



Strategic Planning Workshop

Updating Our Vision, Mission, Core Values

November 18, 2020

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Not The Agenda

1. No consultants
2. No surveys
3. No White Board exercises
4. No flip charts
5. Not starting from scratch



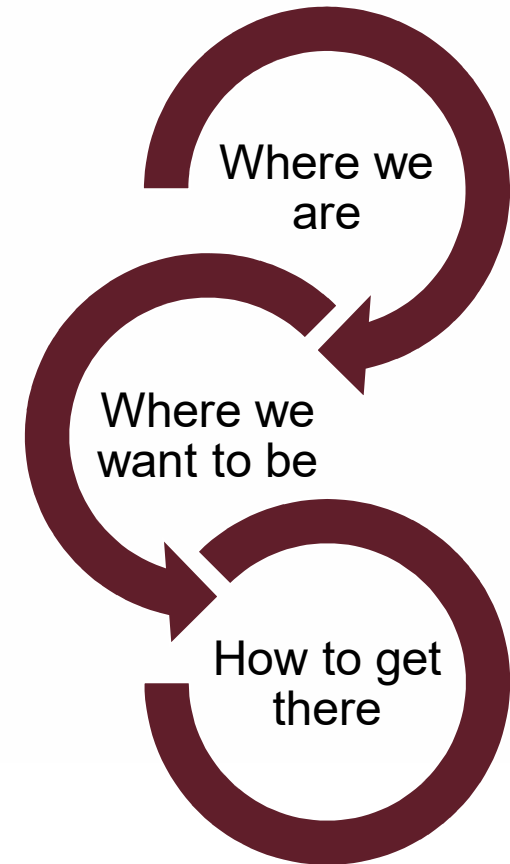
...but we are:

1. Engaging Board members around common goals and purpose
2. Incorporating prior Board and stakeholder input, formal and informal
3. Building off Strategic Management Program
4. Updating mission/vision statement and core values
5. Identifying 2021 Goals and Performance Targets

Why are we doing this?

1. Improved decision-making

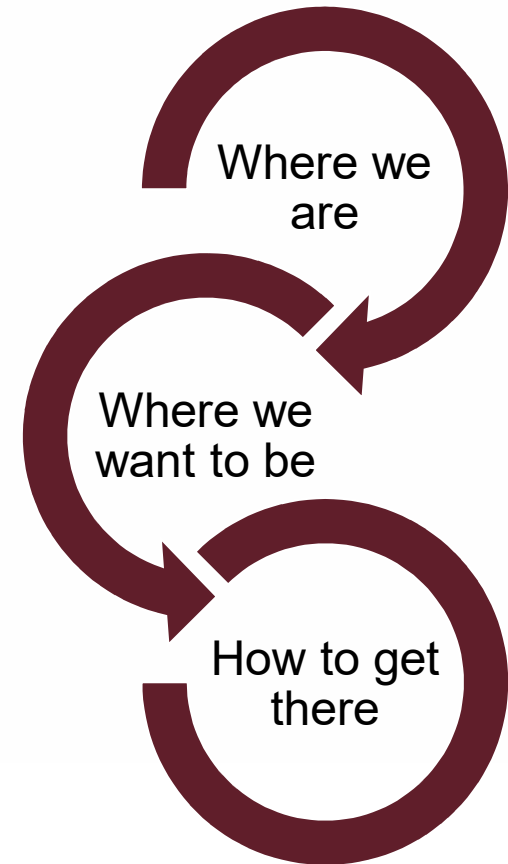
- Adds structure, focus for Board, management



Why are we doing this?

2. Enhanced organizational effectiveness

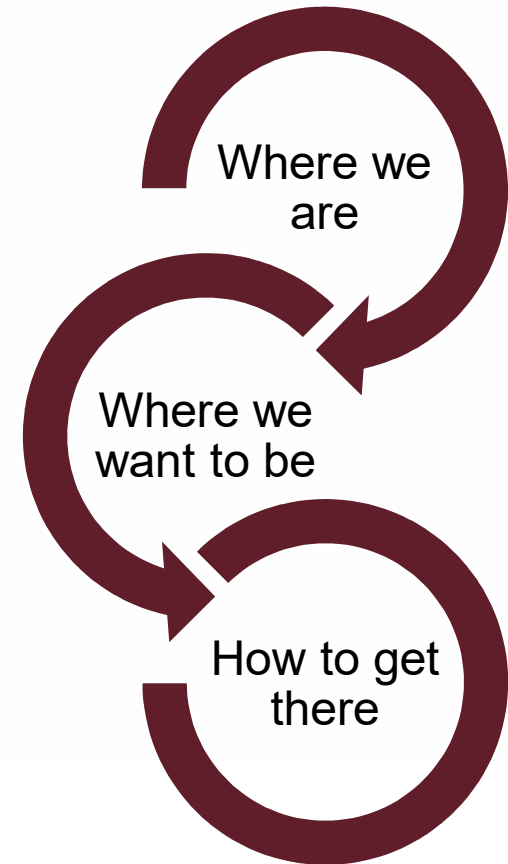
- How can we have the biggest impact for stakeholders?



