



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

**Agenda Item 12**

**MEETING DATE:** April 21, 2021

**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 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.

The attached presentation reports the progress against the plan during the first quarter of 2021 and presents upcoming initiatives. The list of initiatives evolves over time as conditions change or new opportunities surface.

### **ATTACHMENT**

- Strategic Management Plan Presentation

Prepared by:

/S/

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Eric Stern  
Chief Executive Officer



**SCERS**  
CELEBRATING **80** YEARS

# Strategic Management Plan

First Quarter - 2021

April 2021

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

# Strategic Framework

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## Goal 1

# Customer Service and Experience

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

### Completed Last Quarter

- Secured additional resources to address retirement application backlog
- Set expectations to improve member outreach about processing delays

### Looking Ahead

- Close out “busy season” for retirement application processing
- Prepare to reopen office for staff and public
- Roll out new, online member portal

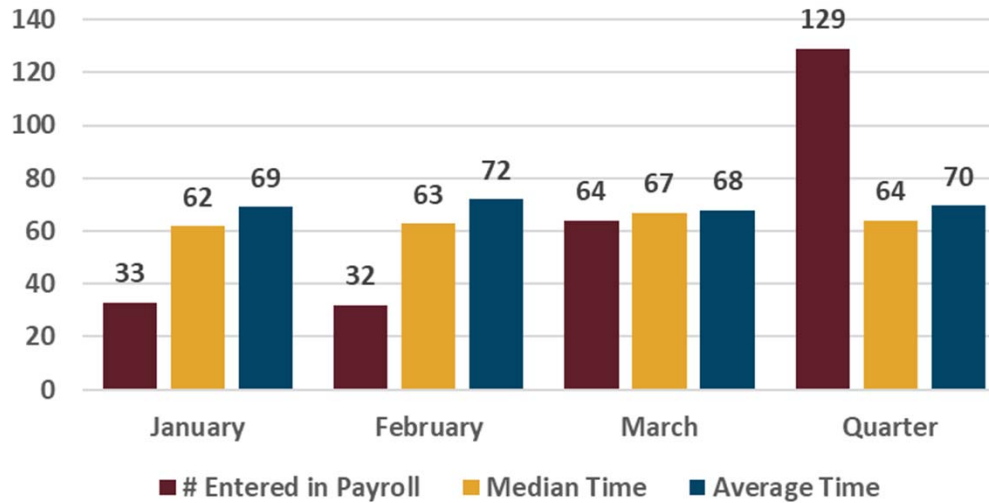
Key risks: Heavy retirement volume, IT project implementation, *Alameda* corrections, and staff working from home creates challenge to maintaining consistent service levels and project progress.



# Goal 1

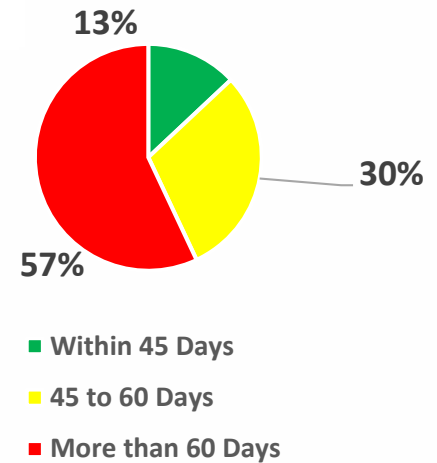
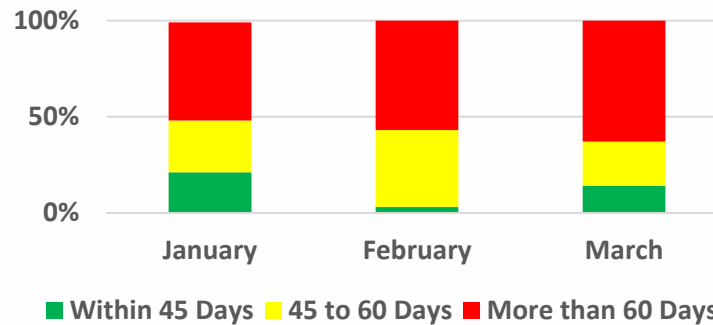
## Customer Service Dashboard

### Retirements



- Targets: New retirees paid –**
- >75% within 45 days,
  - >90% within 60 days.

