Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 5

MEETING DATE: November 18, 2026

SUBJECT: Strategic Management Plan

SUBMITTED FOR: __X__ Action ____ Information

RECOMMENDATION

Receive and file 2026 Strategic Management Plan Report.

PURPOSE

This item informs the Board on progress with the new Strategic Management Plan.

DISCUSSION

In November 2025, the Board adopted a Strategic Vision Plan, establishing a new strategic framework and setting long-term goals and objectives for SCERS. The Strategic Management Plan serves as an annual business plan to implement those goals and objectives. This item reflects the progress made with the 2026 Strategic Management Plan.

ATTACHMENTS

- Board Order
- Strategic Management Plan Report

Prepared by:

/S/

_____

Eric Stern
Chief Executive Officer

Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
November 18, 2026

AGENDA ITEM:

Strategic Management Plan

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file 2026 Strategic Management Plan Report.

I HEREBY CERTIFY that the above order was passed and adopted on November 18, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

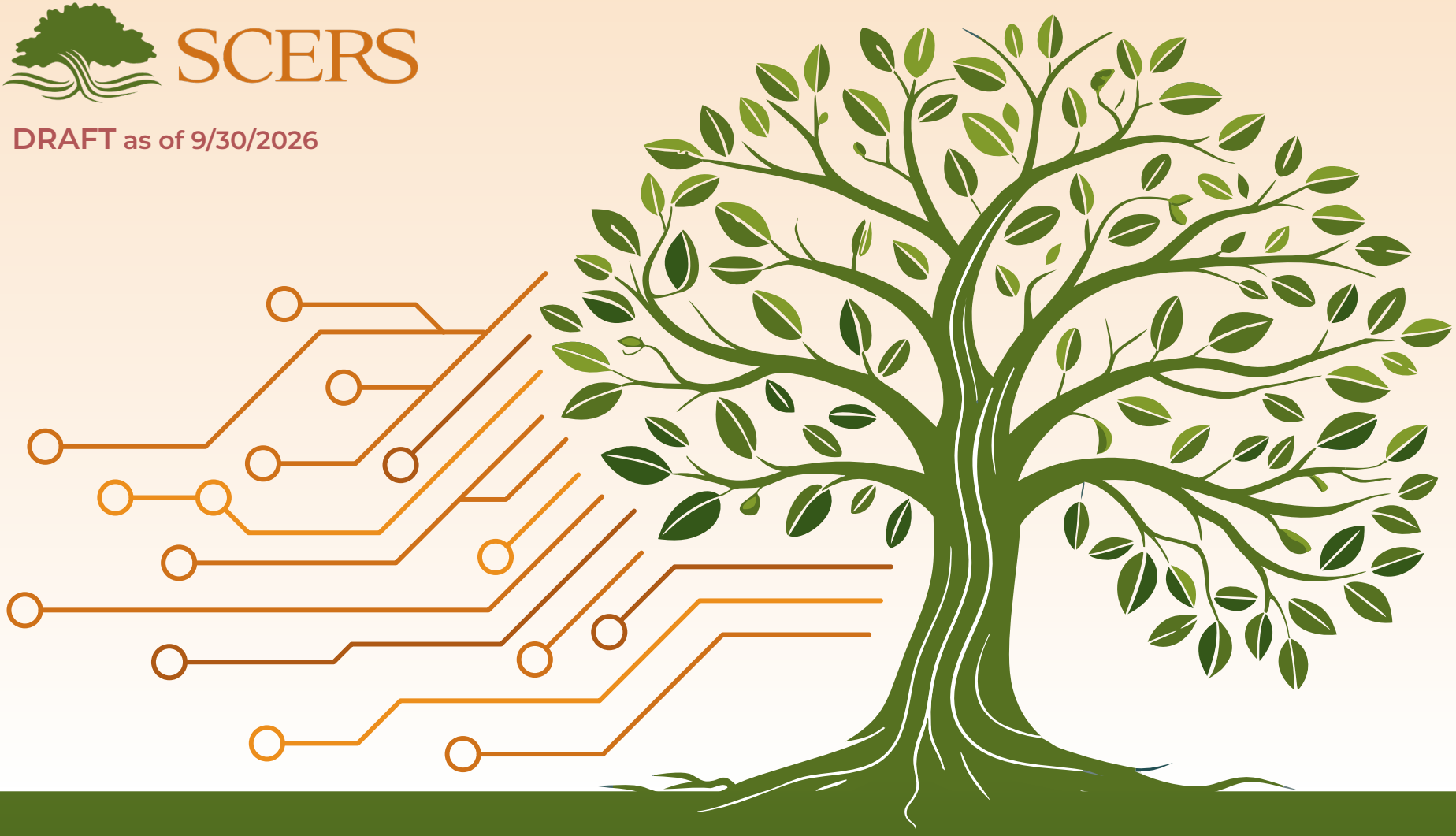
ABSTAIN:

ALTERNATES (Present but not voting):

_____	_____
Chris Giboney Board President	Eric Stern Chief Executive Officer and Board Secretary

SCERS

DRAFT as of 9/30/2026



2026
STRATEGIC MANAGEMENT PLAN

Outcomes Aligned to Strategic Vision Plan

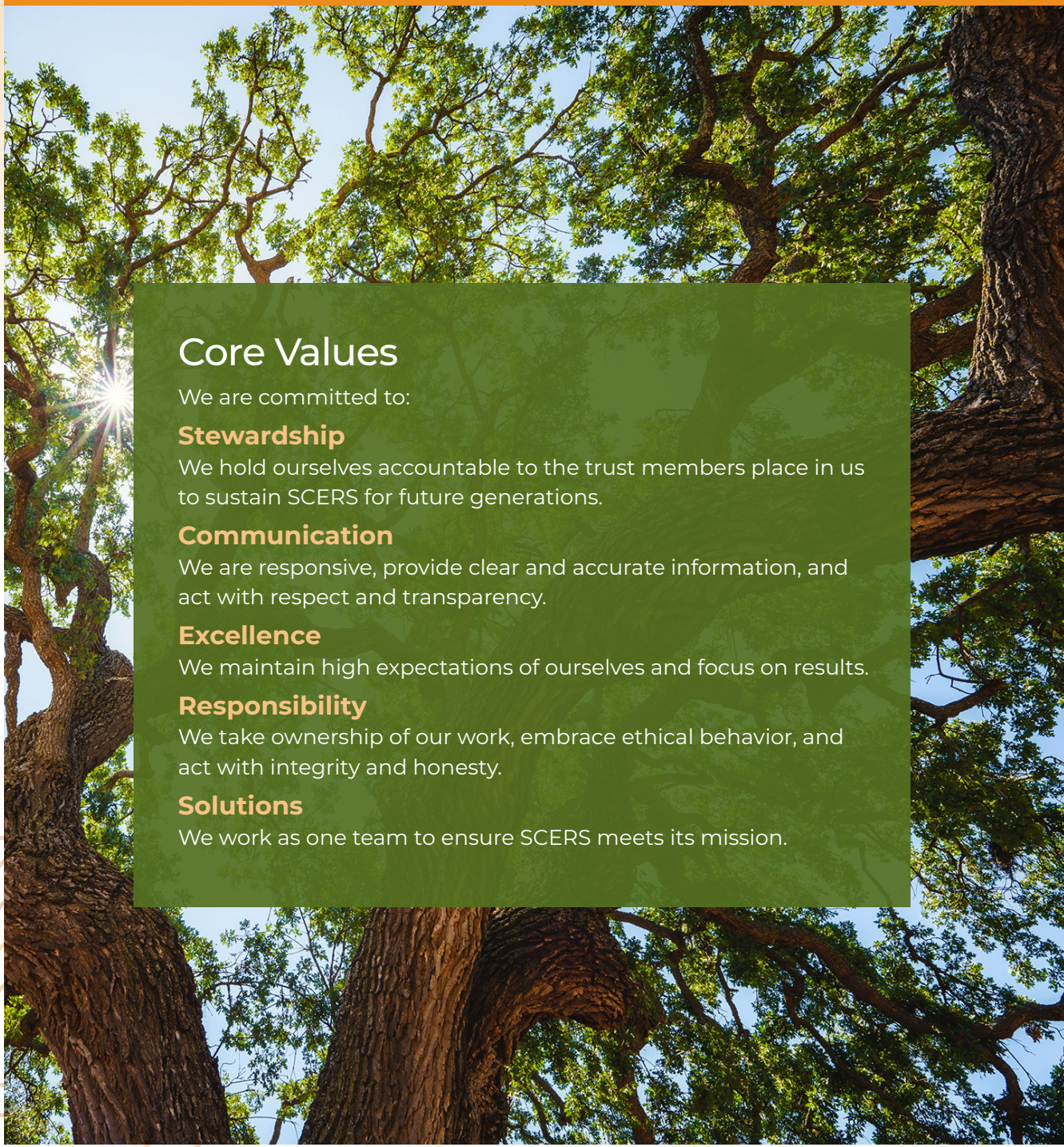
SCERS

Vision

We are the trusted foundation for our members — contributing to a secure retirement and confidence in the future.

Mission

We serve our members by prudently managing assets and delivering retirement benefits, education, and services.



Core Values

We are committed to:

Stewardship
We hold ourselves accountable to the trust members place in us to sustain SCERS for future generations.

Communication
We are responsive, provide clear and accurate information, and act with respect and transparency.

Excellence
We maintain high expectations of ourselves and focus on results.

Responsibility
We take ownership of our work, embrace ethical behavior, and act with integrity and honesty.

Solutions
We work as one team to ensure SCERS meets its mission.

GOAL

01

Engage and Inform

Educate and engage members and employers to build understanding, trust, and long-term financial confidence: We will seek opportunities to improve the retirement-readiness of our members, thereby strengthening their overall financial well-being.

Outcomes from Strategic Vision Plan

ENGAGEMENT LEVELS:

