Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 16

MEETING DATE: April 20, 2022

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

	Deliberation	Receive
SUBMITTED FOR: __ Consent	___ and Action	__X__ 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 improvement. The program is organized around six areas (goals):

- Customer Service and Experience
- Stakeholder Communication and Outreach
- Funding Integrity and Sustainability
- Investment Planning and Growth
- Organizational Development and Culture
- Enterprise Capability and Technology

On a quarterly basis, the Board is provided a performance update on activities and progress toward meeting objectives and targets within those goals. This quarterly report reflects a 3-month review of 2022 performance.

ATTACHMENTS

- Board Order
- Strategic Management Plan Quarterly Performance Report

Prepared by: Reviewed by:

/S/   /S/

_____   _____

Joan Kudin   Eric Stern
Senior Public Information Officer   Chief Executive Officer

Before the Board of Retirement
April 20, 2022

AGENDA ITEM:

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.

I HEREBY CERTIFY that the above order was passed and adopted on April 20, 2022 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

Strategic Management Plan

First Quarter - 2022

April 2022

Strategic Framework

Goal 1
Customer Service and Experience

Goal 6
Enterprise Capability
and Technology

Goal 2
Stakeholder Communication
and Outreach

Goal 5
Organizational
Development and
Culture

Goal 3
Funding Integrity
and Sustainability

Goal 4
Investment Planning and Growth

Customer Service and Experience

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

Completed

- Stabilized retirement application processing month-over-month
- Set communication touch-points for applicants
- Evaluated self-scheduling software for website

Looking Ahead

- Maintain <u>consistent</u> service-level performance through busy season
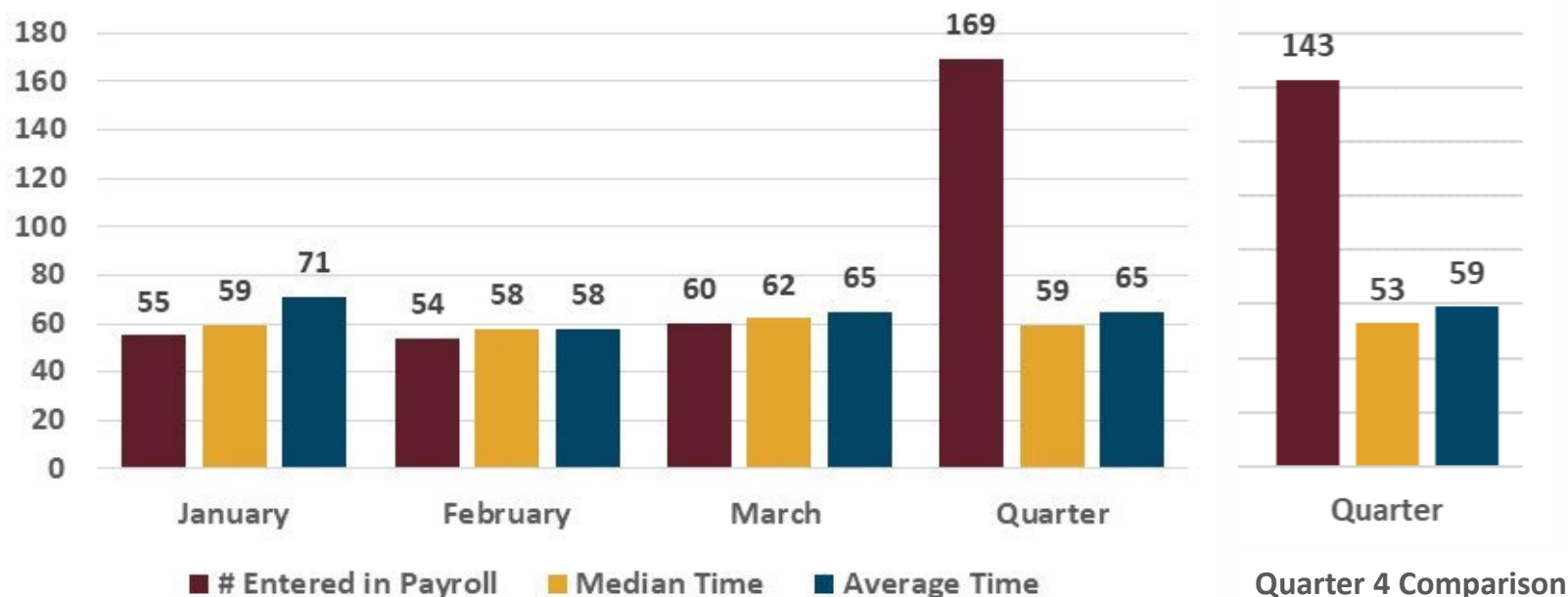
Key risks: IT project implementation and *Alameda* corrections continue to impact day-to-day workload.

