



# Strategic Management Plan

PERFORMANCE DASHBOARDS - 2023

November 15, 2023

# Strategic Framework





## Goal 1

# Customer Service and Experience

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

### Objectives

- 1.1 - Deliver quality member and participant service and experience
- 1.2 - Deliver quality employer service and experience



## Goal 1

# Customer Service and Experience

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### Key Activities

- Stabilized daily work output during period of change
- Added staffing capacity to benefits team
- Improved processing time for new retirements
- Reinforced communication touchpoints for retirement applicants
- Reduced backlogs in key areas: terminations (refunds), service purchases, establishing reciprocity, and disability retirement



# Goal 1

## Customer Service and Experience

TARGETS	2023	2022	2021
> 75% of new retirees paid within 45 days of retirement	45% within 45 days Median: 48 days (through 9/30/2023)	21% within 45 days Median: 61 days (through 9/30/2022)	14% within 45 days Median: 67 days (through 9/30/2021)
> 90% of new retirees paid within 60 days of retirement	67% within 60 days (through 9/30/2023)	47% within 60 days (through 9/30/2022)	35% within 60 days (through 9/30/2021)
> 80% Satisfaction of new retirees surveyed	77% monthly average (through 9/30/2023)	73% monthly average (through 9/30/2022)	60% monthly average (through 9/30/2022)

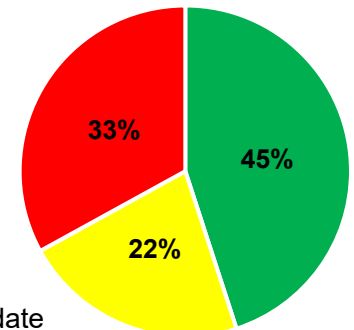
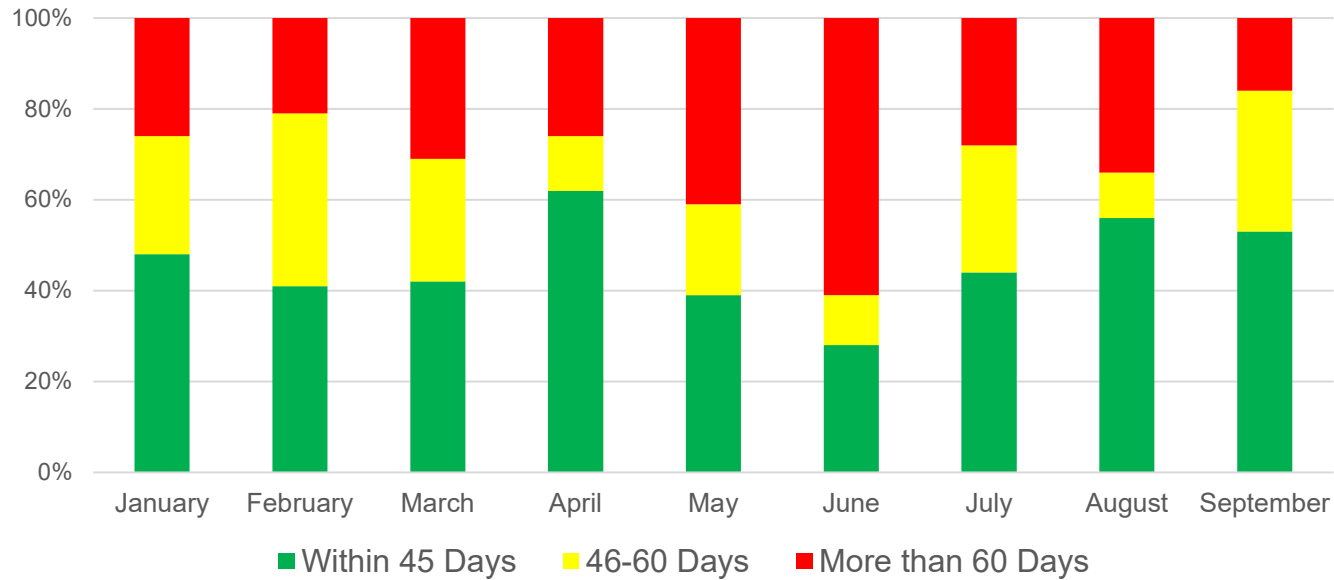
NEW for 2024: Establish baseline service-level targets for other workflows: disability, terminations (refunds), service purchases, reciprocity, deaths