We will track participation levels in member and employer engagement efforts, as well as the usage of digital tools, to ensure our efforts are responsive to evolving member needs and preferences.

RETIREMENT READINESS CONFIDENCE SCORE:

We will monitor if our engagement efforts are successfully contributing to our members' confidence in their retirement preparedness. We will identify gaps where additional education and engagement from SCERS is needed.

SERVICE BENCHMARKING:

We will gather feedback from members and employers to assess the quality of our service with the aim of offering excellent service and seamless interactions. We will also track our service performance against peer pension systems to identify opportunities for improvement.

Objectives

A **Increase meaningful engagement with members and employer representatives to build understanding of SCERS' role, resources, and long-term value.**

B **Equip members — across all career stages, from new hires to retirees — with the education they need to make informed decisions that support long-term financial well-being and retirement readiness.**

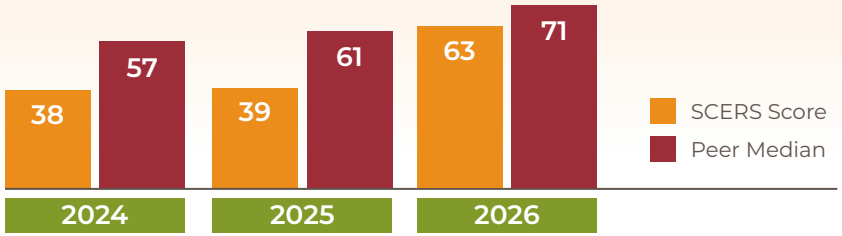
C **Design service experiences that reflect member preferences and life stages, supported by intuitive digital access and self-service tools.**

D **Gather data on member and employer needs and preferences to inform improvements to the overall member and employer experience.**

Goal 1 Key Results (as of 9/30/2026)

