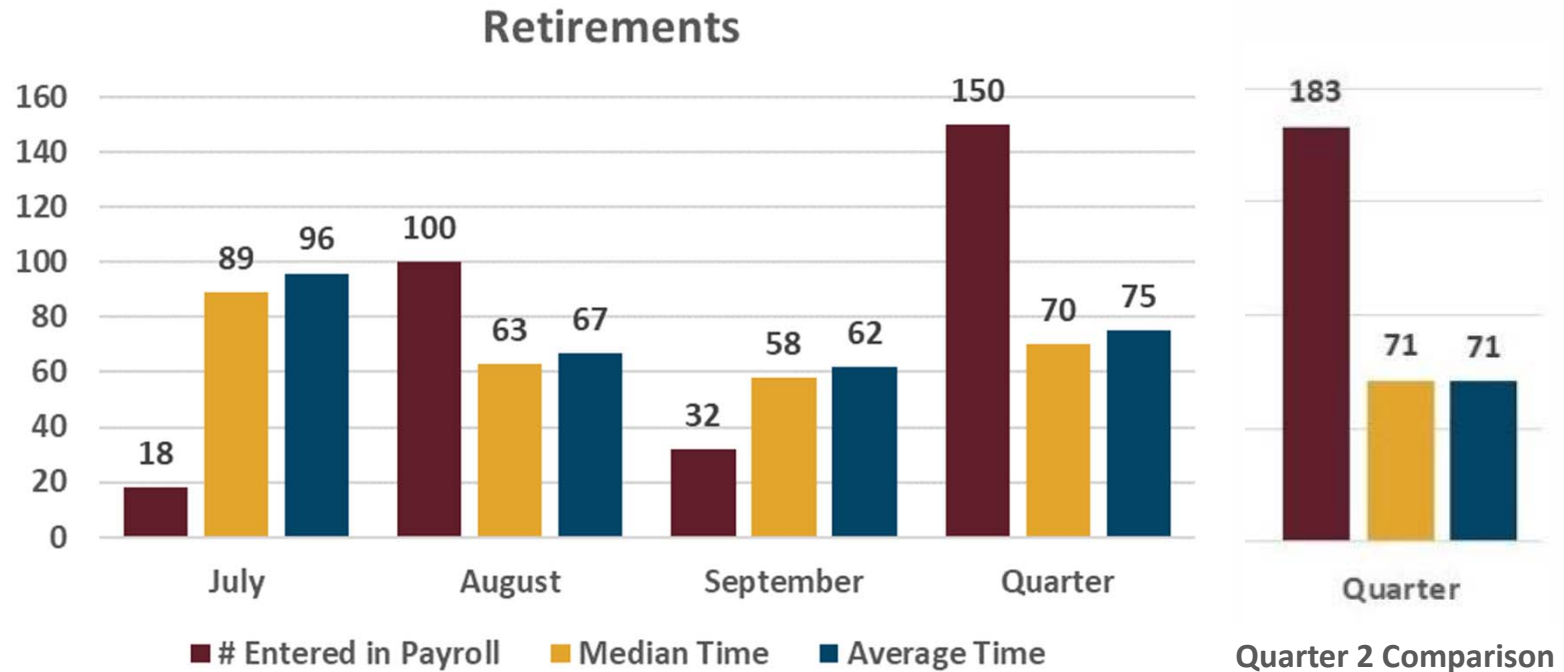
- Roll out online member portal
- 30-day turnaround is the long-range target

Key risks: IT project implementation and *Alameda* corrections continue to impact day-to-day workload



Goal 1

Customer Service Dashboard



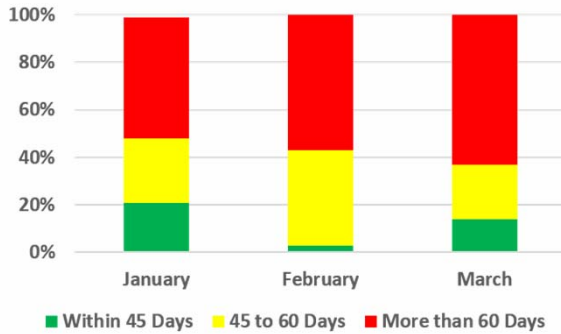


Goal 1

Customer Service Dashboard (2)

