



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 18

MEETING DATE: April 17, 2019

SUBJECT: Strategic Management Plan Quarterly Performance Report

SUBMITTED FOR: Consent Deliberation and Action Receive 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 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 third quarter of the fiscal year and presents initiatives to be undertaken in the fourth 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.

ATTACHMENT

- Strategic Management Plan Presentation

Prepared by:

/S/

Stephen Hawley
Chief Strategy Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer

Strategic Management Program

Report for Fiscal Year 2018-2019 Q3



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 3rd Quarter

- Implemented streamlined retirement process and training for annual busy season
- Updated and simplified retirement application package
- Simplified direct deposit form and conducted outreach program
- Initiated call volume metrics tracking

Planned 4th Quarter

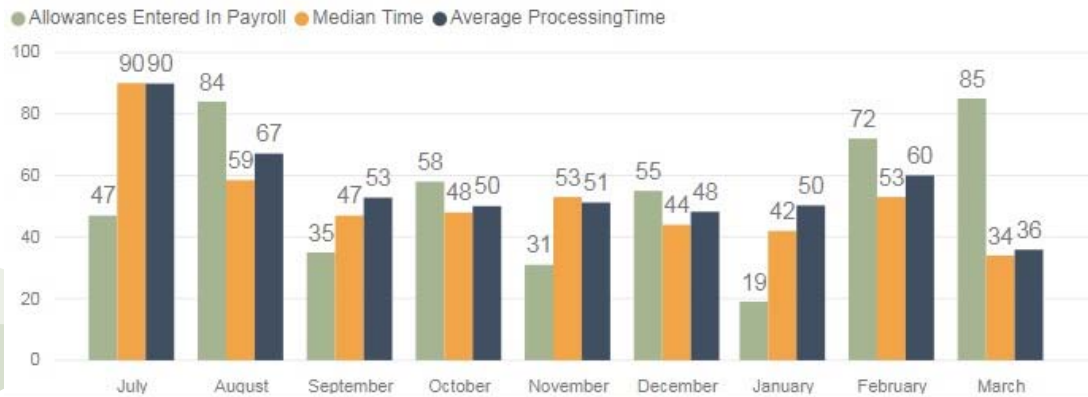
- Develop customer survey strategy
- Review and revise DRO policy, procedures, and handouts
- Finalize disability handbook, forms, and communication materials



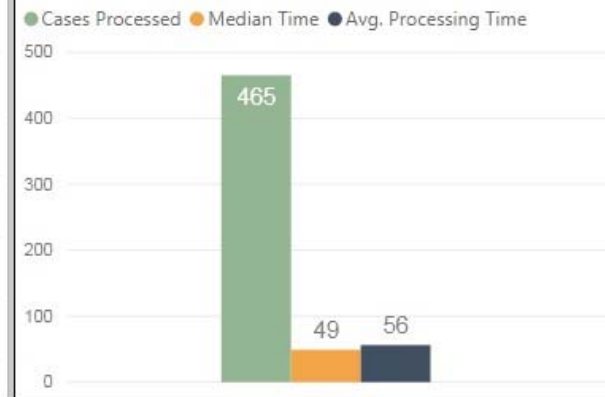
Customer Service Dashboard

Service Retirements Completed and Processing

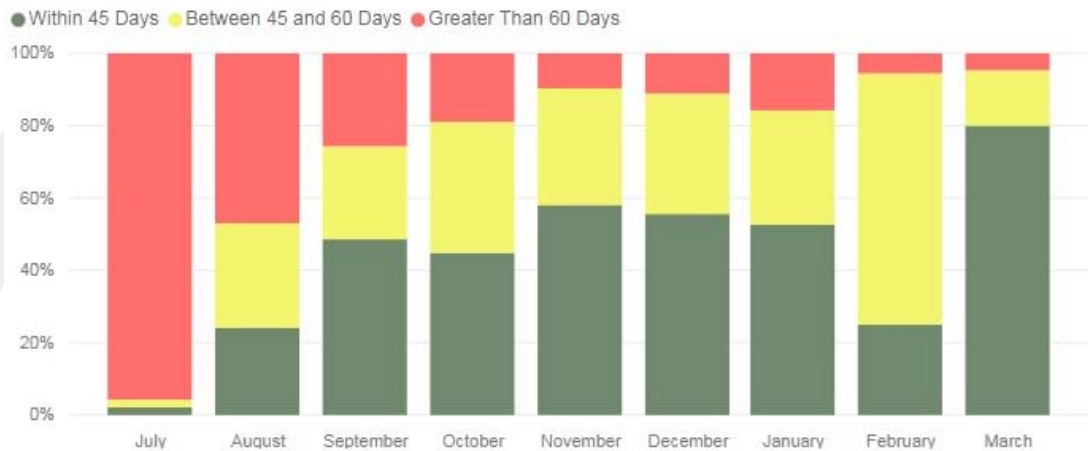
New Retirements and Average Processing Time



