Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 9

MEETING DATE: April 15, 2020

SUBJECT: Strategic Management Plan – Quarterly Performance Report

	Deliberation	Receive
SUBMITTED FOR: __ Consent	____ and Action	_X_ 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 2019-20 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.

ATTACHMENT

- Strategic Management Plan Presentation

Prepared by: Reviewed by:

/S/   /S/

_____   _____
Stephen Hawley   Eric Stern
Chief Strategy Officer   Chief Executive Officer

Strategic Management Program

Report for Fiscal Year 2019-20 Q3

SCERS

SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM

Goal 1: Customer Service and Experience

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

Completed 3rd Quarter

- Deployed new retiree satisfaction survey
- Focused on final "busy season" under legacy processes
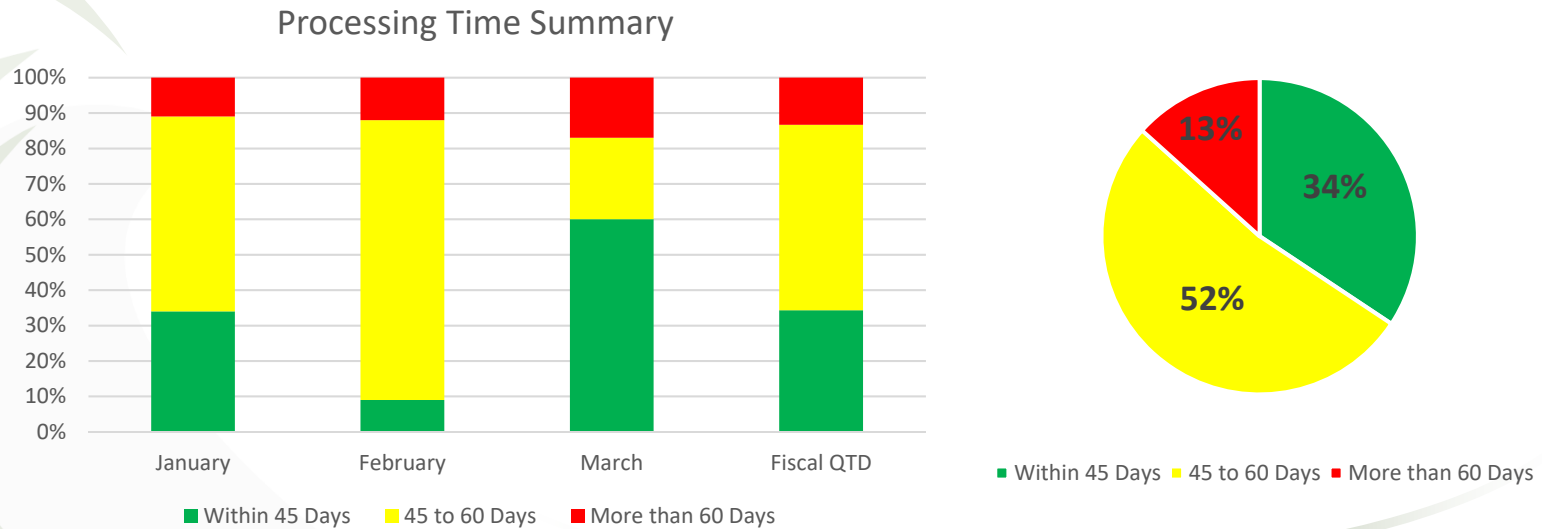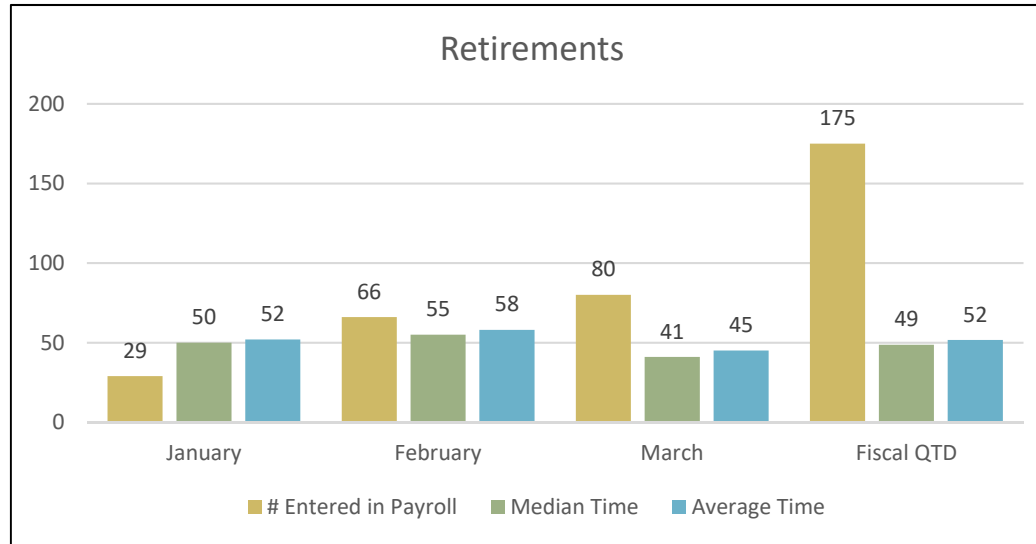
Planned 4th Quarter

