



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 14

**MEETING DATE:** January 16, 2019

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

**SUBMITTED FOR:**  Consent  Deliberation and Action  Receive and File

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#### **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 2018-19 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.

At the beginning of the 2018-19 fiscal year, the SCERS management team prepared a Strategic Management Plan identifying specific initiatives to be accomplished during the year. The attached presentation reports the progress against the plan during the second quarter of the fiscal year and presents initiatives to be undertaken in the third quarter. (Note: The list of initiatives evolves over time as conditions change or new opportunities surface.)

The management team plans to expand the set of metrics presented in each quarterly report based on needs, experience, and system capabilities. Future quarterly reports will identify performance trends as well as current performance status.

**ATTACHMENTS**

- Strategic Management Plan Presentation

Prepared by:

/S/

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Stephen Hawley  
Chief Strategy Officer

Reviewed by:

/S/

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Eric Stern  
Chief Executive Officer

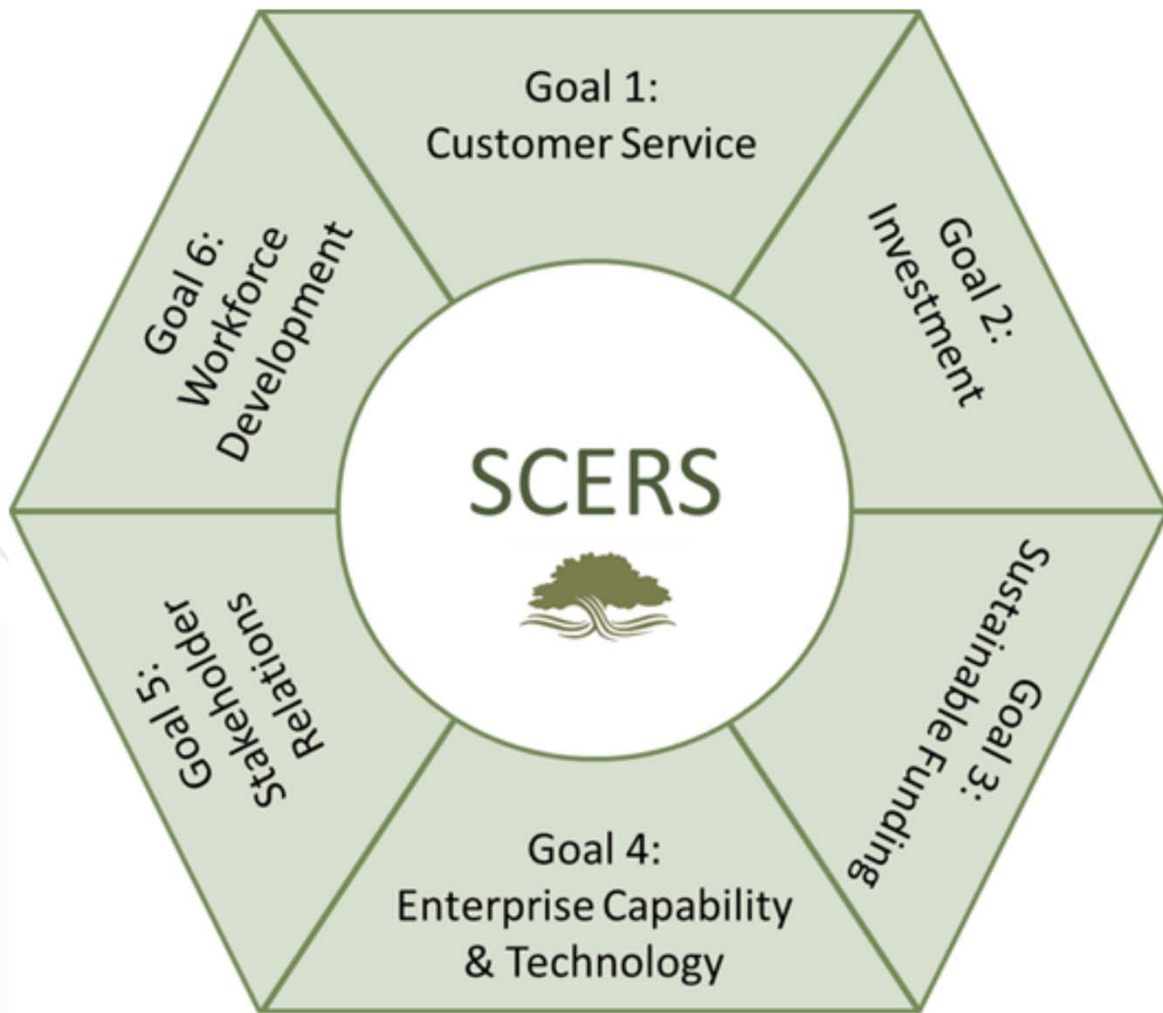
# Strategic Management Program

Report for Fiscal Year 2018-2019 Q2



**SCERS**

SACRAMENTO COUNTY  
EMPLOYEES' RETIREMENT SYSTEM



# Goal 1: Customer Service

Enhance the services provided to all SCERS' customers to improve efficiency, effectiveness, and accountability.

## Completed 2<sup>nd</sup> Quarter

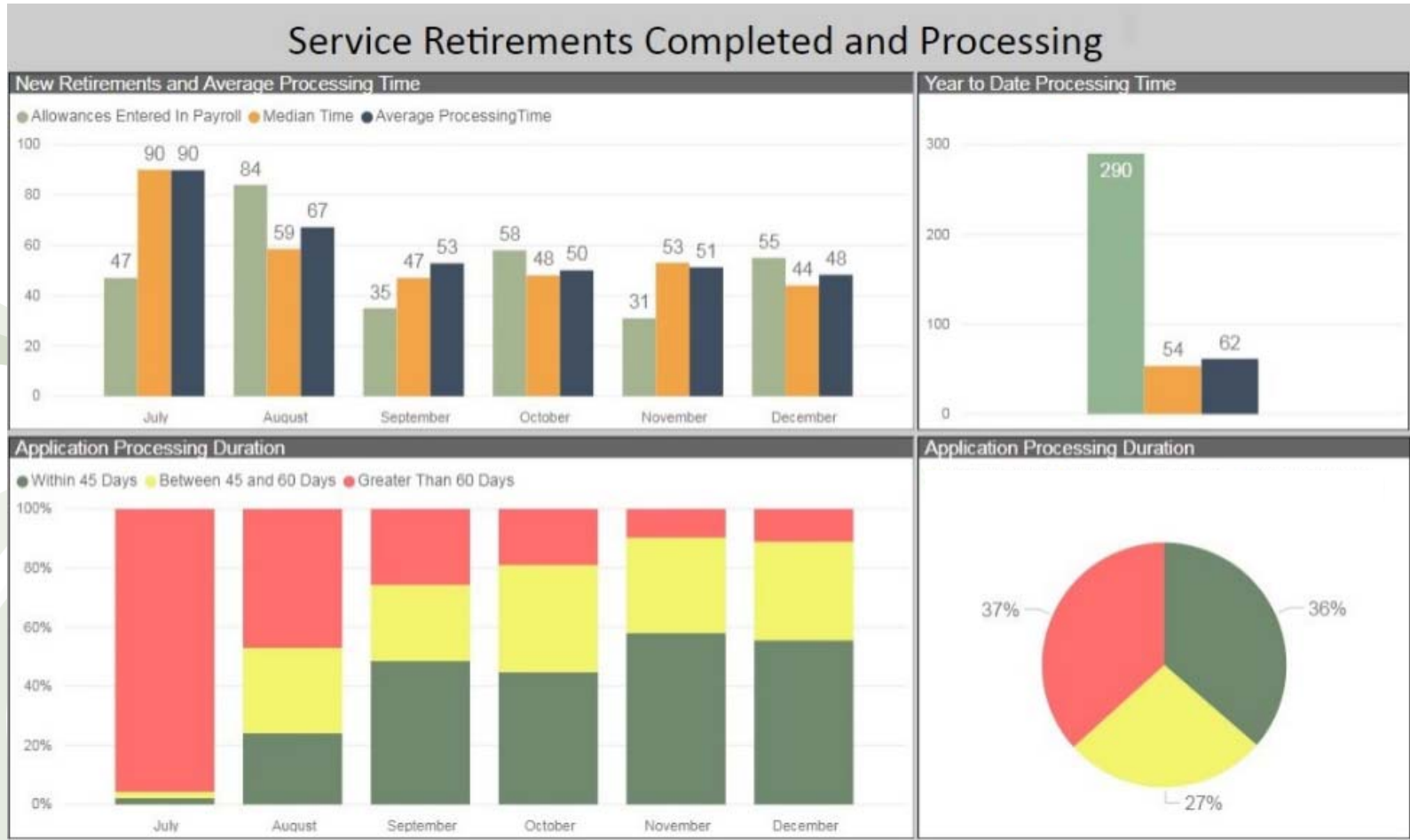
- Cleared retirement document scanning backlog
- Began ongoing retirement application process metrics reporting
- Established objective criteria to evaluate complexity of retirement applications and conduct assignment/re-assignment meetings with staff