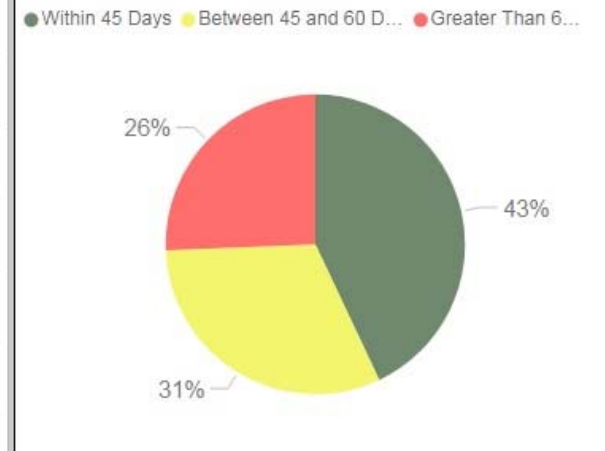
Year to Date Processing Time



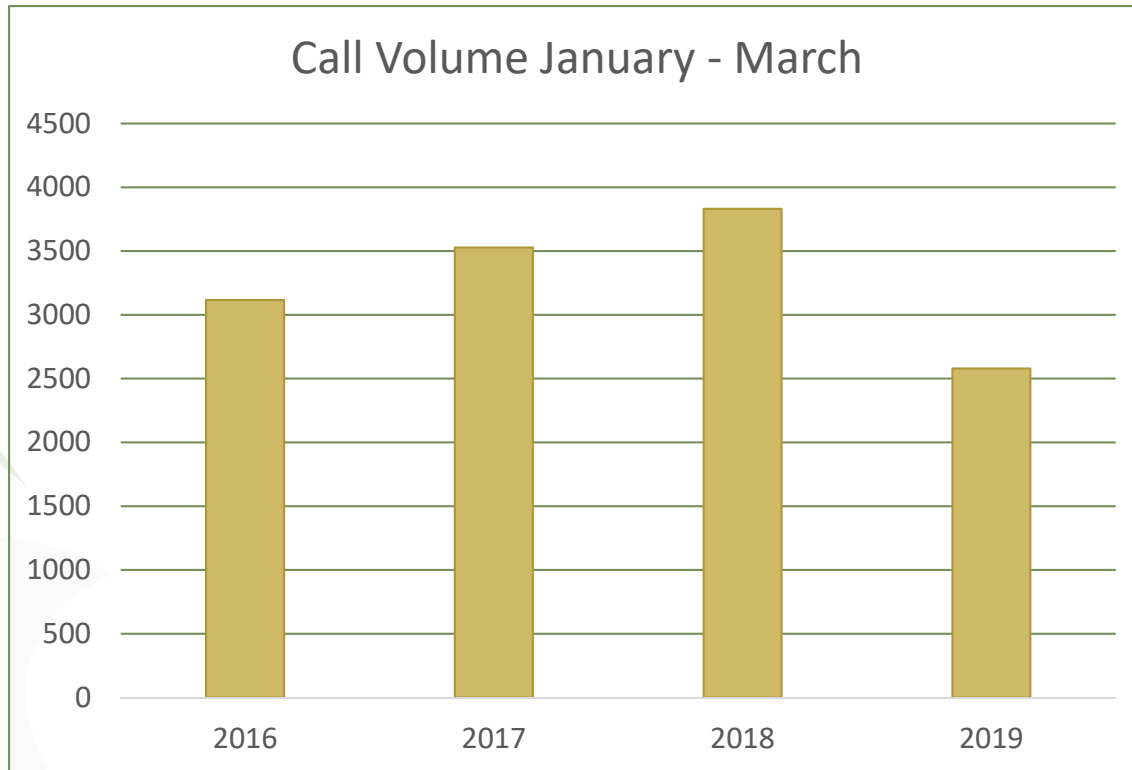
Application Processing Duration



Application Processing Duration



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 3rd Quarter

- Published 2018 Investment Year in Review and 2019 Annual Investment Plan

Planned 4th Quarter

- Develop cash management policy



Goal 3: Sustainable Funding

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

Completed 3rd Quarter

- Prepared report on funding sensitivity to external events

Planned 4th Quarter

- Finalize policies on:
 1. Service Credit and Overtime
 2. Retired Annuitants
 3. Due Process on Felony Forfeitures
 4. Funding Requirements for Withdrawn Employers