CEM Service Score

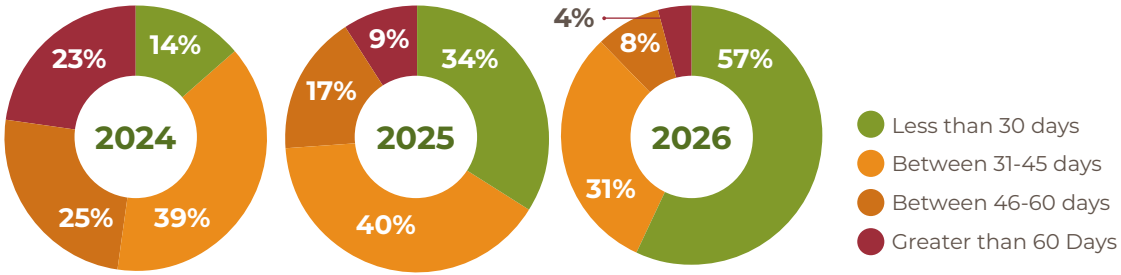
Achieve Peer Median Score by 2027



Service-Level Performance Standards Across Benefit Workflows

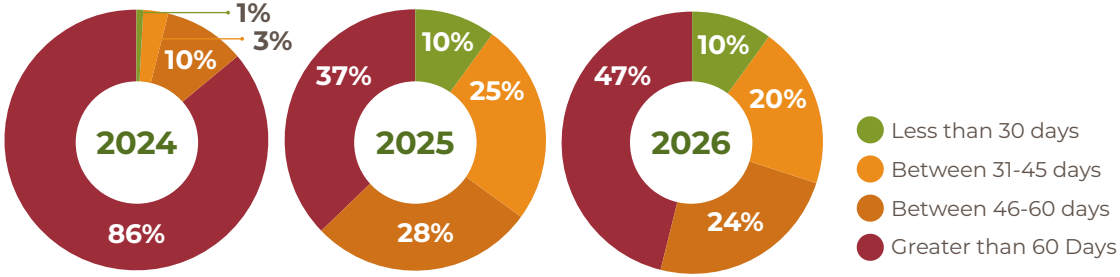
Retirement Application Processing from date of retirement to payment

Targets: 50% in less than 30 days, 75% within 45 days, 90% within 60 days



Spousal Continuance Processing from date of death reported to payment

Targets: 50% within 45 days, 75% within 60 days



MySCERS Portal Registration

Percent of Members Registered

Target: 50%

2025 → 32% | 2026 → 42%

Member Satisfaction

"Satisfied or "Very Satisfied" on Participation Surveys

Target: 80%

2025 → 90% | 2026 → 92%

Employer Satisfaction

"Satisfied or "Very Satisfied" on Employer Forum Survey

Target: 80%

2025 → 100% | 2026 → 93%

Participation Levels

Number of Outreach Events

2025 → 23 | 2026 → 28

Retirement Readiness Confidence Score

In Development

GOAL

02

Own Our Future

Embrace and drive change that strengthens SCERS' long-term effectiveness: We will build on SCERS' strengths to sustain high performance.

Outcomes from Strategic Vision Plan

FINANCIAL SUSTAINABILITY:

We will continuously monitor the long-term financial sustainability of the fund.

INVESTMENT PROGRAM EFFECTIVENESS:

We will periodically assess our investment management model and practices to ensure our governance, structure, and resources match the evolving needs of the fund.

BOARD GOVERNANCE HEALTH:

We will leverage board self-evaluations and education plans to ensure continuous governance improvement and monitor board effectiveness.

Objectives

A Solidify SCERS' long-term financial sustainability and proactively develop strategies for sustaining a high funded ratio.

B Advance the investment management function.

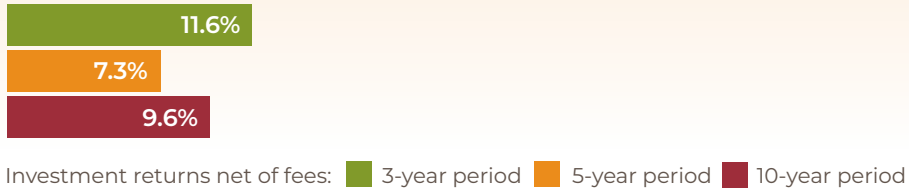
C Sustain board governance effectiveness.

D Evolve SCERS' operational model by strategically aligning responsibilities to balance shared services and independent functions in a way that best serves members and beneficiaries.