## Planned 3<sup>rd</sup> Quarter

- Develop customer survey strategy
- Develop process for retirement applications submitted in advance of effective date of retirement
- Finalize disability handbook, forms, and communication materials



# Customer Service Dashboard



## Goal 2: Investment

Maintain an investment program that targets performance that exceeds SCERS' portfolio benchmark over time and which mitigates and carefully manages investment risks, including market volatility.

### Completed 2<sup>nd</sup> Quarter

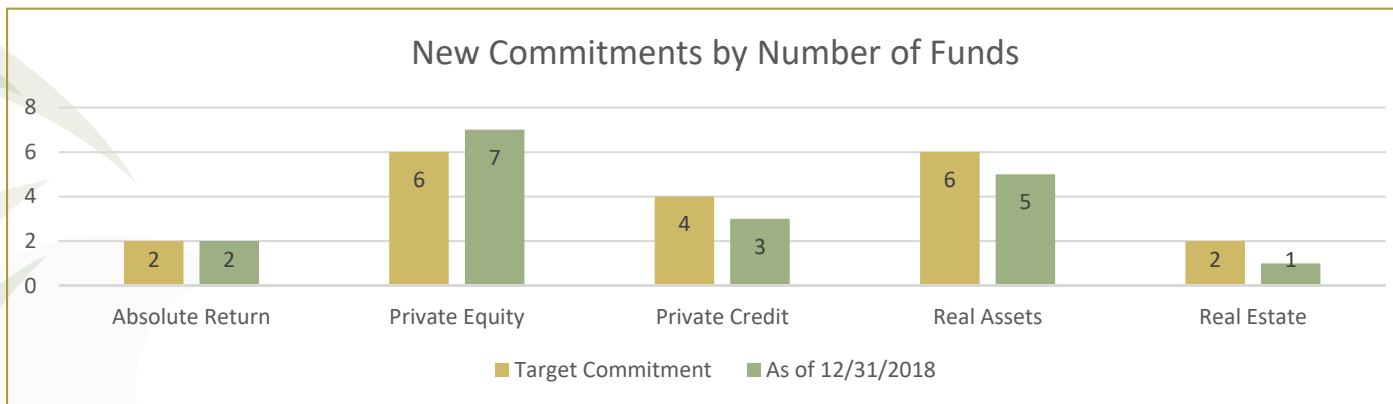
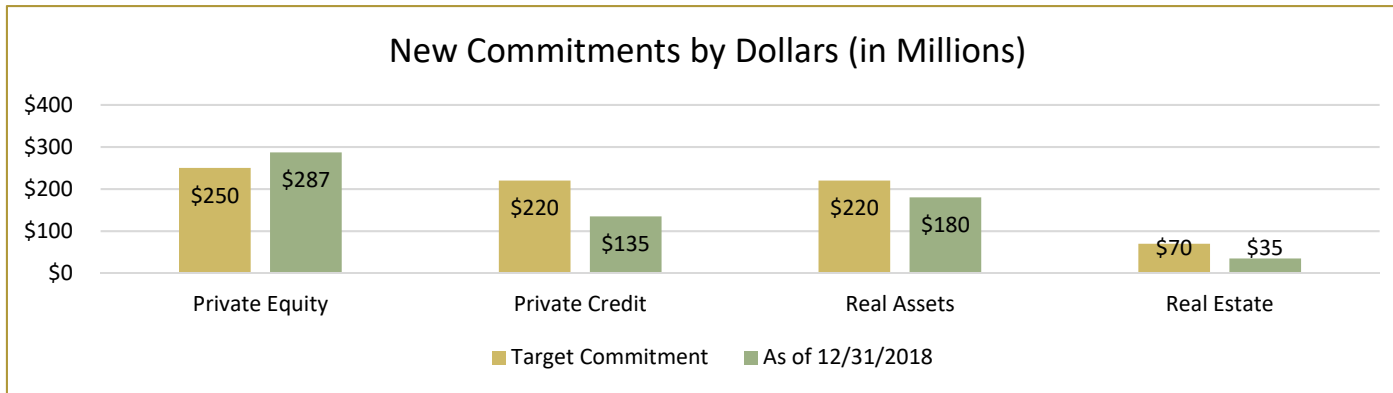
- Closed out 2018 investment plan
- Finalized IPSs by asset category
- Conducted liquidity analysis

