



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 8

MEETING DATE: October 18, 2023

SUBJECT: Strategic Management Plan Quarterly Performance Report–Third Quarter 2023

SUBMITTED FOR: Consent Deliberation and Action Receive and File

RECOMMENDATION

Staff recommends the Board receive and file the Strategic Management Plan Quarterly Performance Report for the quarter ended September 30, 2023

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 2023 performance.

ATTACHMENTS

- Board Order
- Strategic Management Plan Quarterly Performance Report

Prepared by:

/S/

Joan Kudin
Senior Public Information Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
October 18, 2023

AGENDA ITEM:

**Strategic Management Plan Performance Report—Third Quarter
2023**

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to receive and file the Strategic Management Plan Performance Report for the quarter ended September 30, 2023.

I HEREBY CERTIFY that the above order was passed and adopted on October 18, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:
(Present but not voting)

James Diepenbrock
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



Strategic Management Plan

Third Quarter – 2023

October 2023

Strategic Framework





Goal 1

Customer Service and Experience

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

Completed

- Significantly reduced backlogs in termination refunds, reciprocity establishment, and service purchase requests.

Looking Ahead

- Roll out self-scheduling, secure file upload tools on website
- Deploy new Pension Portal for retirees

Key risks: Completing *Alameda* corrections, onboarding new staff impacts day-to-day workload

Mitigation: Filled vacancies, implemented structured schedules to prioritize specific workloads

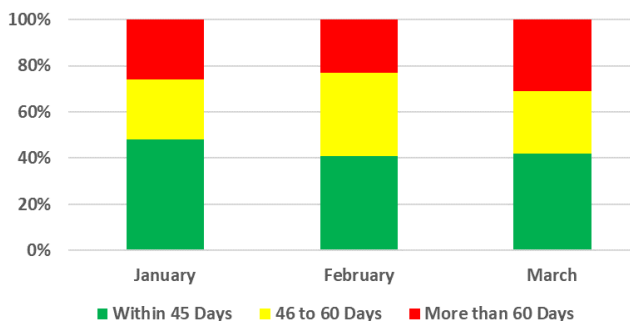


Goal 1

Customer Service Dashboard

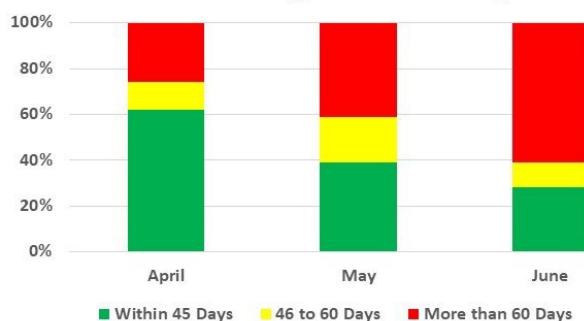
Quarter 1

Processing Time Summary



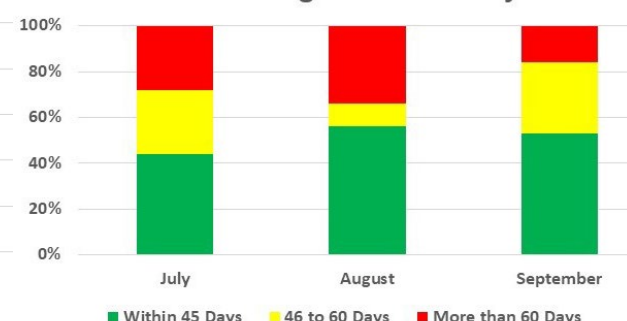
Quarter 2

Processing Time Summary



Quarter 3

Processing Time Summary

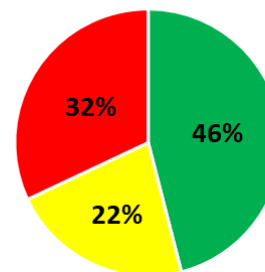


Targets:

New retirees paid –

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

Calendar Year to Date



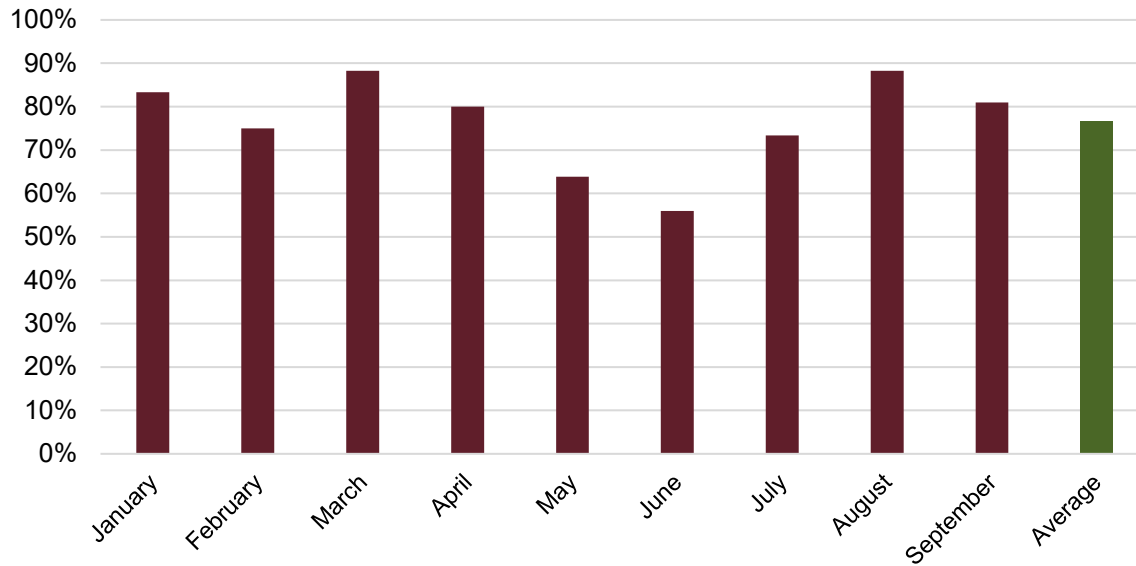
■ Within 45 Days
 ■ 46 to 60 Days
■ More than 60 Days