- Maintain consistent service levels in remote work environment

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

Retirements

Processing Time Summary

Goal 2: Stakeholder Communication and Outreach

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

Completed 3rd Quarter

- Conducted 2nd annual Employer Forum
- Formalized Retirement Board Election Policy
- Helped County develop and conduct online New Employee Orientation
- Provided direction to employers on COVID-19 benefit impacts (paid sick leave and post-employment retirement work)

Planned 4th Quarter

- Enhance public website education and information materials
- Develop online tools to replace in-person retirement seminars
- 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 3rd Quarter

- Finalized funding agreement for UC Davis Medical Center pension liabilities
- Performed contribution-rate/funding risk analysis
- Produced on-time budget with no proposed spending increases

Planned 4th Quarter

- Consider demographic and economic assumption changes

Key Risks:

- Upcoming review of actuarial assumptions comes at an uncertain economic time during public health emergency.

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 3rd Quarter

- Monitored investment strategies and managed plan liquidity in distressed environment
- Performed rebalancing of asset categories to target allocations
- Issued RFP for alternative assets consultant

Planned 4th Quarter

- Greater attention on liquidity
- Maintain asset allocation and continue pursuing investment opportunities
- Delay alternative assets consultant RFP process
- Finalize proxy-voting guidelines

Key Risks:

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

Goal 5: Organizational Development and Culture

Maintain a high-performance organizational structure and workforce.

Completed 3rd Quarter

- Reviewed staffing structure as part of budget development
- Transitioned to work-from-home environment for all staff
- Leveraged intranet site for improved staff communication and coordination during public health emergency

Planned 4th Quarter

- Focus on staff morale during public health emergency
- Increase online training tools and opportunities

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
3/31/19	45	25%
6/30/19	48	20%
9/30/19	49	18%
12/31/19	50	17%
3/31/20	51	15%

Staff Evaluations: Q3	Number	Percent
Due	11	100%
On Time	11	100%
Within 1 month	0	0%
1-2 months late	0	0%
2+ months late	0	0%

SCERS Total Overtime by Month
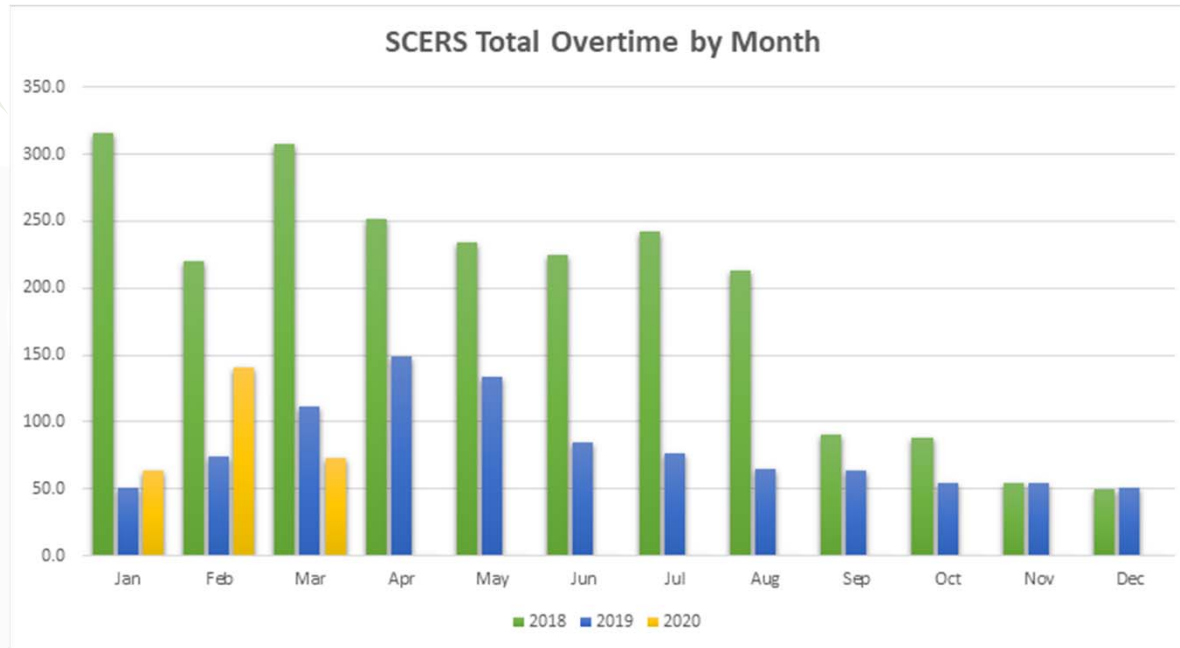
Goal 6: Enterprise Capability and Technology

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

Completed 3rd Quarter

- Transitioned more IT project ownership to SCERS staff
- Expanded workload tracking and reporting for benefits
- Deployed Continuity of Operations Plan (COOP)

Planned 4th Quarter

- Continue progress with IT project implementation in a remote-work environment

Key Risks:

- Staff activity levels for roll-out of modernized systems are peaking and will remain very high for 18-24 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