### Planned 3<sup>rd</sup> Quarter

- Prepare 2019 investment plan
- Develop cash management policy



# Goal 2: Investment Dashboard



**Absolute Return:**

- Target: Reduce Growth Oriented allocation to 3%      As of 12/31: 3.6%
- Target: Increase Diversifying allocation to 7%      As of 12/31: 7.1%

Note: Targets are for 12/31/2018 based on the calendar year annual investment plan.





# Goal 3: Sustainable Funding

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

## Completed 2<sup>nd</sup> Quarter

- Reviewed policies on service credit and overtime

## Planned 3<sup>rd</sup> Quarter

- Work with Segal actuaries to analyze funding sensitivity to external events



# Goal 4: Enterprise Capability & Technology

Maintain and enhance enterprise cross-functional capabilities. Continuously refresh SCERS technology platforms to improve performance, productivity, and efficiency.

## Completed 2<sup>nd</sup> Quarter

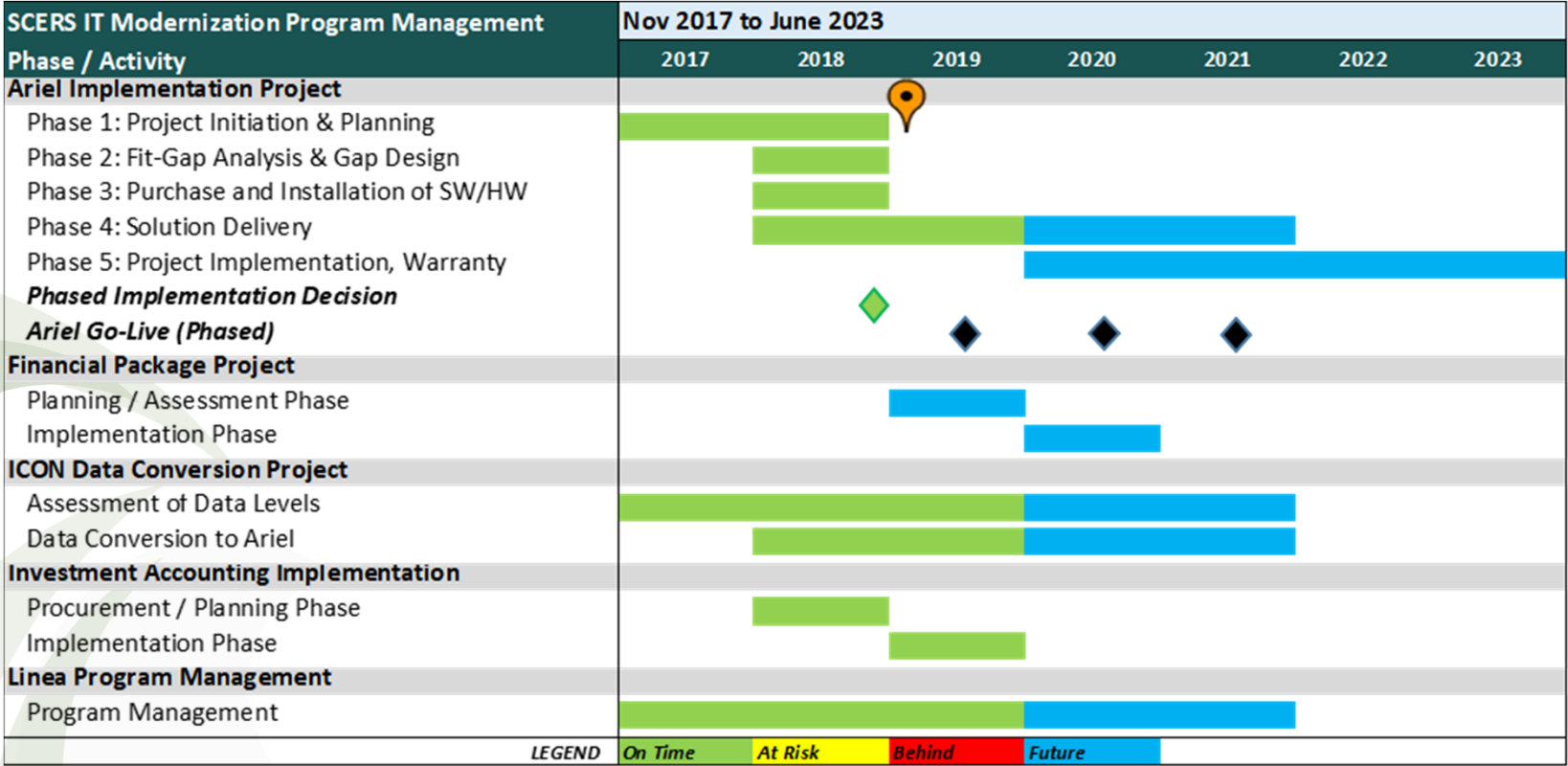
- Completed Ariel (PAS) project Fit-Gap phase
- Rolled out new public website

## Planned 3<sup>rd</sup> Quarter

- Complete build of Ariel (PAS) solution for Q4 testing and July 2019 deployment
- Design staff knowledge repository within new website



# 12 Month Timeline Overview



# Goal 5: Stakeholder Relations

Maintain transparent communications among stakeholders and promote understanding of roles and responsibilities.

## Completed 2<sup>nd</sup> Quarter

- Hosted employer seminar in November
- Initiated publication and distribution of member newsletter
- Visited all special district employers
- Began publishing agenda and materials on public website in advance of Board meetings

## Planned 3<sup>rd</sup> Quarter

- Publish and distribute next member newsletter



# Goal 6: Workforce Development

Maintain a high-performance organization structure and workforce.

## Completed 2<sup>nd</sup> Quarter

- Hired 1 Benefit staff member
- Hired Senior Personnel Analyst
- Hired IT Analyst