Goal 1

Customer Service Dashboard (2)

Overall Experience
% Extremely Satisfied or Satisfied
Target: >80%



Retiree Survey Response Rates

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
39%	45%	35%	47%	40%	42%	39%	41%	35%



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

- Participated in on-site department events
- Updated key policies
- Provided SACRS leadership on legislative/policy engagement
- Presented at industry conferences

Looking Ahead

- Gather email addresses for retirees; deploy new email messaging tool
- Participate in more on-site department events
- Complete effort to improve members forms for usability

Key risks: Ambitious goals to ramp up member/employer engagement programs remain challenging with competing priorities

Mitigation: Added additional benefit staff in 2023-24 budget



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

- Adopted new actuarial assumptions
- Improved collection process for overpaid benefits
- Provided actuarial study re: Sanitation District separation

Looking Ahead

- Complete court-mandated Alameda benefit corrections

Key risks: *Alameda* correction process presents significant workload and technical challenges

Mitigation: Hired team of temps, consultant for focused project effort with dedicated staff



Goal 4

Investment Planning and Growth

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

Completed

- Completed implementation of Portfolio Analytics software
- Presented three Board education items
- Approved new managers

Looking Ahead

- Adopt 2024 Annual Investment Plan
- Prepare for 2024 Asset Liability Management study

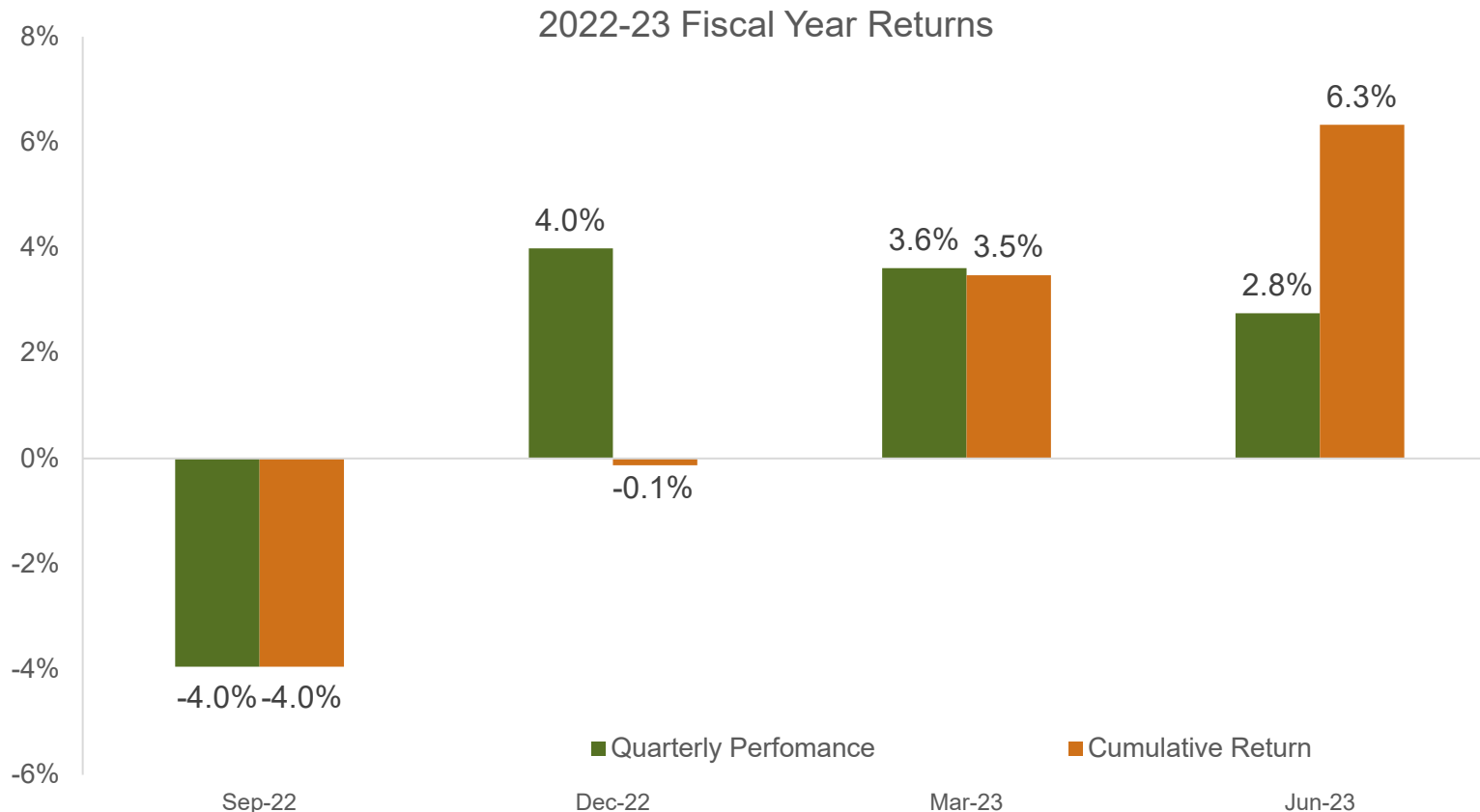
Key risks: Geopolitical environment, inflation, rising interest rates, and slowing growth