Goal 2 Key Results (as of 6/30/2026)

Investment Performance

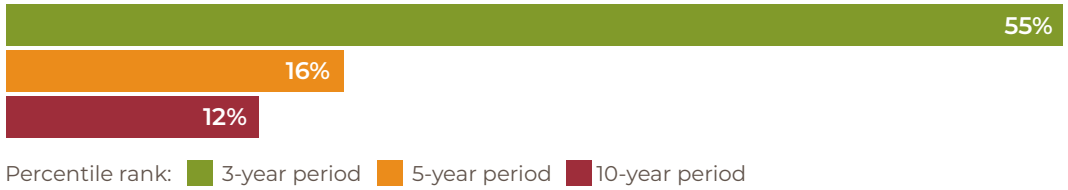
Target: Exceed 6.75% Actuarial Assumed Rate of Return



Target: Exceed Policy Benchmarks



Target: Rank in the Top Half of a Competitive, After-Fee Peer Universe



Funded Status

Target: 100%

2025 → 93.5% | 2026 → 102.4%

Board Education Compliance

Achieved **100% compliance** with statutory education requirements, conducting presentations

Target: 4 Board Education Presentations

2025 → 6 | 2026 → 9

GOAL

03

Know, Face, and Mitigate Risks

Build smart systems and embed risk awareness: We will build a resilient, integrated, and secure organization that supports strategic and informed decision-making.

Outcomes from Strategic Vision Plan

ENTERPRISE RISK MANAGEMENT MATURITY:

We will work toward fully integrated, centralized risk management practices across all areas of the organization. We will monitor its use in decision-making as well as its influence on strategic resilience.

STRATEGIC PLANNING MATURITY:

We will track how effectively our strategic planning practices drive operational decisions, budgeting, and strategic initiatives. We will seek to align resource allocation with our strategic priorities.

CYBERSECURITY MATURITY:

We will continuously monitor and improve our ability to protect sensitive data and maintain operational continuity in a changing threat landscape.

Objectives

A **Formalize and integrate Enterprise Risk Management to enhance organizational resilience and decision-making.**

B **Embed strategic planning practices throughout the organization.**

C **Strengthen cybersecurity to protect member and investment data and ensure operational continuity.**

Goal 3 Key Results

Cybersecurity Awareness Score

In Development

GOAL

04

Invest in Talent and Technology

Equip ourselves to deliver on our mission: We will evolve our technology, culture, workforce, and operational efficiency to deliver on high standards of excellence to our members and beneficiaries.

Outcomes from Strategic Vision Plan

OPERATIONAL EFFICIENCY:

We have ambitious plans for modernizing our technology to improve operational efficiency. We will track progress toward implementation of scalable platforms, digital tools, automated processes, data integration, and analytics capabilities aligned with our strategic priorities.

INTERNAL CULTURAL ALIGNMENT:

We will monitor how well our Core Values are embedded in our behaviors, decisions, and systems to build a high-performing culture.

WORKFORCE CAPABILITY DEVELOPMENT:

We will assess our ability to equip staff with the skills and tools needed to meet current and future demands. We will leverage targeted training aligned with strategic competencies to ensure staff are empowered to deliver on the mission.

Objectives

A Modernize SCERS' technology infrastructure and tools in alignment with SCERS' strategy.

B Apply SCERS' core values consistently to foster a high-performing culture of trust, accountability, and continuous improvement.

C Equip SCERS staff with the knowledge, skills, tools and facilities needed to perform effectively today and in the future.

D Strengthen efficiency in everything we do.