# Goal 1

## Customer Service and Experience

2023 Retirement Processing Time



Cumulative, year-to-date



# Goal 1

## Customer Service and Experience



2023 Retiree Survey Response Rates



## Goal 1

# Customer Service and Experience

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### Next Year

- Roll out new MySCERS portal
- Provide online access to retiree pay advices and 1099s
- Add secure-file upload feature on website for members to transmit forms, documents
- Add self-scheduling tool on website for member appointments
- Develop service-purchase calculator
- Show continuous improvement with retirement application processing, service delivery
- Establish service-level expectations for other workflows
- Improve internal processing with County for personnel transactions related to retirement





## 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.

### Objectives

- 2.1 - Promote transparency, fairness, and consistent compliance with laws and regulations
- 2.2 - Communicate timely financial and actuarial information to stakeholders
- 2.3 - Engage and educate members and employers
- 2.4 - Collaborate with peer pension systems and organizations



## Goal 2

# Stakeholder Communication and Outreach

### Key Activities

- Produced timely Annual Statements
- Produced pension planning webinar video
- Expanded pension webinar content
- Distributed 4 quarterly newsletters
- Participated in 10 on-site employer events
- Produced handheld pension calculator slide tool
- Updated member forms for clarity and usability
- Reviewed and updated key Board policies
- Provided SACRS leadership on legislative/policy engagement
- Participated in industry conference panels



## Goal 2

# Stakeholder Communication and Outreach

TARGETS	2023 OUTCOMES	LAST YEAR
Effectiveness of presentations to members and employers; Satisfaction > 80%	98% “good,” “very good,” or “excellent” 4.2/5 average score (March, June, and September pension planning webinars)	99% “good,” “very good,” or “excellent” 4.2/5 average score (February, April, and August pension planning webinars)
	Employer Forum postponed to 2024	100% “agree” or “strongly agree” 4.6/5 average score (January 2021 Employer Forum)
Increase website page-views by 10% year-over-year	14.7% (through 9/30/2023)	4.3% (through 9/30/2022)
NEW: 50% of retired members registered on new portal	N/A due to project change	



## Goal 2

# Stakeholder Communication and Outreach

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### Next Year

- Re-institute Employer Forum (delayed since 2021)
- Implement new email distribution for retiree outreach
- Participate in more on-site employer events
- Develop retirement planning presentation for early- and mid-career employees
- Finalize employer MOUs on roles and responsibilities
- Update Board policies as necessary
- Complete revisions to member forms
- Coordinate Retirement Board elections with Voter Registration and Elections



## Goal 3

# Funding Integrity and Sustainability

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

### Objectives

- 3.1 - Promote plan sustainability and minimize funding volatility
- 3.2 - Minimize administrative expenses and demonstrate fiscal stewardship
- 3.3 - Promote responsible oversight to ensure accuracy and protect plan assets



## Goal 3

# Funding Integrity and Sustainability

### Key Activities

- Deployed special team to accelerate *Alameda* corrections
- Adopted responsible-growth operating budget for 2023-24
- Secured additional payment from Sac Metro Fire
- Prevailed on all claims in DSA litigation
- Completed Experience Study and adopted actuarial assumptions (retained 6.75% return assumption)
- Extended engagement with Segal as actuary
- Extended engagement with Brown & Armstrong as auditors
- Provided actuarial study re: Sanitation District separation



## Goal 3

# Funding Integrity and Sustainability

TARGETS	2023 OUTCOMES	LAST YEAR
100% funded	86% funded as of 6/30/2023 (MVA)	87% funded as of 6/30/2022 (MVA)
Maintain operational budget at or below inflation	2% growth 2023-24	9% growth in 2022-23
New: Complete 100% of <i>Alameda</i> pension adjustments for retirees	1,089 of 1,601 completed (68%) *estimated through December 2023	N/A



## Goal 3

# Funding Integrity and Sustainability

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## Next Year

- Complete *Alameda* corrections and determine steps for further employer clean-up of payroll reporting
- Propose plan in 2024-25 budget for internal compliance/audit effort to improve oversight of policies and procedures
- Update procedures for disability re-evaluation process
- Add new Budget preview agenda item before final budget presentation/approval
- Participate in Sanitation District separation from County re: apportioning pension liabilities





## 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.

### Objectives

- 4.1 - Manage a diverse investment portfolio
- 4.2 - Ensure liquidity sufficient to fund benefit payments and operations
- 4.3 - Leverage external experts to maximize investment guidance and results
- 4.4 - Ensure effective oversight of investment program