Goal 4: Enterprise Capability & Technology

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

Completed 3rd Quarter

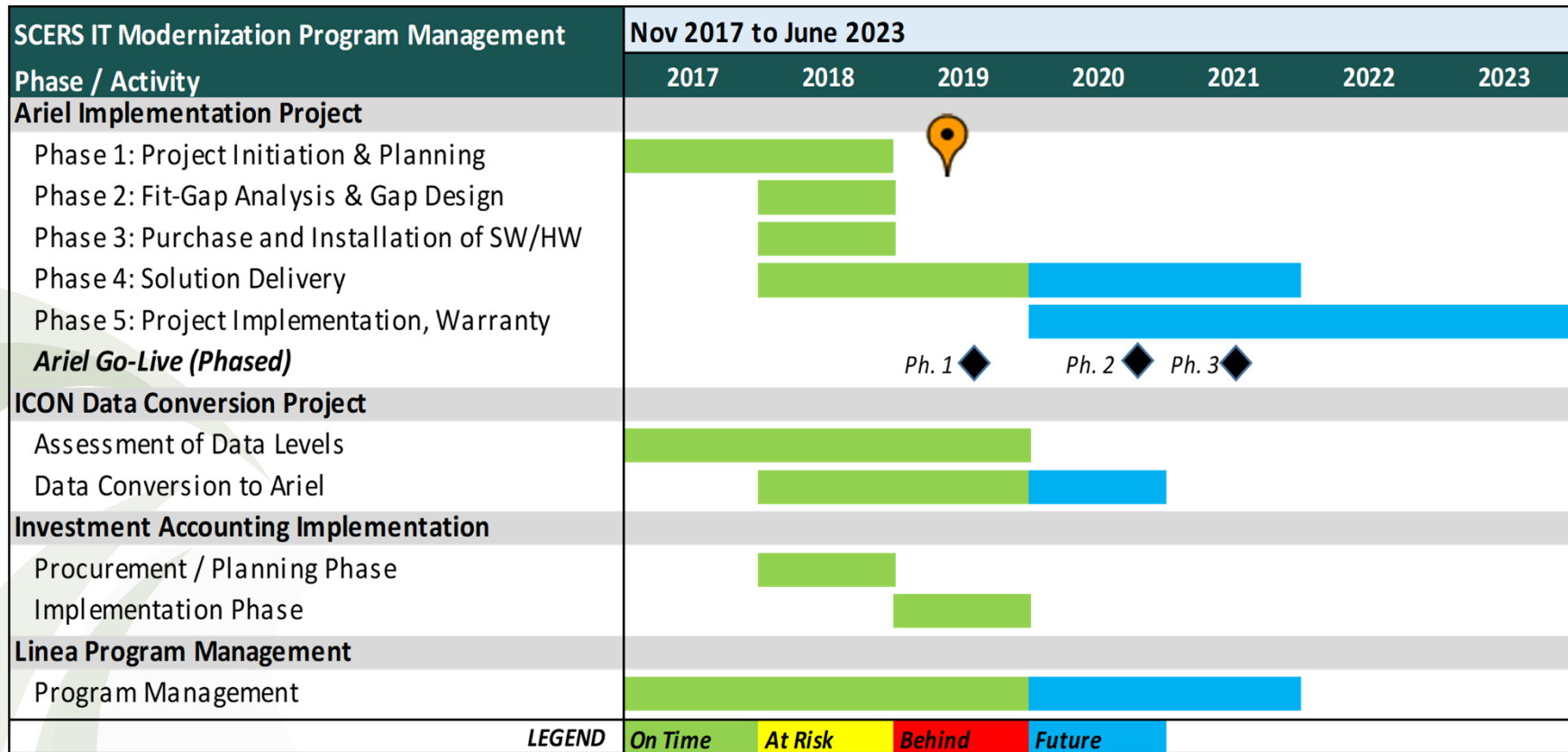
- Completed Ariel Phase 1 software development and data conversion
- Issued RFP for investment accounting private market services

Planned 4th Quarter

- Complete testing and staff training in preparation for July 2019 Ariel Phase 1 go live
- Deploy staff knowledge repository within new website
- Evaluate investment accounting proposals and make vendor recommendation
- Complete imaging of historical documents stored in building basement



12 Month Timeline Overview



Goal 5: Stakeholder Relations

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

Completed 3rd Quarter

- Published second newsletter
- Re-baselined operating budget

Planned 4th Quarter

- Publish and distribute next member newsletter
- Develop communication and member engagement strategy



Goal 6: Workforce Development

Maintain a high-performance organization structure and workforce.