Why are we doing this?

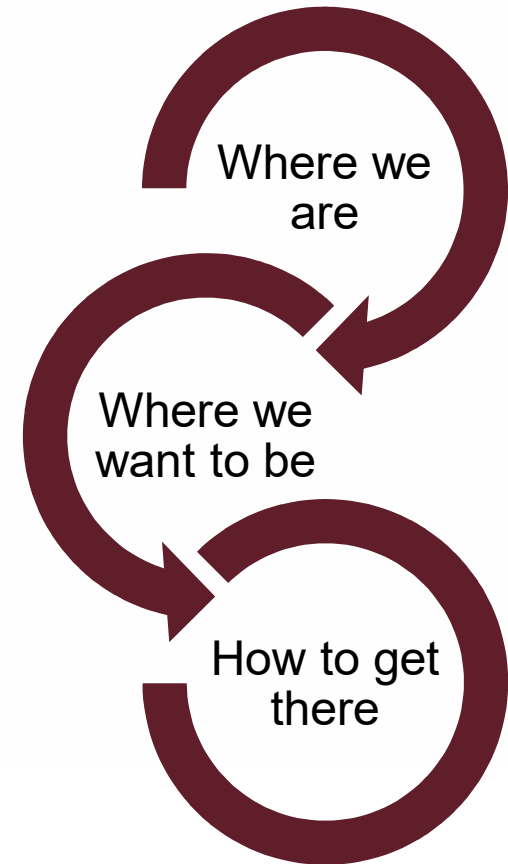
3. Promote culture of strategic thinking, acting, and learning

- Define for staff where they can add value, how they fit in the big picture



Why are we doing this?

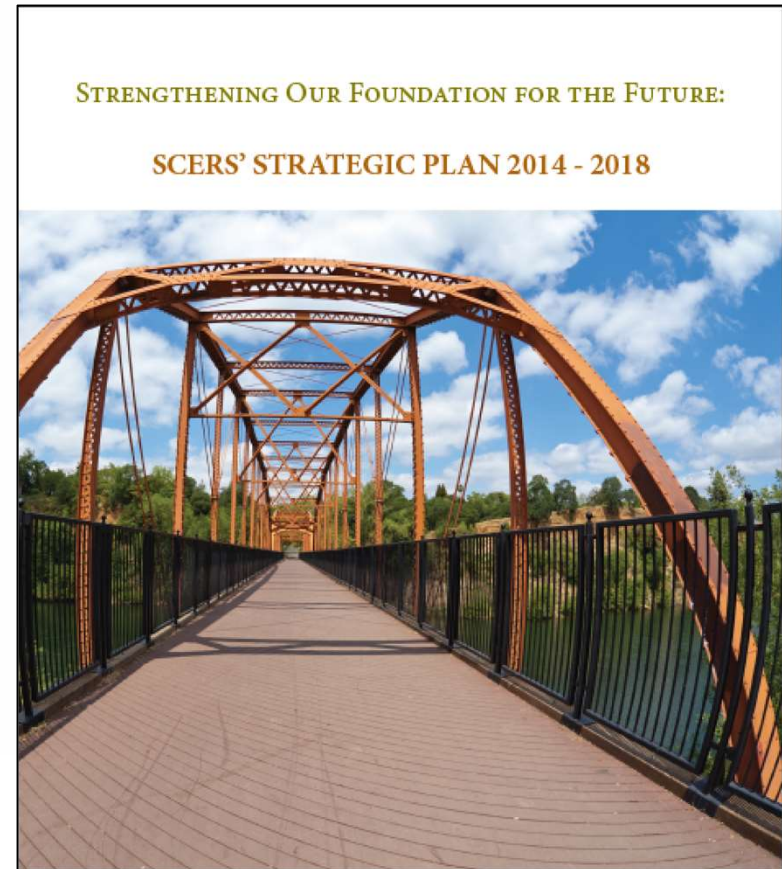
- 4. Succession planning
 - Lays out longer-term goals that can cross-over staff or Board change