### Processing Time Summary





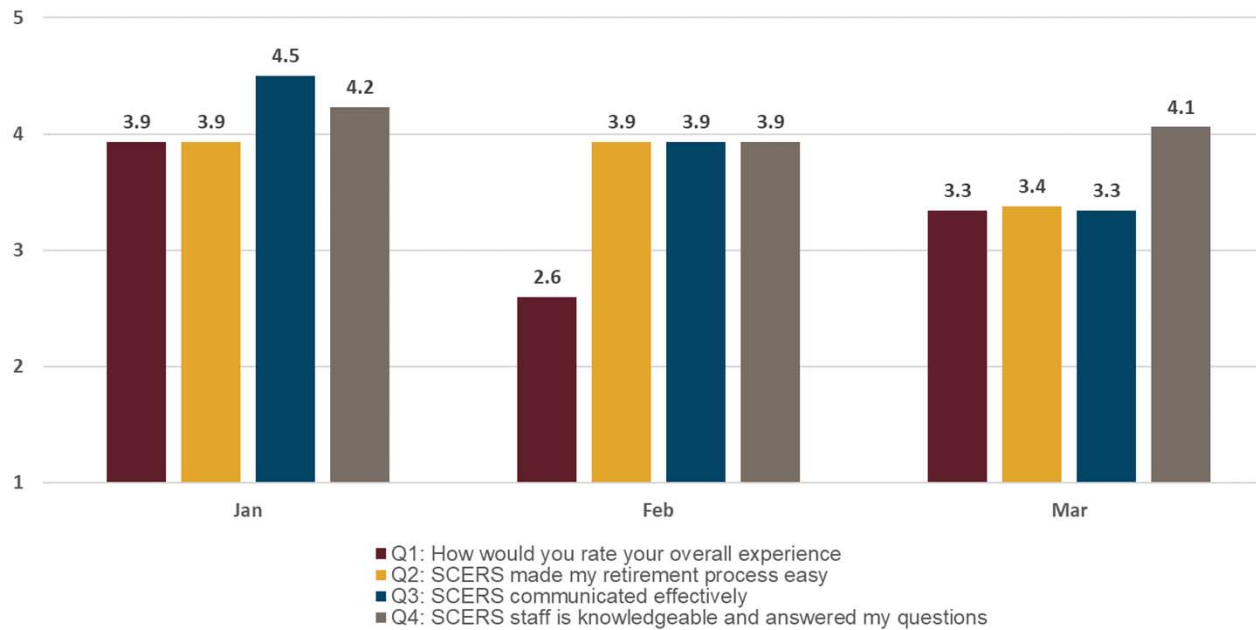
# Goal 1

## Customer Service Dashboard (2)

### Retiree Survey Response Rates

	January	February	March
Number of Surveys	31	31	65
Number of Responses	14	10	32
Response Rate	45%	32%	49%

### Retiree Responses to Questions





## Goal 2

# Stakeholder Communication and Outreach

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Transparent communication among stakeholders to support clear understanding of roles and responsibilities, and the value of defined-benefit pensions.

### Completed Last Quarter

- Seated new alternate safety trustee
- Renewed contract for education videos
- Hosted pension planning webinar

### Looking Ahead

- Launch initiative to shift mailings to member portal
- Evaluate social media presence
- Commemorate SCERS 80<sup>th</sup> anniversary

Key risks: Ambitious goals to ramp up of member/employer engagement programs remain challenging with limited staff resources



## Goal 2

# Stakeholder Communication and Outreach

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### Employer Forum - January 2021



**100%**

“Agree” or  
“Strongly Agree”  
on Presentation  
Effectiveness

**4.6/5**

Average Score

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

### Pension Planning Webinar - March 2021



**100%**

“Good,” “Very Good”  
or “Excellent”  
on Presentation  
Effectiveness

**4.1/5**

Average Score





## Goal 3

# Funding Integrity and Sustainability

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

### Completed Last Quarter

- Produced 3<sup>rd</sup> annual funding risk analysis
- Re-affirmed Actuarial Funding Policy
- Added parameters for contribution-rate offset

### Looking Ahead

- Finalize implementation plan and complete court-mandated *Alameda* benefit corrections and contribution refunds

Key risks: *Alameda* compliance presents significant workload and technical challenges that may prolong correction process.



## Goal 4

# Investment Planning and Growth

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

### Completed Last Quarter

- Approved Cliffwater extension as alternative assets consultant
- Conducted enterprise risk tolerance assessment for Board
- Completed \$300m portfolio rebalance
- Conducted special meeting on Global Markets Outlook

