



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 17

MEETING DATE: April 17, 2024

SUBJECT: Quarterly Strategic Management Plan Report—First Quarter 2024

SUBMITTED FOR: Consent Deliberation and Action Receive and File

RECOMMENDATION

Receive and file Quarterly Strategic Management Plan Report for the quarter the ended March 31, 2024.

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 2024 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
April 17, 2024

AGENDA ITEM:

Quarterly Strategic Management Plan Report—First Quarter 2024

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file Quarterly Strategic Management Plan Report for the quarter ended March 31, 2024.

I HEREBY CERTIFY that the above order was passed and adopted on April 17, 2024 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

First Quarter – 2024

April 2024

Strategic Framework





Goal 1

Customer Service and Experience

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

Completed

- Moved service retirement application processing closer to targets
- Improved new retiree satisfaction
- Cleared disability backlog

Looking Ahead

- Deploy self-scheduling tool
- Roll out of member portal
- Add more online services: retirement applications, secure file upload, death notification

Key risks: Onboarding new staff impacts day-to-day workload

Mitigation: Strengthened training program, tools, and resources



Goal 1

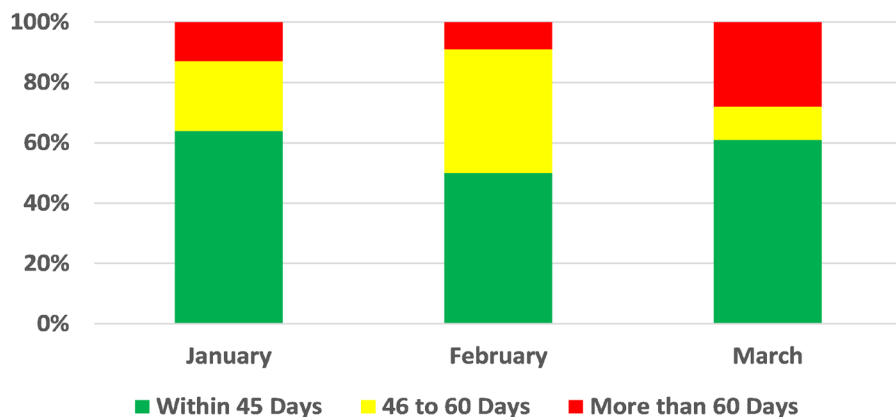
Customer Service Dashboard

Targets:

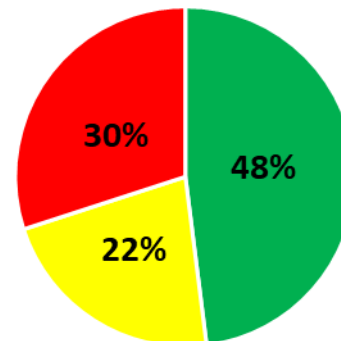
New retirees paid –

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

Processing Time Summary

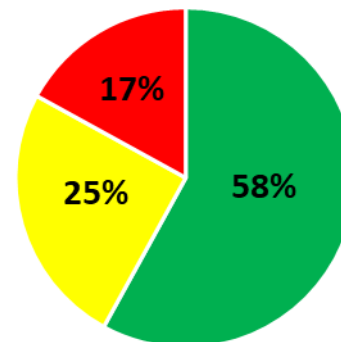


2023



Median: 47 days
Retirements
Processed: 631

Calendar Year to Date



Median: 41 days
Retirements
Processed: 146

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



Goal 1

Customer Service Dashboard (2)



Member Satisfaction

Target: Satisfaction
of new retirees
surveyed > 80%

Jan 2024

94%

“Satisfied” or
“Very Satisfied”
with SCERS

4.5/5

Average Score

Feb 2024

83%

“Satisfied” or
“Very Satisfied”
with SCERS

4.1/5

Average Score



Goal 1

Customer Service Dashboard (2)



Member Satisfaction*

Target: Satisfaction of new retirees surveyed > 80%

2020

84%

“Satisfied” or “Very Satisfied” with SCERS

4.2/5

Average Score

2021

68%

“Satisfied” or “Very Satisfied” with SCERS

3.7/5

Average Score

2022

68%

“Satisfied” or “Very Satisfied” with SCERS

3.8/5

Average Score

2023

76%

“Satisfied” or “Very Satisfied” with SCERS

4.1/5

Average Score*

* Revised methodology



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

- Hosted Employer Forum
- Hosted joint retirement planning webinar
- Produced timely Annual Statements
- Participated in stakeholder forums