Recent and Current Efforts

Strategic Plan: 2014-18

- Mission Statement
 - Core Values
 - Six Major Goals
 - Objectives (Actions)



Recent and Current Efforts

Strategic Management Plan 2018-present



Recent and Current Efforts

Strategic Management Plan

- Six Major Goals
 - Objectives
 - Action items
- Used to organize and manage priorities, “annual business plan”
- Progress reported to Board quarterly
- Now includes Performance Targets

What's Missing?



Definitions: The 5 W's and H

Mission

- Who are we? Why are we in business?

Vision

- Where are we going?

Values

- How are we getting there?

Goals

- What are doing to get there?

Targets

- When will we know when we get there?

Vision vs Mission Statement

Vision:

- Ambitious, forward-looking

Mission:

- Roles and responsibilities today

Vision/Mission Challenges

- No competition for gov't agency – can we really be the “best” or “the premier” or “leader”?
- Duties set in law – can't expand scope to be something we're not (e.g. adding more financial services or new benefits)
- Needs to mean something tangible; not too literal, not too “out there”

What is a Mission Statement?

Who?

Why?

- Who are you?
- Who do you serve?
- Why do you exist?

SCERS Old Mission Statement

“We are dedicated to providing the highest level of retirement services and managing System resources in an effective and prudent manner.”

Examples

Mendocino County: We collect, protect, and grow assets to provide a secure retirement income for our members.

Los Angeles County: We produce, provide, and protect the promised benefits.

Ohio: To provide our membership with valuable lifetime pension benefit programs and services.

Virginia: To serve those who serve others by delivering retirement and other benefits to Virginia public employees.

Wyoming: Partnering to build financial security for members and their families.

Seattle: To fulfill the promise made to our members by delivering the retirement benefits they have earned.

Proposed Mission Statement

Messaging for SCERS:

1. Our purpose is our already in our name: County Employee Retirement System
2. Two major functions:
 - Collect and manage assets
 - Administer benefits
3. Why we exist: core purpose = retirement security

Proposed Mission Statement

Messaging for SCERS (con't):

4. Partners with members, employers
5. Keep it simple, strong verbs
6. Who is audience? External and internal

Proposed Mission Statements

- A. To help our members build and plan for a secure retirement future.
- B. To support our members in achieving their retirement goals.
- C. Partners in building retirement security/a secure and lasting retirement.
- D. Working with public employers to help employees achieve financial security.

What is a Vision Statement?

Where?

- Aspirational, ambitious, audacious
- North Star, directional
- What do we want SCERS to be known for?
- How do we want our members to see us in 10 years?
- Short, simple
- Branding/messaging

Proposed Vision Statement

Messaging for SCERS:

- Major internal effort for timely service, delivery of benefits
- New tools for members
- Plans for more customer-service outreach through career
- Confidence that money is there for life
- Appreciation for public service

Proposed Vision Statements

- A. We make retirement easy.
- B. Retirement help when you need it, where you need it.
- C. Proud of your public service, pride in ours/ We count on you, you can count us.
- D. Providing excellent service from your first day of work through life.

Core Values

How?

- Guiding principles for how we work, make decisions, conduct ourselves.
- Constant, never changing.
- Not descriptions of operational practices or business strategies.
- Essential tenets that reflect practices we use (or should be using) everyday in everything we do.
- Audience is internal

OLD PLAN 2014-2018

Core Values:

<ul style="list-style-type: none">• The highest levels of professionalism and fiduciary responsibility• Acting with integrity• Competent, courteous and respectful service to all• Open and fair processes• Safeguarding confidential information• Cost-effective operations	<ul style="list-style-type: none">• Stable funding and minimal contribution volatility• Effective communication and helpful education• Maintaining a highly competent and committed staff• Continuous improvement• Planning strategically for the future
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Proposed Core Values

We are committed to:

SOLUTIONS

COMMUNICATING

EXCELLENCE

RESPONSIBILITY

STEWARDSHIP

Proposed Core Values

We are committed to:

SOLUTIONS by working with urgency to help one another succeed, fostering teamwork and collaboration, and asking for help when needed.