### Looking Ahead

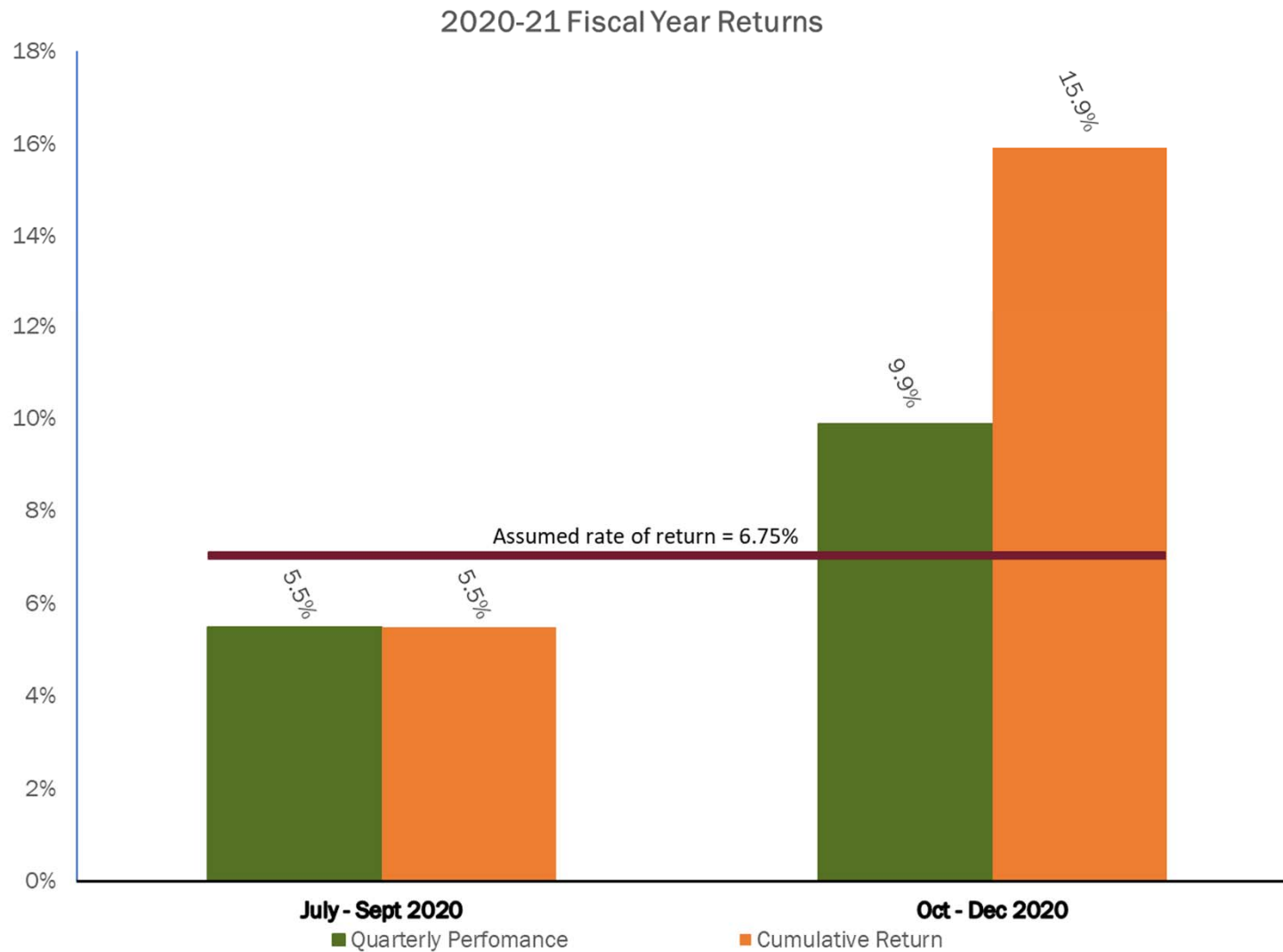
- Evaluate allocation mixes for Asset Liability Modeling study
- Conduct fiduciary “health check” on investment contracts
- Continue pacing plan for new investments

Key risks: Capital market assumptions pointing toward lower forecasted returns, testing SCERS' asset allocation.



## Goal 4

# Investment Planning and Growth





## Goal 5

# Organizational Development and Culture

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

### Completed Last Quarter

- Filled key vacancies, including senior accountant, accountant, investment analyst, benefits analyst, office specialist
- Debriefed on employee satisfaction survey, focus on internal communication

### Looking Ahead

- Complete tenant improvement project for office refresh
- Incorporate mission and core values into staff onboarding and training
- Recruitment for additional staff, including COO

Key risks: Transition to hybrid work schedules will require added attention to ensure adequate communication across organization.



## Goal 5

# Organizational Development and Culture



**16.7%**

Average Staff  
Vacancy Rate

Target: Staff vacancy rate < 10%.

Performance Evaluations (Q1)

**70%**

Delivered on time

**80%**

Delivered within  
1 month of anniversary



Target: 95% of performance  
evaluations completed on  
time (on or before work  
anniversary).



**83%**

Employee  
Satisfaction



Target: Overall satisfaction of employees surveyed > 80%.  
(October 2020 survey)



**2**

Board Education  
Sessions



Target: Conduct at least one Board educational  
presentation a quarter to improve effective oversight.



## Goal 6

# Enterprise Capability and Technology

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

### Completed Last Quarter

- Identified lessons learned from November 2020 “Go Live,” focus on operational readiness for next phase
- Published annual Strategic Management Plan report

### Looking Ahead

- Complete remediation and final data-clean up of last project phase
- Ensure success of next Go-Live Phase in August 2021

### Key Risk

- Travel restrictions are limiting vendor on-site participation which may impact the effectiveness of some PAS implementation activities