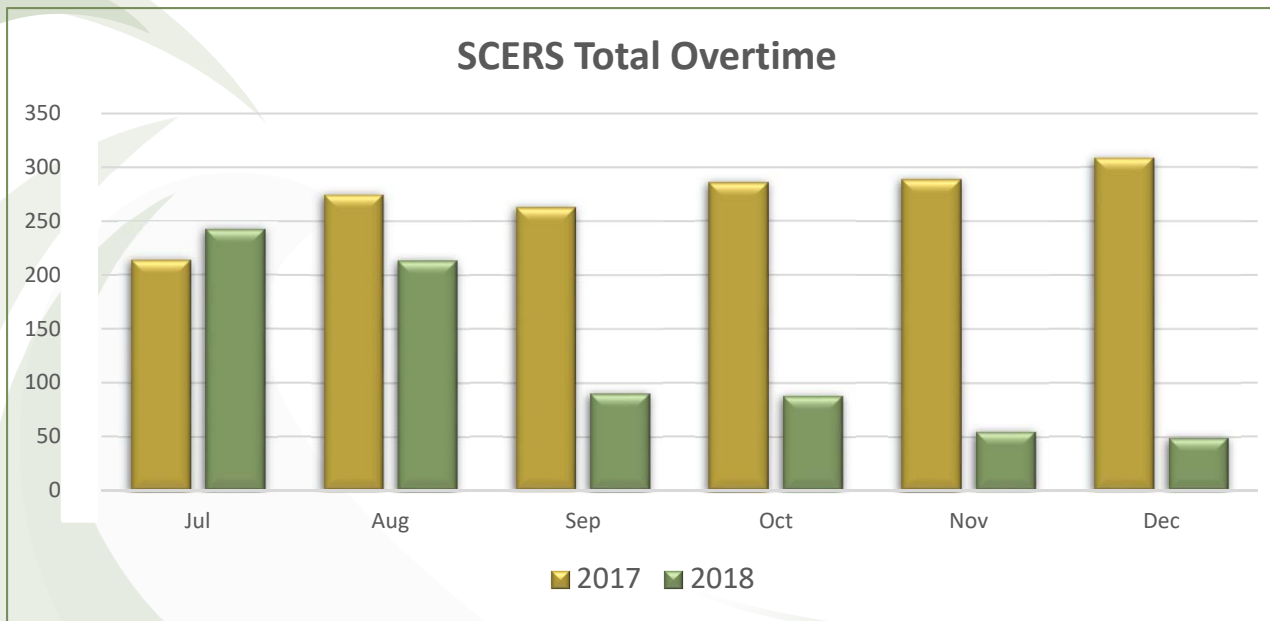
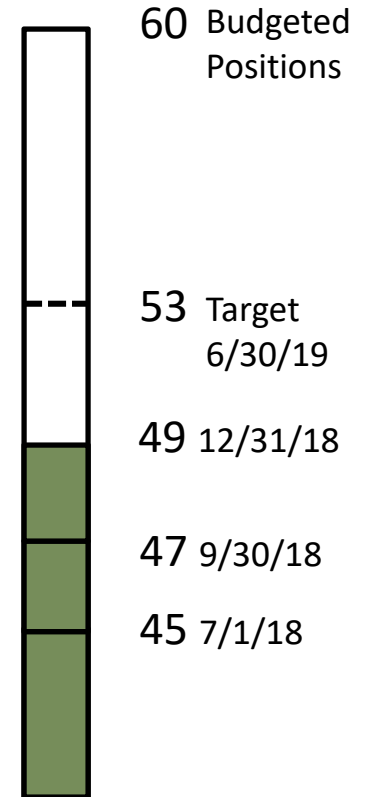
## Planned 3<sup>rd</sup> Quarter

- Onboard Deputy Chief Investment Officer
- Reallocate position for Communications/  
Media Officer II
- Secure Board of Supervisors approval for  
executive pay plan



# Goal 6: Workforce Development Dashboard

As Of	Employees	Vacancy Rate	Remarks
6/30/18	45	25%	
9/30/18	47	22%	4 Hired, 2 Left
12/31/18	49	18%	3 Hired, 1 Left



## Key Risks

- Improving customer service performance for retirement application processing may be adversely impacted by unusually high volumes or complex cases. (Goal 1)
- Focus on improving retirement processing times may negatively impact other customer service processes. (Goal 1)
- Maintaining Benefits staff engagement with the Ariel (PAS) implementation project during busy season. (Goal 4)
- Sustainability of newly launched website and newsletter communications depends on timely refresh of relevant content and response to feedback. (Goal 5)
- Filling vacant positions depends upon availability of qualified candidates and avoiding turnover in an increasingly tight labor market. (Goal 6)