Customer Service Dashboard

Retirements

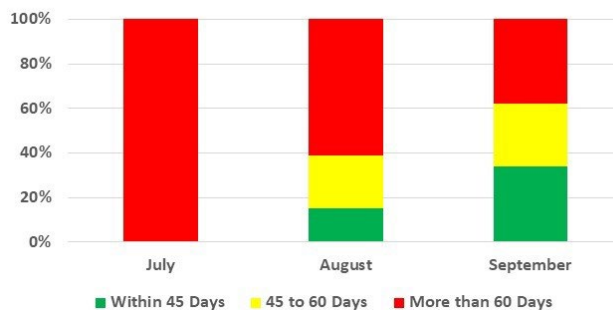Quarter 4 Comparison

Legend: # Entered in Payroll, Median Time, Average Time

Customer Service Dashboard (2)

Quarter 3

Processing Time Summary

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

Quarter 4

Processing Time Summary

■ Within 45 Days   ■ 45 to 60 Days   ■ More than 60 Days
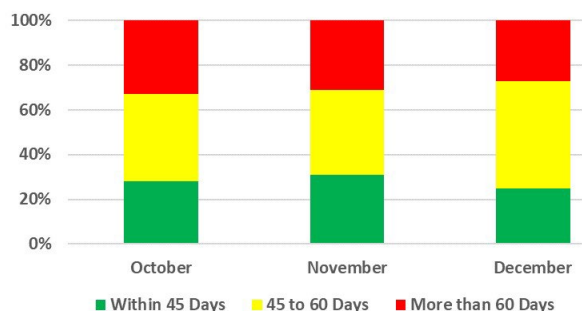
Quarter 1

Processing Time Summary

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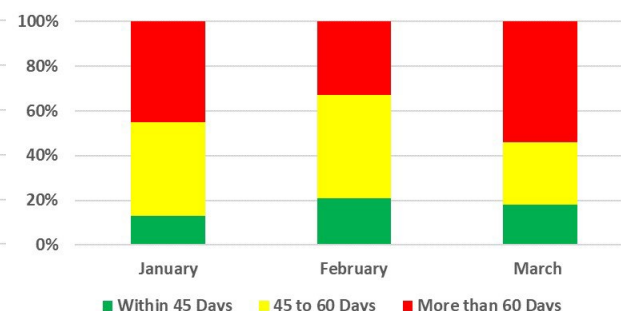
Targets:

New retirees paid –

➢ **>75% within 45 days**

➢ **>90% within 60 days**

Calendar Year to Date
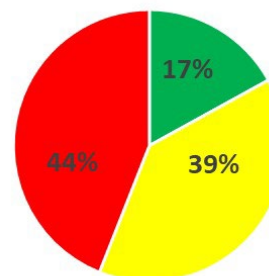
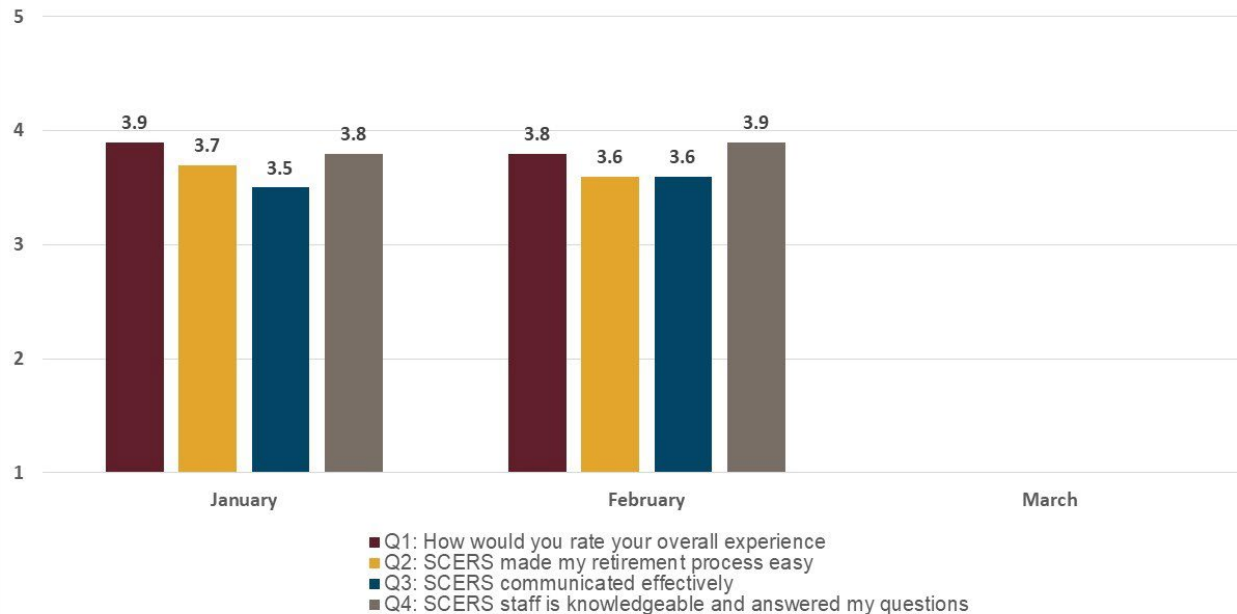■ Within 45 Days   ■ 45 to 60 Days
■ More than 60 Days

Customer Service Dashboard (3)

Retiree Survey Response Rates

	Jan.	Feb.	Mar.
Number of Surveys	55	54	
Number of Responses	22	29	
Response Rate	40%	54%	

Retiree Responses to Questions

- Q1: How would you rate your overall experience
- Q2: SCERS made my retirement process easy
- Q3: SCERS communicated effectively
- Q4: SCERS staff is knowledgeable and answered my questions

Stakeholder Communication and Outreach

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

Completed

- Closed out series of nine educational videos
- Hosted pension planning webinar
- Launched LinkedIn page
- Mailed annual statements

Looking Ahead

- Produce evergreen pension planning webinar
- Create new onboarding process for employees
- Update graphic design for annual financial and investment reports, forms

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

Stakeholder Communication and Outreach

Pension Planning Webinars

February 2022

96%
"Good," "Very Good"
or "Excellent"
on Presentation
Effectiveness

4.1/5
Average Score

Funding Integrity and Sustainability

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

Completed

- Conducted actuarial audit
- Re-issued ACFR and GASB 67
- Conducted Felony Forfeiture hearing

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.