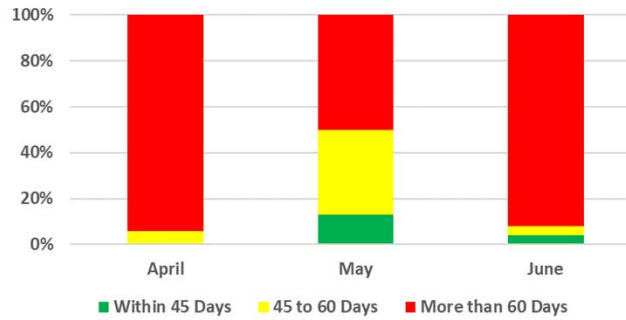
Quarter 1

Processing Time Summary



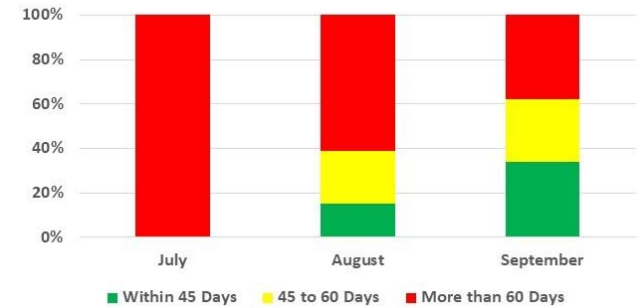
Quarter 2

Processing Time Summary



Quarter 3

Processing Time Summary

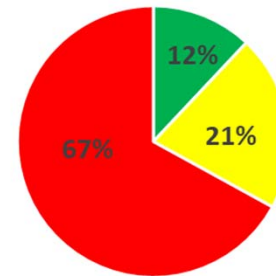


Targets:

New retirees paid –

- >75% within 45 days
- >90% within 60 days

Calendar Year to Date



■ Within 45 Days ■ 45 to 60 Days
■ More than 60 Days



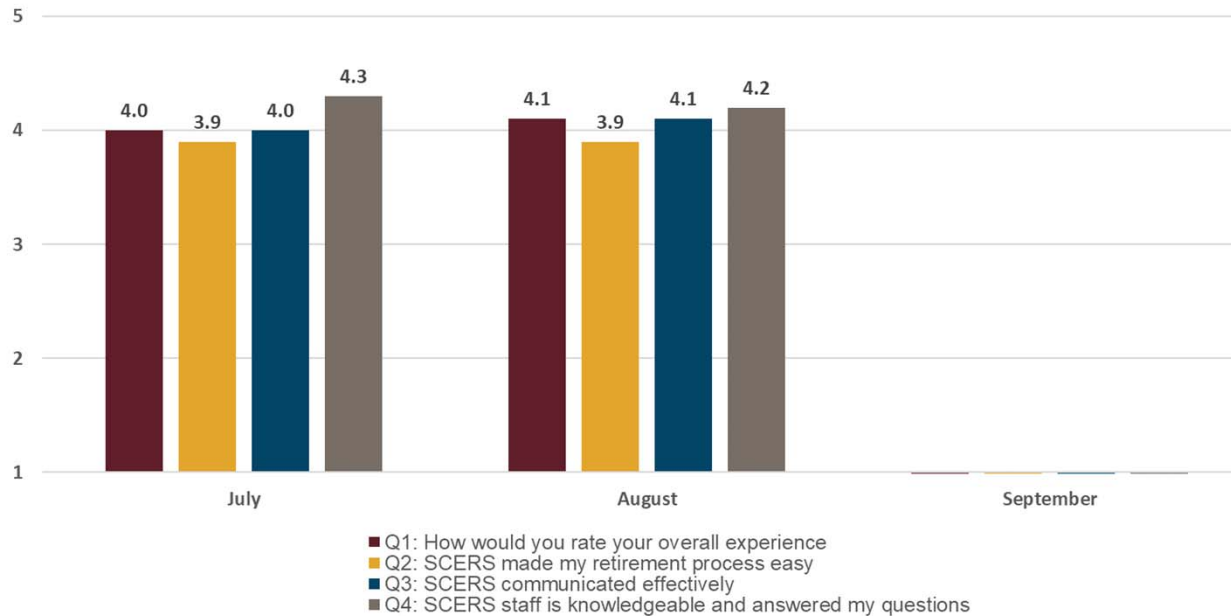
Goal 1

Customer Service Dashboard (3)

Retiree Survey Response Rates

	July	August	Sept.
Number of Surveys	16	64	N/A
Number of Responses	7	28	N/A
Response Rate	44%	44%	N/A

Retiree Responses to Questions





Goal 2

Stakeholder Communication and Outreach

Transparent communication among stakeholders to support clear understanding of roles and responsibilities, and the value of defined-benefit pensions.

Completed

- Produced new educational videos
- Hosted pension planning webinars
- Commemorated SCERS' 80th anniversary

Looking Ahead

- Launch initiative to shift mailings to member portal
- Evaluate future of pension planning webinars or in-person seminars, partnership with Employee Benefits Office

Key risks: Ambitious goals to ramp up member/employer engagement programs remain challenging with limited staff resources, priorities.



Goal 2

Stakeholder Communication and Outreach

Pension Planning Webinars

July 2021



88%

“Good,” “Very Good”
or “Excellent”
on Presentation
Effectiveness

3.8/5

Average Score

September 2021



82%

“Good,” “Very Good”
or “Excellent”
on Presentation
Effectiveness

3.7/5

Average Score



Goal 3

Funding Integrity and Sustainability

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

Completed

- Engaged actuarial firm to conduct outside audit of valuation

Looking Ahead

- Complete court-mandated *Alameda* benefit corrections and contribution refunds
- Support final compensation and service-credit policies in DSA lawsuit

Key risks: *Alameda* compliance presents significant workload and technical challenges that may prolong correction process.



Goal 4

Investment Planning and Growth

An investment program that meets SCERS' assumed rate of return over time and carefully manages investment risks.

Completed

- Evaluated allocation mixes for Asset Liability Modeling study
- Issued RFP for portfolio analytic services