Goal 4 Key Results

Employee Engagement Survey Results

Achieved satisfaction on Employee Engagement Survey

Target: 80%

2024 → 76% | 2025 → 78% | 2026 → 77%

Vacancy Rate

Target: <10%

2024 → 20.7% | 2025 → 13.9% | 2026 → 6.3%

Staff Training Score

In Development

Annual Performance Evaluation Completion Rate

Delivered annual reviews on time

Target: 90%

2024 → 92% | 2025 → 100% | 2026 → 90%

Participation Levels

Represented SCERS in industry events on conference panels or committees

Target: Participate in 4 Events

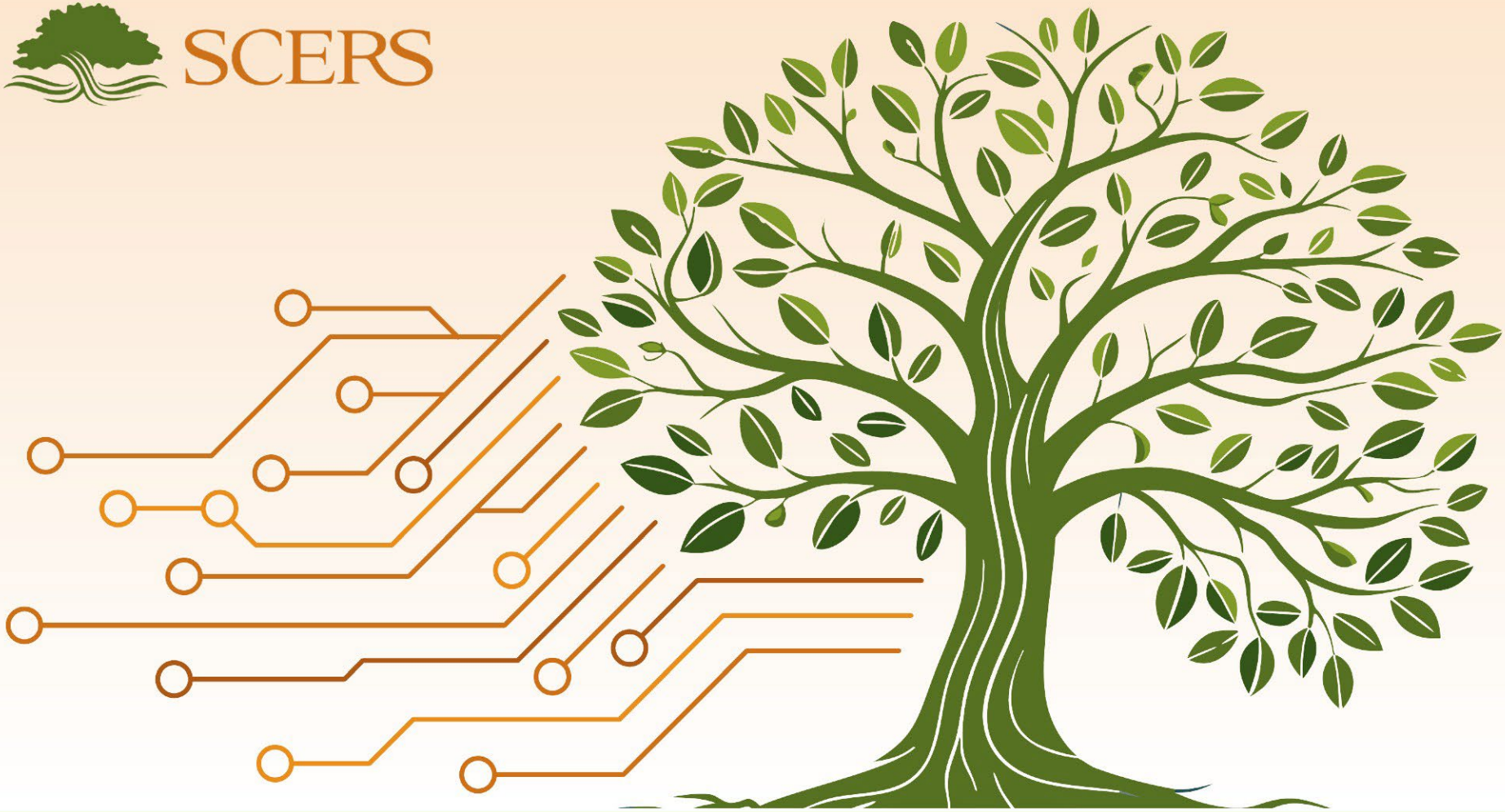
2024 → NA | 2025 NA | 2026 → 13

SCERS

980 9th Street, Suite 1900
Sacramento, CA 95814

sacretire@saccounty.gov
(916) 874-9119 | **scers.gov**

SCERS



APPENDIX

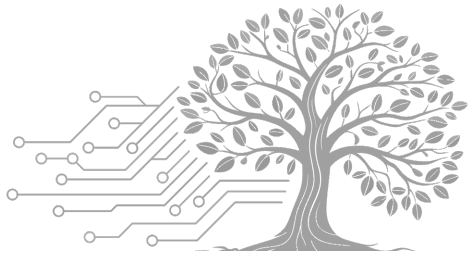
ACCOMPLISHMENTS REPORT

2026 Strategic Management Plan · Initiatives Aligned to Strategic Vision Plan

GOAL
01

2026 ACCOMPLISHMENTS

Engage & Inform



A Increase meaningful engagement with members and employer representatives to build understanding of SCERS' role, resources, and long-term value.

- Hosted Annual Employer Forum
- Expanded employer reporting and policy requirements via expanded web content
- Increased retirement information sessions at benefit fairs, job sites, union meetings
- Completed SacSewer employer feed integration and remediation
- Implemented new statutory requirements for employer reporting of member post-retirement employment activity
- Participated in Court webinar for Social Security participation election regarding impact on SCERS benefits and contributions

B Equip members — across all career stages, from new hires to retirees — with the education they need to make informed decisions that support long-term financial well-being and retirement readiness.

- Developed and hosted two mid-career member education webinars
- Hosted four retirement planning webinars, with Fidelity 457 plan, County Employee Benefits Office, Mission Square Retiree Health Savings Plan, SCREA, and Social Security Administration
- Developed and launched SCERS welcome letter to new County and district employees
- Revised and updated 14 Board policies
- Developed outreach letter for newly vested SCERS members

C Design service experiences that reflect member preferences and life stages, supported by intuitive digital access and self-service tools.