## Goal 4

# Investment Planning and Growth

### Key Activities

- Maintained responsible pacing for new investment opportunities
- Completed implementation of Portfolio Analytics and Risk Management software
- Conducted 1<sup>st</sup> fiduciary health check on private market investment contracts
- Created ad hoc committee to improve Board reporting on investment activity
- Presented Board education items in key areas, including ESG and fiduciary duties



## Goal 4

# Investment Planning and Growth

TARGETS	OUTCOMES	LAST YEAR
Meet or exceed actuarial assumed rate of return over 3-, 5-, 10-year periods (net of fees)	3 years: 9.4% vs 6.75% 5 years: 7.5% vs 6.75% 10 years: 7.8% vs 6.75% (as of 6/30/2023)	3 years: 8.2% vs 6.75% 5 years: 8.4% vs 6.75% 10 years: 8.4% vs 6.75% (as of 6/30/2022)
Meet or exceed benchmarks, over 3-, 5-, 10-years (net of fees)	3 years: 9.4% vs 8.5% 5 years: 7.5% vs 6.7% 10 years: 7.8% vs 7.3% (as of 6/30/2023)	3 years: 8.2% vs 6.8% 5 years: 8.4% vs 7.0% 10 years: 8.4% vs 7.7% (as of 6/30/2022)
Rank in the top half of a competitive, after-fee peer universe over 3-, 5-, 10-year periods (net of fees)	3 years: Top 26th percentile 5 years: Top 16th percentile 10 years: Top 26th percentile (InvMetrics Public DB > \$1B Gross Median)	3 years: Top 23rd percentile 5 years: Top 15th percentile 10 years: Top 35th percentile (InvMetrics Public DB > \$1B Gross Median)
Maintain responsible pacing of new investment commitments in line with Investment Annual Plan	Percent of investment plan fulfilled: Private Equity: 84% Private Credit: 61% Real Assets: 87% Real Estate: 0% Overall: 70% (as committed through 9/30/23 and planned through 12/31/2023)	Percent of investment plan fulfilled: Private Equity: 93% Private Credit: 77% Real Assets: 50% Real Estate: 36% Overall: 66%



## Goal 4

# Investment Planning and Growth

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### Next Year

- Present new Annual Investment Operations Report
- Conduct Asset Liability Management study
- Board education sessions to review asset classes (earlier meeting time)
- Maintain pacing plan for new investment opportunities
- Update Cash Management Policy
- Provide update on securities litigation policy and activity
- Provide board education on performance attribution and reporting
- Conduct review of private market fees/expenses



## 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.

### Objectives

- 5.1 - Organize to promote accountability and career progression
- 5.2 - Strengthen workforce with the capacity and skills needed to fulfill SCERS' mission
- 5.3 - Build on a supportive work environment and culture
- 5.4 - Promote strong Board-Staff partnership



## Goal 5

# Organizational Development and Culture

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### Key Activities

- Maintained aggressive hiring pace to fill vacancies
- Launched Telework 2.0
- Developed on-the-job training program for supervisors and staff
- Retained consultant to further develop job guides and identify process improvements
- Implemented training program for “soft skills”
- Held 2<sup>nd</sup> annual staff picnic, social events
- Held special meeting on Board-Staff roles and responsibilities
- Onboarded new trustees



## Goal 5

# Organizational Development and Culture

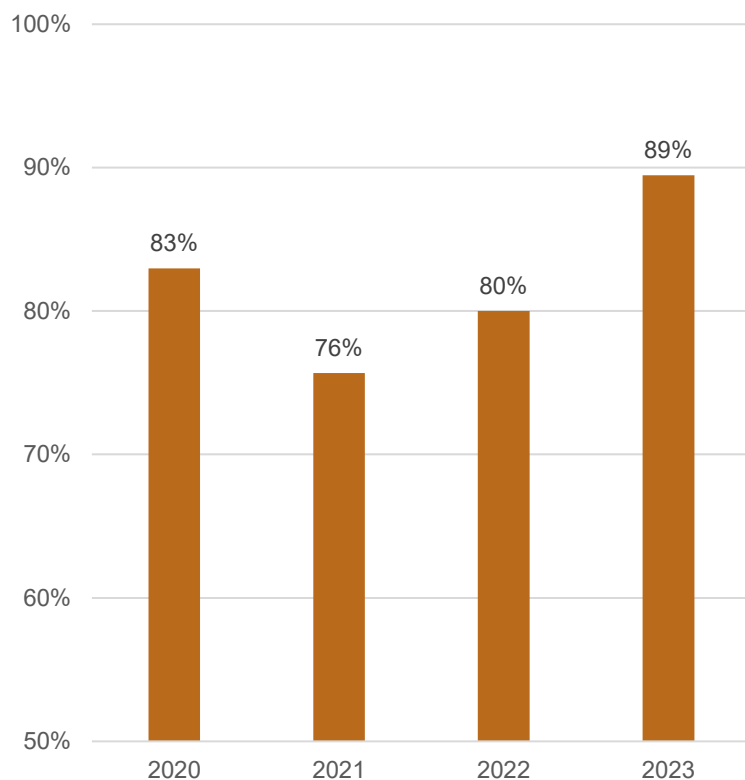
TARGETS	2023 OUTCOMES	LAST YEAR
Staff vacancy rate <10%	26% vacancy (56 filled out of 76, as of 10/31/2023)	23% vacancy (47 filled out of 63, as of 10/31/2022)
>95% of annual performance evaluations completed on time	45% on time; 94% completed within 1-month of due date	N/A due to change in business process
Overall satisfaction of employees surveyed > 80% (annual survey)	89%	80% (76% in 2021)
Conduct at least one Board educational presentation a quarter	7 Board education sessions conducted (planned through 12/31/2023)	5 Board education sessions conducted