Looking Ahead

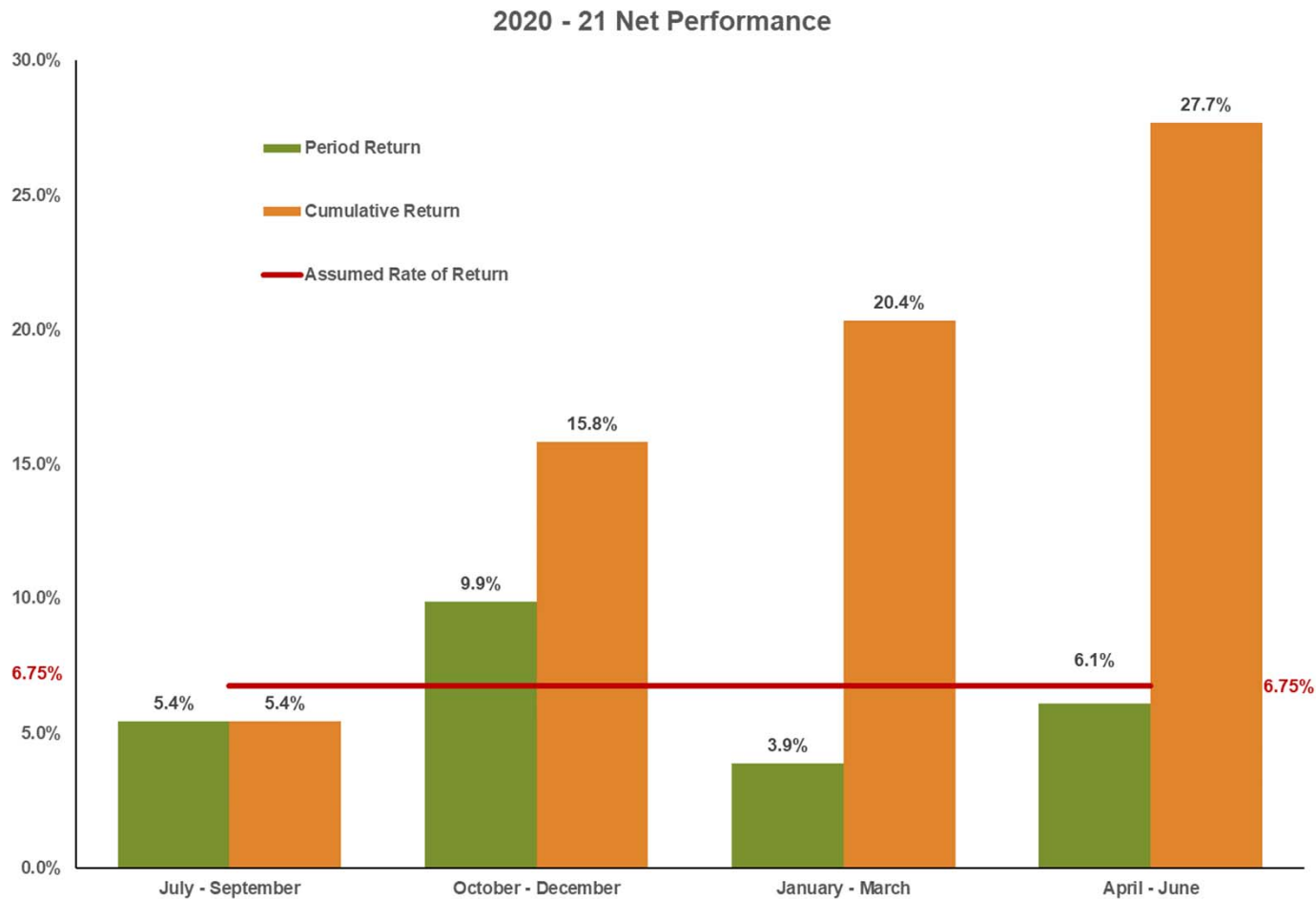
- Finalize implementation of asset allocation adjustments
- Select performance analytics service provider
- Conduct fiduciary “health check” on investment contracts

Key risks: Ongoing challenges with COVID-19, inflation spikes, and high valuations loom as potential risks to financial markets.



Goal 4

Investment Planning and Growth



Quarterly performance numbers may differ slightly from prior versions of this report as a result of the reporting time frame of the underlying fund managers. The quarterly performance will not total the cumulative performance due to compounding.



Goal 5

Organizational Development and Culture

A high-performance organizational structure and workforce that is not dependent on any one person.

Completed

- Recruited COO
- Finished tenant improvement project for office refresh
- Re-opened office to staff and public
- Conducted Change Management workshops

Looking Ahead

- Initiate class study on Benefit Specialist job series
- Establish productivity goals for office and remote work
- Roll out ongoing training (technical and professional growth)

Key risks: Transition back to office will require added attention to support teamwork and morale across organization.



Goal 5

Organizational Development and Culture



16.4%
Average Staff
Vacancy Rate*

Target: Staff vacancy rate < 10%.

Performance Evaluations (Q3)

55%
Delivered on time

73%
Delivered within one month
of anniversary

Target: 95% of performance
evaluations completed on
time (on or before work
anniversary).



1
Board Education
Session

Target: Conduct at least one Board educational
presentation a quarter to improve effective oversight.



Goal 6

Enterprise Capability and Technology

Enterprise cross-functional capabilities and technology platforms, continuously enhanced to improve performance, productivity, and efficiency.

Completed

- Added additional project support and resources for testing, training, and data clean-up
- Mapped new business processes and redeployed staff

Looking Ahead

- Launch Member Portal
- Finish user-acceptance testing
- Ensure success of next Go-Live Phase

Key Risk: Operational readiness of staff is critical to successful IT project launch.