Investment Planning and Growth

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

Completed

- Adopted 2022 Annual Investment Plan
- Rebalanced Domestic Equity portfolio
- Approved two new Fixed Income managers
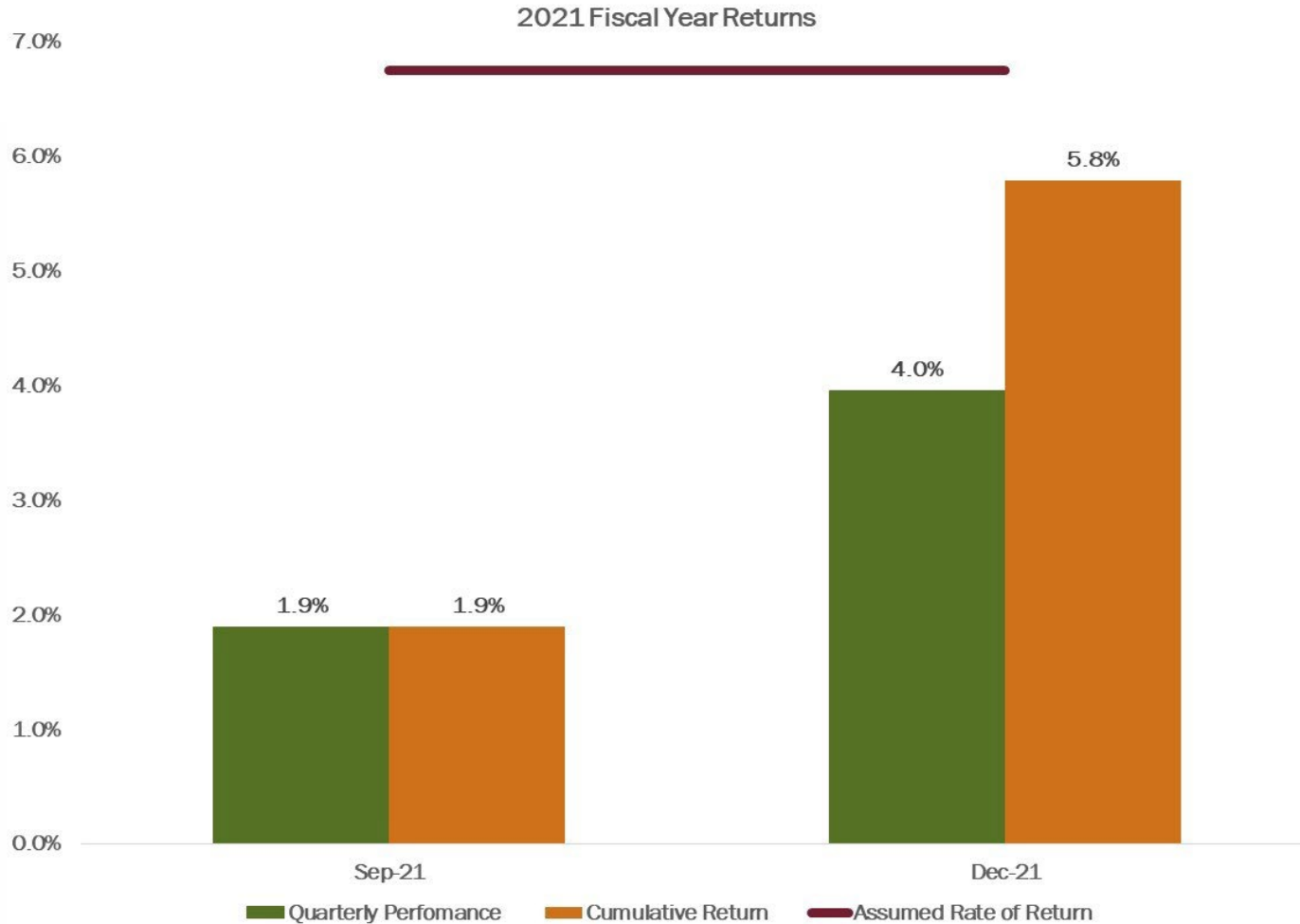
Looking Ahead

- Complete Global Equity Manager search
- Update Investment Policy Statements
- Implement new portfolio analytics system

Key risks: Geopolitical environment, inflation, and rising interest rates are potential risks to financial markets.

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.

Organizational Development and Culture

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

Completed

- Recruited key positions
- Hired temps and partnered with DTech to help with workload
- New office hours established

Looking Ahead

- Fill vacancies
- Complete class study on Benefit Specialist job series
- Develop plan for Telework 2.0
- Roll out new performance evaluation module

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

Organizational Development and Culture

29.94%
Average Staff Vacancy Rate*

◄ **Target:** Staff vacancy rate < 10%.

2
Board Education Session

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

Enterprise Capability and Technology

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

Completed	Looking Ahead
• Assessed state of PAS project • Mapped new business processes and redeployed staff	• Finalize new PAS implementation schedule • Evaluate disaster backup systems for retiree payroll

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