- Redesigned and launched new SCERS.gov website with improved layout, expanded member information, and easier search functions
- Developed and deployed new Service Purchase Calculator
- Improved benefit processing service levels across all work streams
- Updated member forms for clarity and usability
- ○ Developing opt-out/opt-in choice for members to receive postal mailings; deployment expected in early 2027

D Gather data on member and employer needs and preferences to inform improvements to the overall member and employer experience.

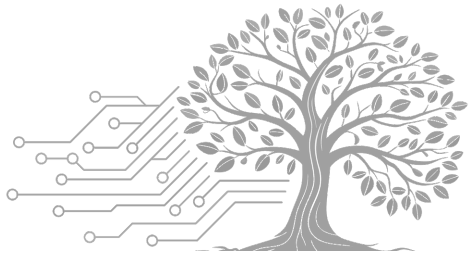
- Evaluated existing survey tools, revised and expanded member surveys across additional work streams
- ○ Developed survey and methodology to routinely assess member Retirement Readiness; deployment expected in 2027

● Completed ○ In progress → Looking ahead: 2027

GOAL
02

2026 ACCOMPLISHMENTS

Own Our Future



A Solidify SCERS' long-term financial sustainability and proactively develop strategies for sustaining a high funded ratio.

- Reviewed actuarial assumptions for longer-term liquidity and demographic changes as part of Experience Study analysis; maintained 6.75% investment assumption

LOOKING AHEAD: 2027

→ Explore reserve policy and surplus management strategies to reduce contribution-rate volatility

B Advance the investment management function.

- ○ Finalizing RFP process for general investment consultant
- Concluded investment fee audit
- Finalized Custodian Bank transition to Northern Trust to improve investment accounting processes
- Hosted second annual Investment Forum
- Maintained responsible pacing of new investment commitments in line with the Investment Annual Plan

C Sustain board governance effectiveness

- Updated and launched new secure Board website, with improved design and navigability
- Conducted 9 Board education sessions

LOOKING AHEAD: 2027

→ Document board governance philosophy in policy; include approach to identify board agenda priorities, continuing education standards, and Board self-evaluation process

→ Conduct Retirement Board election for Safety and Miscellaneous Representatives

D Evolve SCERS' operational model by strategically aligning responsibilities to balance shared services and independent functions in a way that best serves members and beneficiaries.