Proposed Core Values

We are committed to:

COMMUNICATING clearly and concisely, recognizing that members and employers expect us to act with integrity, transparency, and honesty.

Proposed Core Values

We are committed to:

EXCELLENCE by taking pride in our work, maintaining high expectations, and focusing on results.

Proposed Core Values

We are committed to:

RESPONSIBILITY by taking ownership of work, following through, holding ourselves accountable, and embracing ethical behavior.

Proposed Core Values

We are committed to:

STEWARDSHIP by recognizing the trust members put in us to manage assets and resources prudently, to sustain SCERS for future generations.

Proposed Core Values

We are committed to:

SOLUTIONS

COMMUNICATING


EXCELLENCE

RESPONSIBILITY

STEWARDSHIP

Goals, Objectives, and Targets

See separate handout

2020 DASHBOARD					
					
GOAL 1: CUSTOMER SERVICE AND EXPERIENCE					
Goal: Customers satisfied with timely, friendly, convenient, and accurate pension administration services.					
OBJECTIVES	TARGETS	OUTCOMES	2020 KEY ACTIVITIES	NEXT YEAR	FURTHER OUT
1.1 - Deliver quality member and participant service and experience	>50% of new retirees paid within 30 days of retirement	New measure added for 2021 (2020 baseline: 10% within 30 days, through 9/30/2020)	Maintained satisfactory service levels for retirement application processing times in work-from-home environment	Prepare to launch new on-line tools for members and employers	Integrate on-line tools for employees and employers.
1.2 - Deliver quality employer service and experience	> 75% of new retirees paid within 45 days of retirement	44% within 45 days Median: 47 days (through 9/30/2020)	Launched customer satisfaction survey for new retirees	Maintain service level performance during final stages of IT project; troubleshooting	Develop plans for "office hours" at work sites throughout County to enhance service delivery
	> 90% of new retirees paid within 60 days of retirement	87% within 60 days (through 9/30/2020)	Reduced backlog of disability retirement applications; onboarded dedicated disability-retirement staff	Focus on member responsiveness in remote/hybrid environment, including dedicated "office hours"	Roll out member self-scheduling system for retirement appointments
	> 80% of initial disability retirement determinations completed within 6 months of application.	4% completed within 6 months (through 9/30/2020)	Established foundation and staffing plan for Employer Services Unit	Initiate changes to expedite death benefit processing	Evaluate potential for virtual contact center and live-chat options
	>95% of new disability retirement applications reviewed within 30 days for completeness.	NA; new measure added for 2021	Identified opportunities to improve death-benefit processing		
	Satisfaction of new retirees surveyed > 80%.	84% average score (Jan-Sept 2020 surveys)			
	Total Service Score on CEM Benchmarking survey > peer	SCERS Score = 55 Peer Score = 64			
	Overall satisfaction of employers surveyed > 80%.	NA; launching survey in 2021			

Next Steps

- Regroup in January 2021
- Present Strategic Management Plan Annual Report
 - Includes Vision, Mission, Values

2020 DASHBOARD



GOAL 1: CUSTOMER SERVICE AND EXPERIENCE

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	Total Service Score on CEM Benchmarking survey > peer average.	SCERS Score = 55 Peer Score = 64 (as of 6/30/2018)			
	Overall satisfaction of employers surveyed > 80%.	NA; launching survey in 2021			

2020 DASHBOARD



GOAL 2: STAKEHOLDER COMMUNICATIONS AND OUTREACH

Goal: Transparent communication among stakeholders and clear understanding of roles and responsibilities.

