



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 22

MEETING DATE: August 19, 2020

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 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 2019-20 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.

The 2019-20 Strategic Management Plan will also be extended for two additional quarters as SCERS transitions the Strategic Management Plan to a calendar-year cycle. A special Board meeting and strategic planning workshop will be scheduled in November 2020 to review the organizational mission statement and long-term goals, and develop the 2021 Strategic Management Plan for the upcoming year.

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 2019-20 Q4

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Strategic Goals



Goal 1: Customer Service and Experience

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

Completed 4th Quarter

- Maintained consistent service levels in remote work environment
- Completed final “busy season” under legacy processes
- Installed member Drop Box in ground-floor lobby

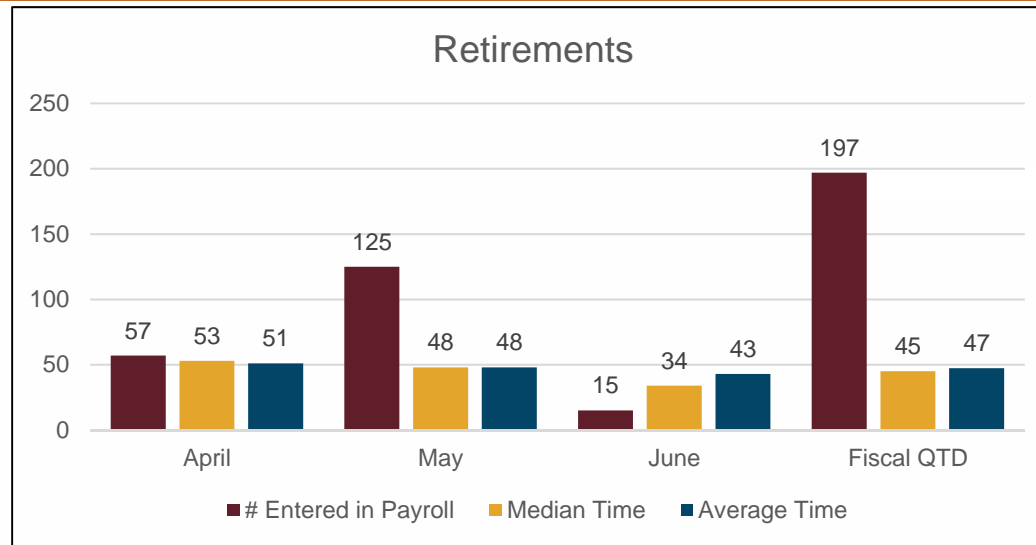
Planned Next 6 Months

- Improve response time for member inquiries in remote environment
- Increase use of DocuSign
- Map out process changes to improve timeliness of death benefits

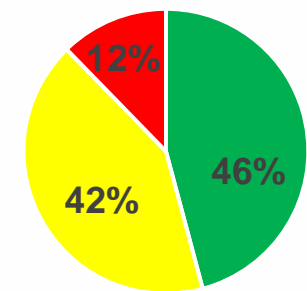
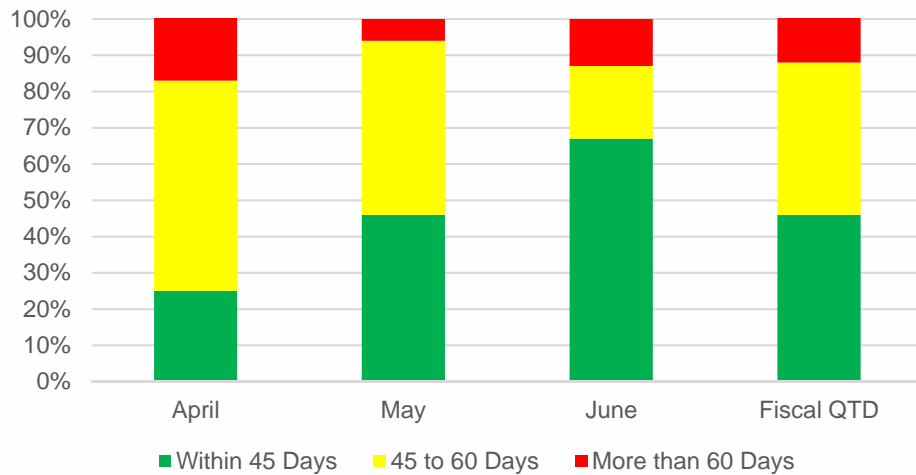
Key Risks:

- Staff participation in IT project combined with staff working from home creates challenge to maintaining consistent service levels and project progress

Customer Service Dashboard (1)



Processing Time Summary



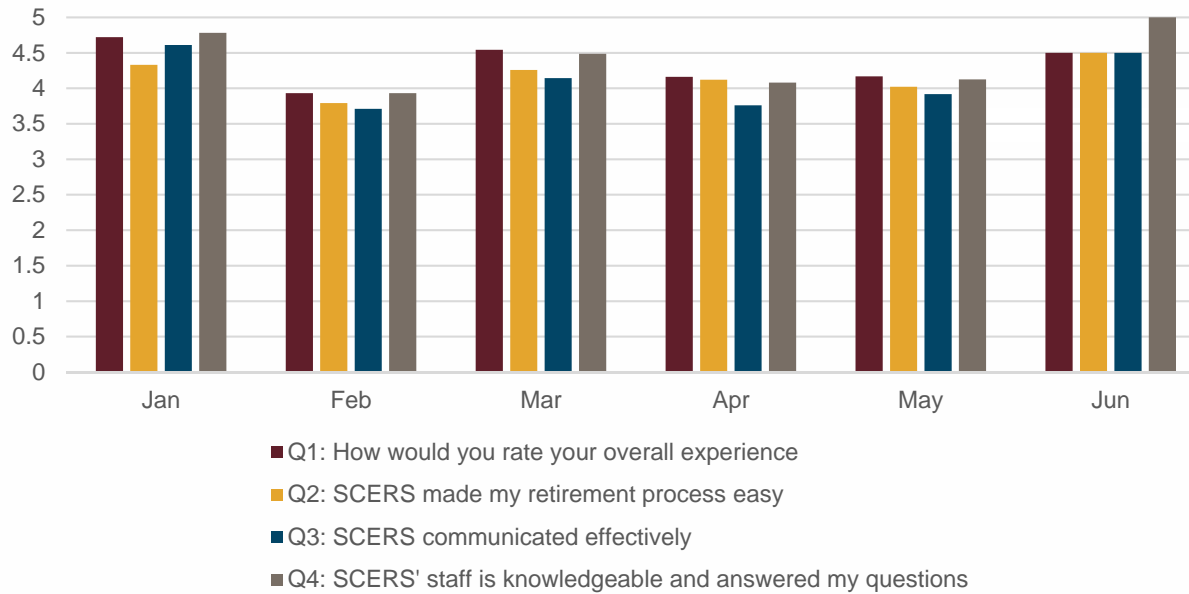
■ Within 45 Days ■ 45 to 60 Days ■ More than 60 Days

Customer Service Dashboard (2)

Retiree Survey Response Rates

	Jan	Feb	Mar	Apr	May	Jun
Number of Surveys	28	54	72	53	110	15
Number of Responses	9	28	35	25	48	2
Response Rate	32%	52%	49%	47%	44%	13%

Retiree Response Aggregate Scores



Goal 2: Stakeholder Communication and Outreach

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

Completed 4th Quarter

- Enhanced public website education and information materials
- Launched first education video
- Restructured member handbooks for easier web access

Planned Next 6 Months

- Host webinar to replace in-person Retirement Seminar
- Produce additional education videos
- Finalize Sick Leave Conversion Policy

Key Risks:

- Ambitious goals to ramp up of member/employer engagement programs

Goal 3: Funding Integrity and Sustainability

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

Completed 4th Quarter

- Adopted new actuarial assumptions; lowered discount rate
- Identified recovery process for North Highlands Fire UAAL
- Adopted leaner operational budget for 2020-21 (-2%)

Planned Next 6 Months

- Adopt Benefit Overpayment and Collection Policy
- Evaluate impact of Supreme Court ruling on Final Compensation
- Adopt June 30, 2020 valuation and 2020-21 contributions based on new assumptions

Key Risks:

- Changing actuarial assumptions or Board policies that affect contributions and/or benefits can bring political pressure on the Board.