## Goal 5

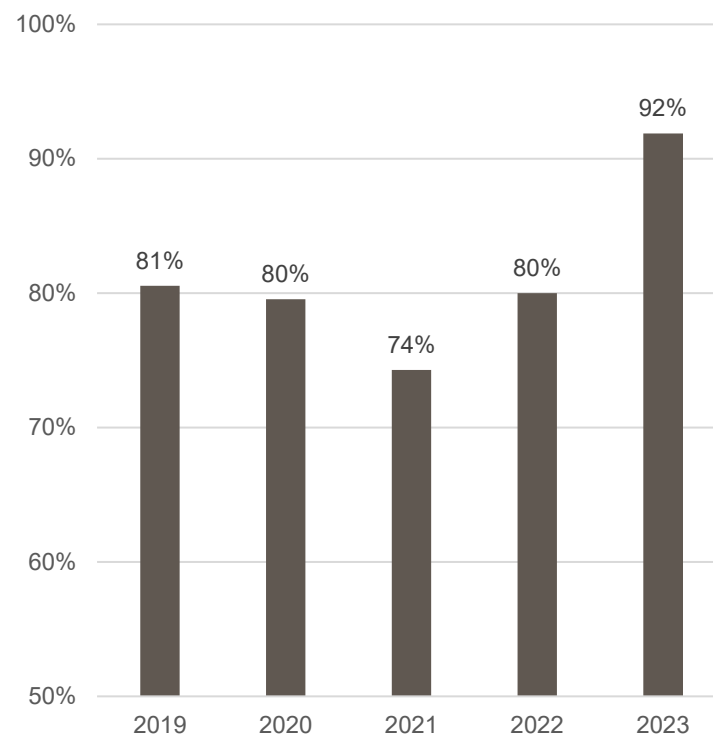
# Organizational Development and Culture