Mitigation: Increased cash allocation to improve liquidity and take advantage of higher interest rates



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

- Finalized job training plan for managers and supervisors
- Held special meeting on Board-Staff Roles and Responsibilities
- Launched Telework 2.0

Looking Ahead

- Fill newly budgeted positions
- Expand training resources and process documentation
- Conduct search for facilitator for Board strategic planning

Key risks: Maintaining morale during a period of major change

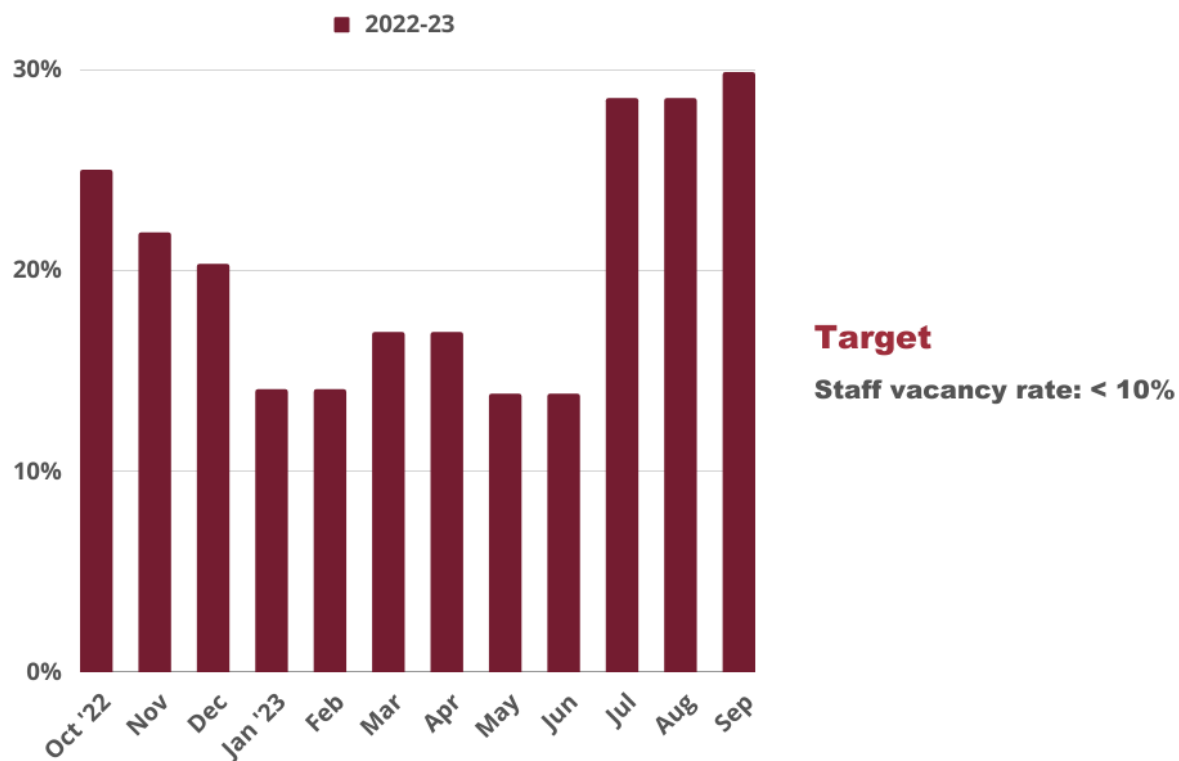
Mitigation: Focus on supporting staff with training and onboarding



Goal 5

Organizational Development and Culture

Staff Vacancy Rates





Goal 6

Enterprise Capability and Technology

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

Completed

- Deployed new call center software
- Completed baseline dashboards for tracking service levels
- Implemented internal IT service ticket process

Looking Ahead

- Focus on continuous improvement planning for legacy systems

Key risks: Change fatigue, capacity for new projects

Mitigation: New CTO to focus on future needs, resources