Goal 4: Investment Planning and Growth

Maintain an investment program that targets performance that meets SCERS' assumed rate of return over time and which mitigates and carefully manages investment risks, including market volatility.

Completed 4th Quarter

- Pursued strategic investment opportunities in volatile market environment
- Delayed alternative assets consultant search

Planned Next 6 Months

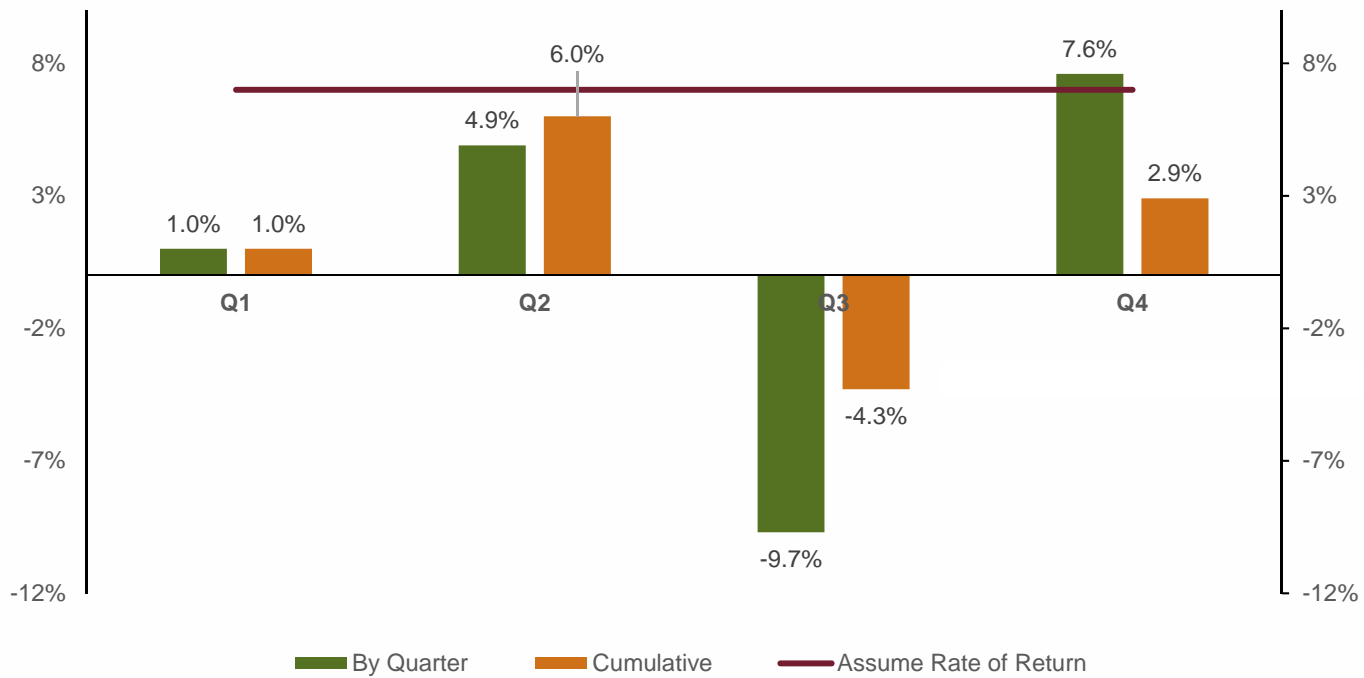
- Hold fiduciary education session
- Introduce next steps for 2021 Asset Liability Management study
- Conduct risk tolerance survey for Board

Key Risks:

- Market volatility and economic downturn during public health emergency is testing SCERS' investment strategy

Investment Dashboard

2019-20 Investment Return



Goal 5: Organizational Development and Culture

Maintain a high-performance organizational structure and workforce.