Overall Job Satisfaction



■ Overall, how satisfied are you as an employee of SCERS? (1-7)  
% satisfied

Likely to Recommend Working Here



■ Likely to recommend SCERS to others as a place to work (1-5)  
% likely

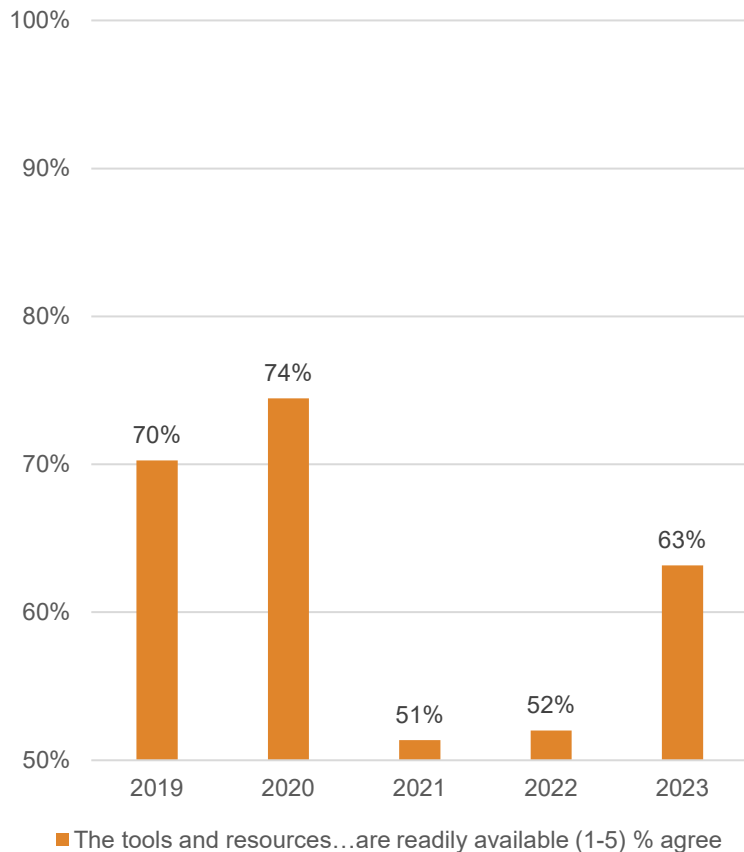




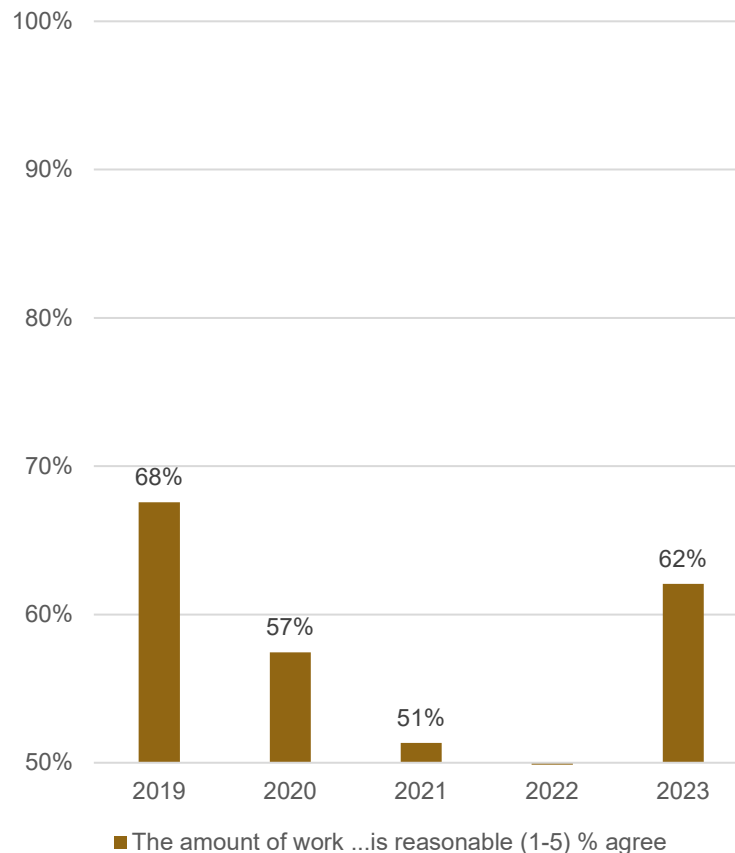
## Goal 5

# Organizational Development and Culture

### Tools and Resources



### Reasonable Workload





## Goal 5

# Organizational Development and Culture

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### Next Year

- Maintain hiring pace for newly budgeted positions
- Build out procedure manuals, training guides to help onboard new employees
- Engage consultant for Compensation Study for SCERS-specific civil service classes
- Maximize office space; add additional workstations to support larger staff, more flexible telework options
- Continue support for staff Social Committee events



## Goal 6

# Enterprise Capability and Technology

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Enterprise capabilities and technology platforms that are continuously enhanced to improve performance, productivity, and efficiency.

### Objectives

6.1 - Leverage technology and creative solutions to enhance enterprise performance

6.2 - Implement continuous improvements to business processes

6.3 - Manage strategically with performance-based decision making

6.4 - Ensure the continuity and security of benefit payments and service delivery



## Goal 6

# Enterprise Capability and Technology

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### Key Activities

- Restored, stabilized legacy systems and operations
- Enhanced workflow tracking and evaluated new workflow management tools
- Implemented disaster planning tool; emergency notification alerts
- Rolled out internal IT service ticket process
- Added CTO position and presented new Technology Roadmap
- Established SCERS Steering Committee to coordinate technology initiatives



## Goal 6

# Enterprise Capability and Technology

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### Next Year

- Propose detailed project plan for technology investments for near- and medium-term
- Finalize updated procedure manuals and documentation
- Finalize baseline dashboards for benefit delivery areas
- Implement advanced workflow tracking tools
- Change website to [scers.gov](http://scers.gov)
- Participate in CEM benchmarking survey
- Retain consultant to engage Board and staff on new, long-term strategic plan - "Vision 2041"