OBJECTIVES	TARGETS	OUTCOMES	2020 KEY ACTIVITIES	NEXT YEAR	FURTHER OUT
2.1 - Promote transparency, fairness, and consistent compliance with laws and regulations	Effectiveness of presentations to members and employers; Satisfaction > 80%.	100% "agree" or "strongly agree" 4.6/5 average score (Jan 2020 Employer Forum)	Shifted in-person retirement seminars to webinar format	Conduct outreach campaign to register members/retirees on member portal	Evaluate process changes enabled by Ariel (Go Green initiative -- member notices, monthly statements, 1099Rs, newsletters)
2.2 - Communicate timely financial and actuarial information to stakeholders		93% "good," "very good," or "excellent" 3.6/5 average score (Aug and Oct 2020 retirement planning webinars)	Expanded web-based education materials and videos	Host Employer Forum via webinar in January 2021	Expand Retirement Planning Webinars; early, mid-year, and advanced career
2.3 - Engage and educate members and employers	Increase website page views by 10% year-over-year	NA; new measure added for 2021	Updated key Board policies: Board Elections, Sick Leave Conversion, Post-Retirement Employment, Error Corrections, Final Compensation Review	Commemorate 80th Anniversary of SCERS	Increase partnership with employers on retirement planning, financial literacy
2.4 - Collaborate with peer pension systems and organizations	25% of active members registered on new portal	NA; new measure added for 2021	Provided timely information to members and employers on COVID impacts and policies (office hours, sick leave, post-retirement waiver)	Build on employer services program and roll out employer portal	Develop additional "how to" videos on using member portal (e.g. using calculator)
	50% of retired members registered on new portal	NA; new measure added for 2021	Provided extensive outreach and notice to members, labor groups, and employers regarding <i>Alameda</i> ruling	Hold special election for Alternate Safety trustee; regular election in December for Miscellaneous, Safety trustees	Hold member workshops on various topics (service credit purchases, reciprocity, DRO's, DR, etc.)
			Onboarded new communications officer		Evaluate need for increased social media presence
			Increased staff attendance in peer organization training and network opportunities (SACRS, CALAPRS, etc)		Plan and conduct campaigns to increase web self-service
			Helped lead effort to pass AB 2101, SACRS-sponsored bill to amend CERL		Produce Employer "handbook" on policies and procedures

2020 DASHBOARD



GOAL 3: FUNDING INTEGRITY AND SUSTAINABILITY

Goal: Prudent and effective funding policies and practices that facilitate low contribution rate volatility.

OBJECTIVES	TARGETS	OUTCOMES	2020 KEY ACTIVITIES	NEXT YEAR	FURTHER OUT
3.1 - Minimize funding volatility	100% funded by 2040.	78.6% funded; on track as of 6/30/2020	Conducted triennial Experience Study and adopted new actuarial assumptions to improve long-term stability of fund; phased-in employer rate increases to smooth cost impact	Complete <i>Alameda</i> benefit corrections	Develop plans for compliance/audit effort to improve oversight of policies and procedures
3.2 - Promote plan sustainability	Maintain operational budget at or below inflationary growth (excluding IT project).	2% reduction for 2020-21; Board-approved budget	Produced second annual "risk report" that analyzed contribution rate volatility and funding sensitivity	Conduct actuarial audit	
3.3 - Minimize administrative expenses and demonstrate fiscal stewardship			Adopted "flat" operating budget	Move up SCERS' Comprehensive Annual Financial Report (CAFR) timeline and audit in order to align with the Sacramento County's CAFR timeline	
3.4 - Promote responsible oversight to ensure accuracy and protect plan assets			Secured funding agreements for former employers (UC Davis Med Center, North Highlands Fire/Sac Metro Fire)	Evaluate new GASB 84 requirements and impact on financial statements	
			Implemented path forward following <i>Alameda</i> ruling		

2020 DASHBOARD



GOAL 4: INVESTMENT PLANNING AND GROWTH

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

OBJECTIVES	TARGETS	OUTCOMES	2020 KEY ACTIVITIES	NEXT YEAR	FURTHER OUT
4.1 - Manage a diverse investment portfolio	Meet or exceed actuarial assumed rate of return over 3-, 5-, 10-year periods.	3 years: 6.9% vs 7% 5 years: 6.6% vs 7% 10 years: 8.7% vs 7% (as of 6/30/2020)	Finished fiscal year up nearly 3% in volatile market period during pandemic	Conduct Asset Liability Modeling study and consider potential adjustments to Strategic Asset Allocation	Develop pathway for co-investment and secondary partnerships
4.2 - Ensure liquidity sufficient to fund benefit payments and operations	Meet or exceed benchmarks, over 3-, 5-, 10-years	3 years: 6.9% vs 5.3% 5 years: 6.6% vs 5.8% 10 years: 8.7% vs 7% (as of 6/30/2020)	Added 1% cash allocation and converted 2% Commodities allocation to a 2% Liquid Real Return allocation	Conclude Alternative Assets Consultant RFP process	Evaluate delegated authority between Board and Staff regarding public and private market investments
4.3 - Leverage external experts to maximize investment guidance and results	Maintain responsible pacing of new investment commitments in line with Investment Annual Plan	Percent of investment plan fulfilled: Private Equity: 76% Private Credit: 87% Real Assets: 64% Real Estate: 100% Overall: 75% (as committed through 9/30/20 and planned through 12/31/2020)	Created a cash management policy to identify processes and tools to assist SCERS in the management of cash and monitoring of liquidity.	Initiate plan for ongoing fee/expense analysis	
4.4 - Ensure effective oversight of investment program (added for 2021)	Rank in the top half of a competitive, after-fee peer universe over 3-, 5-, 10-year periods	3 years: Top 9th percentile 5 years: Top 16th percentile 10 years: Top 29th percentile (InvMetrics Public DB > \$1B Gross Median) New measure added for 2021	Adjusted market exposures of asset categories to align with the strategic asset allocation	Finalize plans to conduct fiduciary "health check" of investment contracts	
			Issued a Request for Proposal (RFP) for alternative assets consulting	Evaluate risk-management software services	