Completed 4th Quarter

- Focused on staff communication with weekly online CEO coffee breaks; trivia contests
- Increased staff participation in peer-to-peer training and webinars

Planned Next 6 Months

- Foster prolonged telework environment
- Continue filling key vacancies
- Conduct 2nd annual employee job satisfaction survey

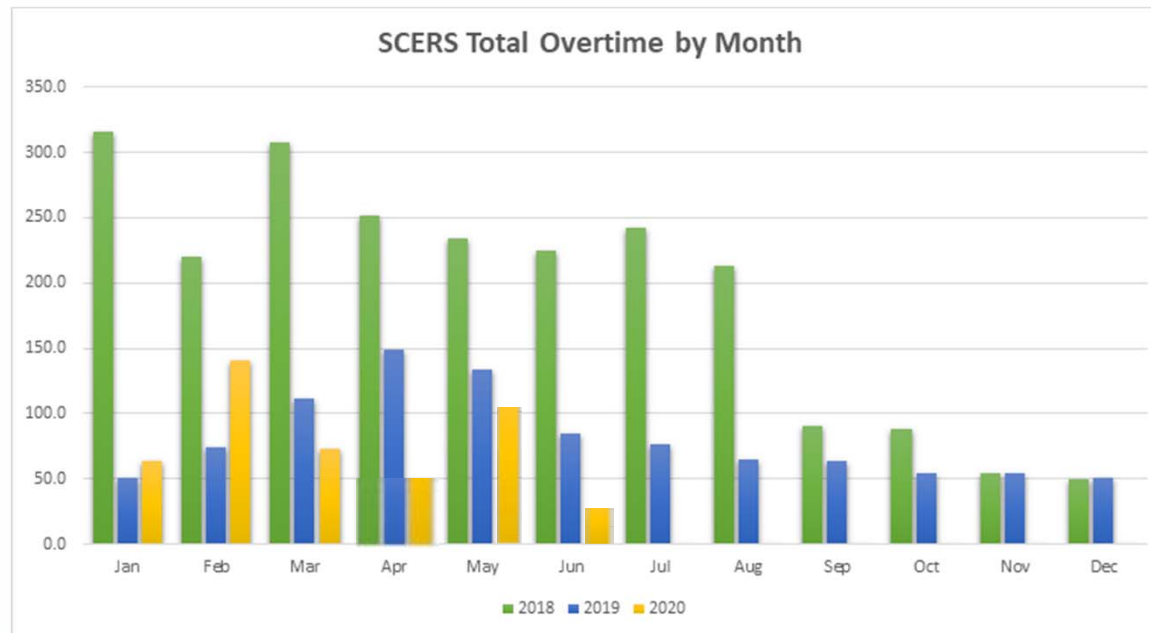
Key Risks:

- The COVID-19 pandemic may reduce SCERS staff availability and productivity causing a decline in customer service.

Goal 5: Workforce Development Dashboard

As Of	Employees	Vacancy Rate
6/30/19	48	20%
9/30/19	49	18%
12/31/19	50	17%
3/31/20	51	15%
6/30/20	51	15%

Staff Evaluations: Q4	Number	Percent
Due	10	100%
On Time	8	80%
Within 1 month	2	20%
1-2 months late	0	0%
2+ months late	0	0%



Goal 6: Enterprise Capability and Technology

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

Completed 4th Quarter

- Successfully completed User Acceptance Testing in a remote environment

Planned Next 6 Months

- Hold Strategic Planning Workshop for Board in November
- Ensure success of next Go-Live phase in November (MBase replacement)

Key Risks:

- Staff activity levels for roll-out of modernized systems are peaking and will remain very high for 12-18 months
- Pandemic travel restrictions is limiting vendor staff on-site participation which may impact the productivity or effectiveness of some activities such as User Acceptance Testing and Phase 2 Go-Live