Looking Ahead

- Initiate member portal registration drive
- Facilitate SacSewer participation in SCERS as new employer
- Conduct internal risk assessment

Key risks: Promise of new services and tools after many years raises expectations

Mitigation: Break implementation into small bites, set realistic timelines



Goal 2

Stakeholder Communication and Outreach

Employer Forum

February 2024



100%

"Agree" and
"Strongly Agree"
on Presentation
Effectiveness

4.8/5

Average Score

Target: Effectiveness of presentations to employers and members; Satisfaction >80%.

Pension Planning Webinars

March 2024



98%

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

4.0/5

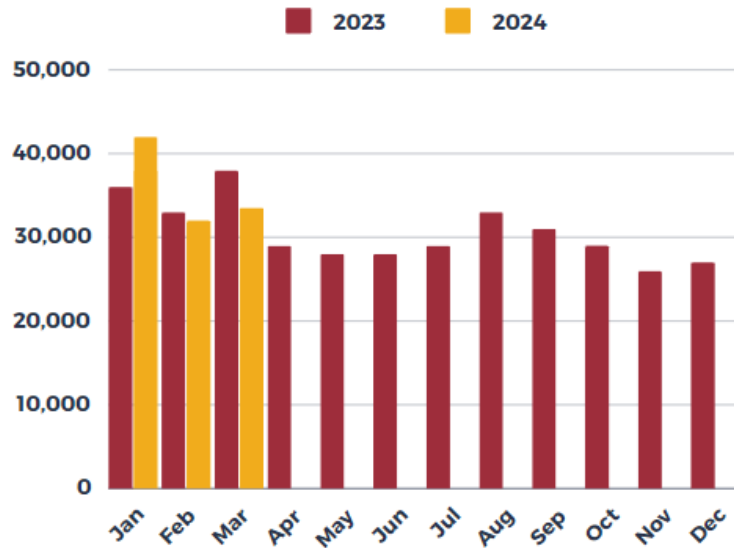
Average Score



Goal 2

Stakeholder Communication and Outreach

SCERS WEBSITE PAGE VIEWS

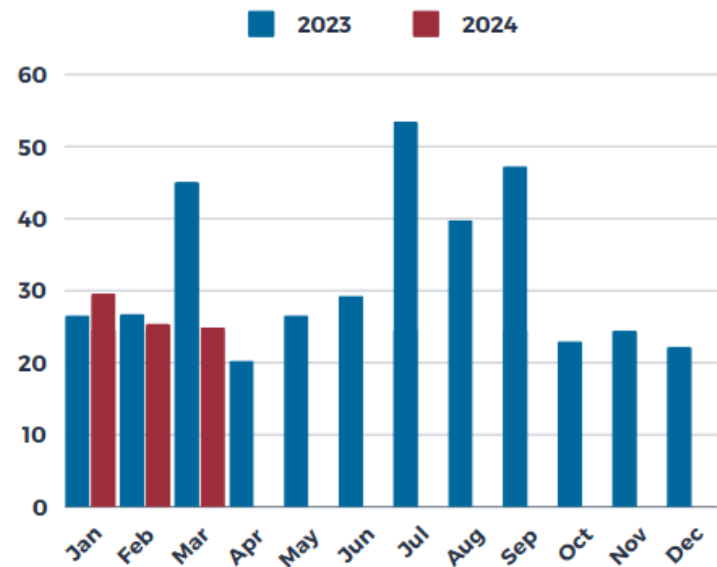


2023'S MOST VIEWED SCERS WEB PAGES

After the scers.org home page, the top viewed SCERS web pages were:

1. Benefit Calculator (39,574)
2. For Members (13,547)
3. Member Handbooks (12,650)
4. Retirement Board Meetings (11,320)

VIDEO HOURS WATCHED



MOST WATCHED SCERS VIDEOS

2023: "How the COLA Works"