2020 DASHBOARD



GOAL 5: ORGANIZATIONAL DEVELOPMENT AND CULTURE

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

OBJECTIVES	TARGETS	OUTCOMES	2020 KEY ACTIVITIES	NEXT YEAR	FURTHER OUT
5.1 - Organize to promote accountability and career progression	Staff vacancy rate <10%.	15% vacancy (average per month through 9/30/2020)	Transitioned to work-from-home environment without significant business disruption	Focus on supportive work-from-home environment.	Review organization/staffing changes to improve alignment with Ariel processes
5.2 - Strengthen workforce with the capacity and skills needed to fulfill SCERS' mission	100% of performance evaluations completed on time (on or before work anniversary) [Changing to >95% for 2021]	86% on time 97% completed within 1 month of anniversary (through 9/30/2020)	Leveraged intranet site to communicate with staff about office shut-down; celebrate birthdays, work anniversaries, employee of week.	Incorporate mission, vision, core values into day-to-day work, training	Develop a training/quality assurance program
5.3 - Build on a supportive work environment and culture	Overall satisfaction of employees surveyed > 80%.	83% (Oct 2020 survey)	Maintained hiring and onboarding new staff during office closure (support staff, accountant, investment analyst)	Finalize tenant improvement plan and begin work	Evaluate external support for Disability Retirement staff
5.4 - Promote strong Board-Staff partnership (added for 2021)	Conduct at least one Board educational presentation a quarter to improve effective oversight (moved from investment goal)	7 Board education sessions conducted (through Oct 2020)	Continued to reduce year-over-year overtime	Develop SCERS 101 new employee training	
			Secured BOS approval for new Senior Investment Officer position		
			Conducted Board education in key areas of proxy voting, liquidity, global market outlook, portfolio rebalancing, fiduciary oversight, and securities lending		

2020 DASHBOARD



GOAL 6: ENTERPRISE CAPABILITY AND TECHNOLOGY

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

OBJECTIVES	TARGETS	OUTCOMES	2020 KEY ACTIVITIES	NEXT YEAR	FURTHER OUT
6.1 - Leverage technology and creative solutions to enhance enterprise performance	Legacy systems replaced by end of 2021 without spending contingency budget.	On schedule; on budget 0% contingency budget spent (through 9/30/2020)	Completed data conversion and user-acceptance testing for upcoming phases of Ariel (Pension Administration System)	Complete PAS project and business process transition	Continuously improve dashboards/performance reporting
6.2 - Implement continuous improvements to business processes	Member web self-service portal functionality, as measured on CEM Benchmarking Survey, = or > peer average.	NA; will be available in 2022	Replaced MBASE legacy system with Ariel system	Complete data clean-up in Ariel	Initiate regular cycle to review Board policies
6.3 - Manage strategically with performance-based decision making	Document and annually test Continuity of Operations Plan.	Completed	Increased staff ownership of Ariel and new process changes, reducing reliance on vendors	Develop comprehensive Ariel performance management reporting	Initiate regular cycle to review website content, forms, letters
6.4 - Ensure the continuity of benefit payments and service delivery		Benefit payments and services successfully maintained during pandemic	Increased use of targets and performance measurement data in Strategic Management Program	Debrief on pandemic response and revise disaster planning	Evaluate need for SCERS financial system to replace COMPASS
			Restructured outside counsel support for Disability Retirement		
			Engaged a third party service provider to assist SCERS with the accounting and reporting of its private markets portfolio		