Completed 3rd Quarter

- On-boarded Deputy Chief Investment Officer
- Conducted General Counsel search
- Reallocated position for Communications/ Media Officer II and interviewed candidates
- Secured Board of Supervisors approval for executive pay plan

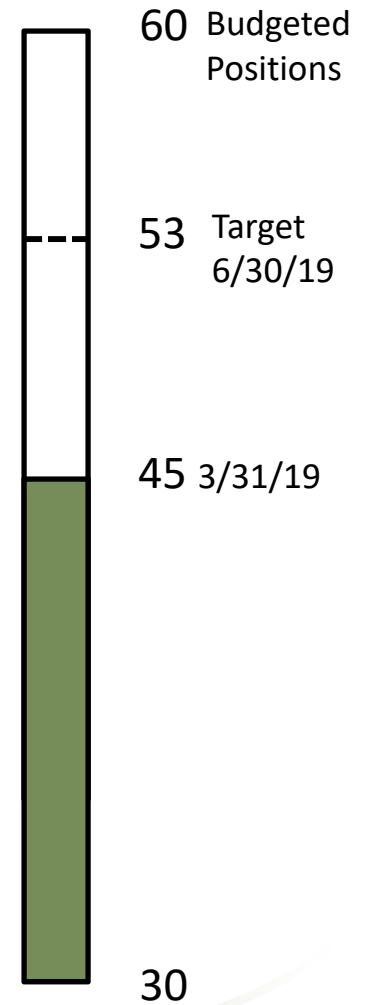
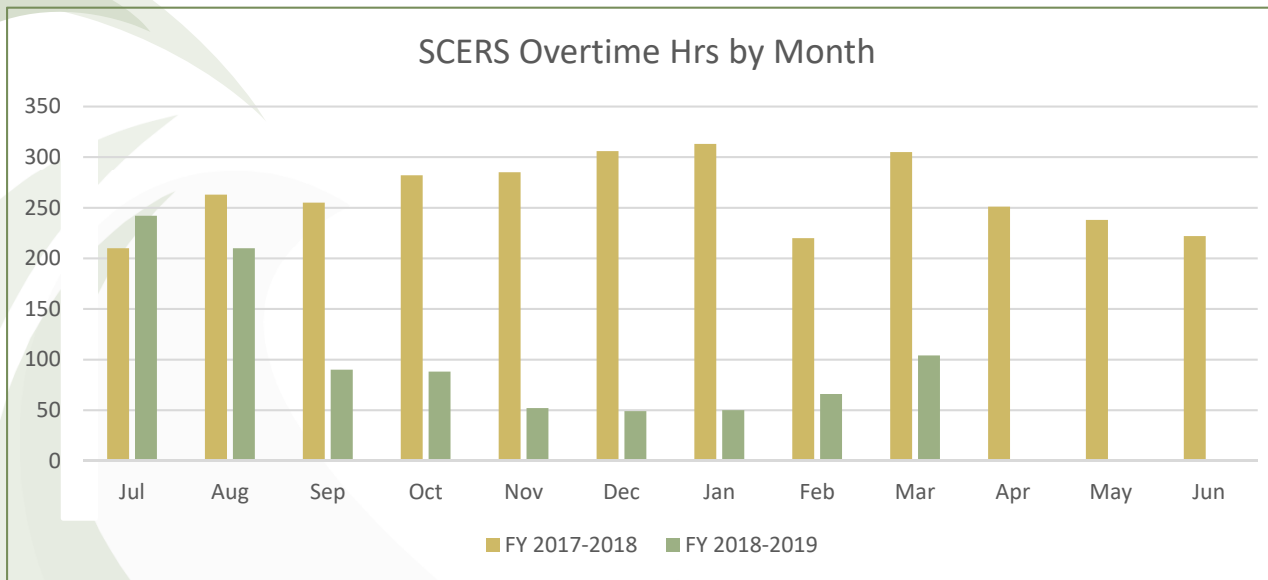
Planned 4th Quarter

- On-board Communications/ Media Officer
- On-board General Counsel
- Hire 2-3 additional benefits staff
- Identify and implement Benefits and Operations organizational changes in preparation for Ariel Phase 1 go live



Goal 6: Workforce Development Dashboard

As Of	Employees	Vacancy Rate
6/30/18	45	25%
9/30/18	47	22%
12/31/18	49	18%
3/31/19	45	25%



Key Risks

- Focus on improving retirement processing times may negatively impact other customer service processes. (Goal 1)
- Ariel Phase 1 acceptance testing and training may generate requests for changes that increase scope of cause delays. (Goal 4)
- Benefits staff engagement with the Ariel (PAS) implementation project may be challenging during busy season. (Goal 4)
- Filling vacant positions depends upon availability of qualified candidates and avoiding turnover in an increasingly tight labor market. (Goal 6)