January - March 2024: "How Retirement Benefits are Calculated"



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

- Finalized last batch of more than 1,500 *Alameda* corrections
- Presented 2024-25 Budget
- Reviewed actuarial smoothing options

Looking Ahead

- Update Error Correction Policy
- Review and update Final Compensation Policy
- Conduct Felony Forfeiture hearing

Key risks: Review of Final Compensation Policy could open debate on pay items previously resolved and litigated

Mitigation: Take open approach and engage stakeholders



Goal 4

Investment Planning and Growth

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

Completed

- Kicked off asset class education
- Amended Master IPS regarding ESG considerations
- Presented new Investment Operations Report
- Strengthened cash account

Looking Ahead

- Finish asset class education series
- Survey Board and conduct ALM study
- Maintain investment pacing
- Update Cash Management Policy

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

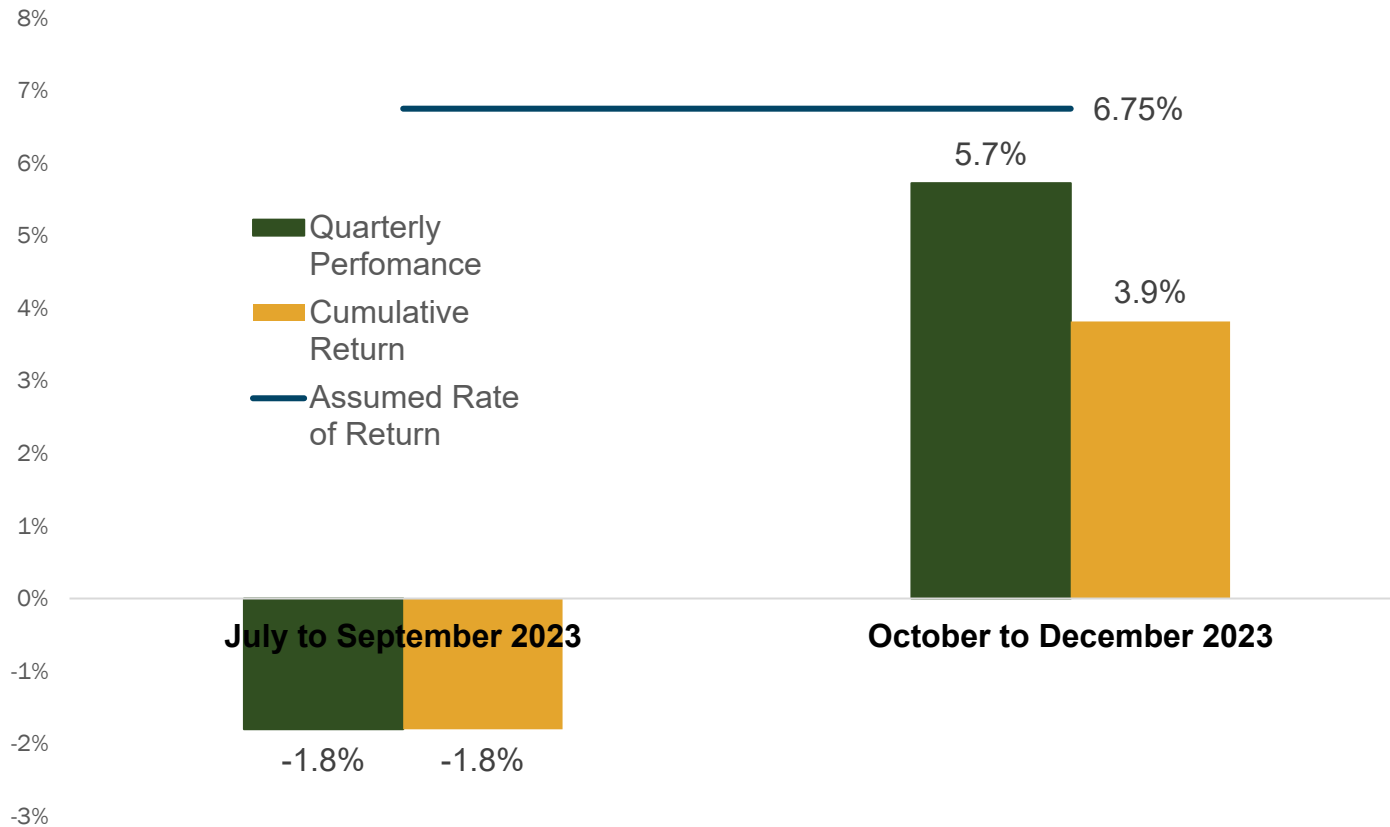
Mitigation: Increased cash allocation to improve liquidity and take advantage of higher interest rates