- Procured new accounting platform (Microsoft Business Central), retained BMO as commercial bank, and initiated implementation

LOOKING AHEAD: 2027

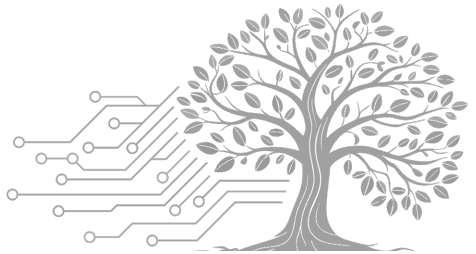
→ Develop MOUs with county agencies for services and support post-PAS implementation

● Completed ○ In progress → Looking ahead: 2027

GOAL
03

2026 ACCOMPLISHMENTS

Know, Face, & Mitigate Risks



A Formalize and integrate Enterprise Risk Management to enhance organizational resilience and decision-making.

- ● Completed employer audits on payroll reporting and member enrollment
- ● Completed RFP for external financial auditor and selected Crowe
- ● Completed enrollment error corrections for special district employer
- ● Initiated process for disability re-evaluations
- ○ Completed initial benefit verification “Alive and Well” process and initiated second round

LOOKING AHEAD: 2027

- → Develop board policy on risk management that covers risk identification, assessment, mitigation, and monitoring, including Audit Committee and/or Board reporting cycle
- → Conduct additional internal audits and develop next phase of internal audit program

B Embed strategic planning practices throughout the organization.

- ● Updated Strategic Management Plan structure and reporting cycle to align with Strategic Vision Plan
- ● Launched CBO quarterly board report to showcase benefit workstream data; added COO quarterly report for 2027

C Strengthen cybersecurity to protect member and investment data and ensure operational continuity.

- ● Inventoried data privacy and breach notification language in vendor contracts

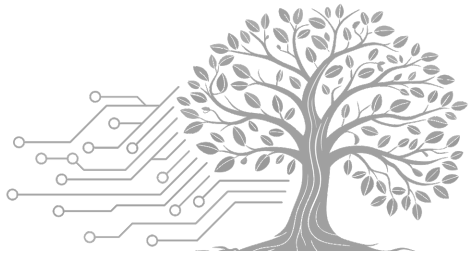
LOOKING AHEAD: 2027

- → Develop Staff Cybersecurity Awareness Score to support staff training

● Completed ○ In progress → Looking ahead: 2027

GOAL
04 Invest in Talent & Technology

2026 ACCOMPLISHMENTS



A Modernize SCERS' technology infrastructure and tools in alignment with SCERS' strategy.

- ○ Finalized and currently evaluating LRS Pre-Engagement Analysis and implementation proposal
- ○ Developing new benefit back-end data management and processing tools
- ○ Finalizing new Contract Management Database

B Apply SCERS' Core Values consistently to foster a high-performing culture of trust, accountability, and continuous improvement.

- ● Updated employee engagement survey to better measure alignment with core values
- ● Demonstrated thought leadership across pension industry, with executive staff speaking on 13 conference panels and leading committees

LOOKING AHEAD: 2027

- → Determine specific actions to better integrate core values and behavioral expectations into performance management, onboarding, leadership development, and recognition

C Equip SCERS staff with the knowledge, skills, tools, and facilities needed to perform effectively today and in the future.

- ● Established Ad Hoc Compensation Committee to work with compensation consultant on updating Compensation Policy and conducting compensation study
- ● Completed annual Performance Evaluation cycle to provide timely feedback to staff
- ● Onboarded new Chief Operations Officer to replace outgoing COO
- ○ Began building out new Teams channels for SCERS staff resources, to replace old intranet site

LOOKING AHEAD: 2027

- → Develop Staff Training Score
- → Establish Ad Hoc Committee on Office Space to begin preparing for lease renewal or moving to new location

D Strengthen efficiency in everything we do.

- ● Deployed business continuity plan and maintained superior customer service during 3-month building closure due to electrical fire
- ○ Determine pathway for future Board meetings offsite vs significant investment in current Board Room AV equipment
- ○ Finalizing library of BOS-approved ordinances and resolutions

● Completed ○ In progress → Looking ahead: 2027