Goal 4

Investment Planning and Growth

Fiscal Year 2023-24



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

- Filled newly budgeted positions
- Expanded training resources and process documentation
- Re-branded Employee Engagement Committee

Looking Ahead

- Continue filling vacant positions
- Conduct search for facilitator for Board strategic planning

Key risks: Maintaining morale during a period of major change

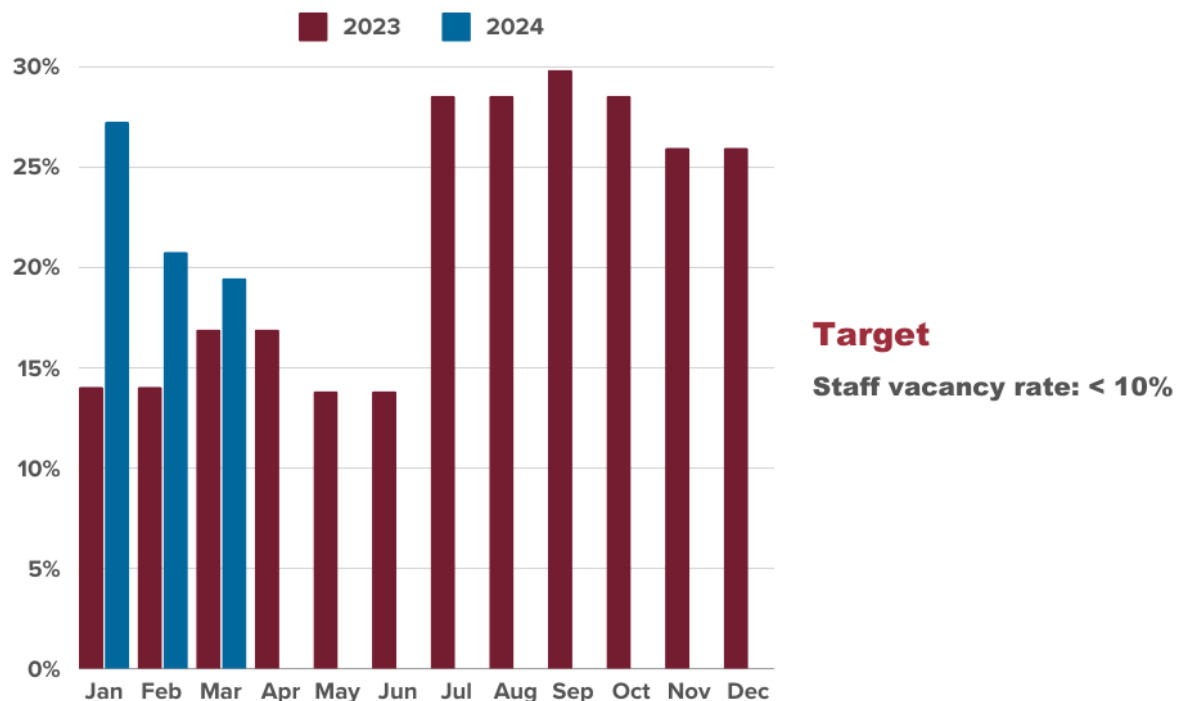
Mitigation: Focus on supporting staff with training, engagement



Goal 5

Organizational Development and Culture

Staff Vacancy Rates





Goal 6

Enterprise Capability and Technology

Enterprise capabilities and technology platforms that are continuously enhanced to improve performance, productivity, and efficiency.

In Progress

- Digital Transformation Initiative

Key risks: Multiple projects underway at same time

Mitigation: Established Enterprise Resource Planning (ERP) committee, expanded IT staff, and strengthened partnerships with DTech, other firms