

# 2022 – 2026 STRATEGIC PLAN

## San Joaquin County Employees' Retirement Association

December 10, 2021

# INTRODUCTION

## Creating New Foundations for Our Future

In 1946, the San Joaquin County Board of Supervisors established the San Joaquin County Employees' Retirement Association ("SJCERA") to provide retirement, disability, and death benefits to the employees of the County and other participating employers ("Special Districts") that provide valuable services to residents of San Joaquin County. Today, after 75 years, SJCERA is proud to serve as an essential element to the retirement security of San Joaquin County and participating Special District public servants and their beneficiaries and an integral part of the local economy.

Although SJCERA is known by its members for its professional, knowledgeable, and responsive customer service, the environment in which it operates is complex and rapidly changing. The COVID-19 pandemic has unlocked new ways of working and communicating that the world is only beginning to understand. Service expectations among members and employers are multi-faceted, complexity in the investment markets is increasing, and the need to accurately, efficiently, and securely manage and process data and information is critical to our ongoing operations and the confidence of all stakeholders. At the same time, upholding continued strong financial management and funding discipline of the Retirement Plan is critical.

It is with this set of circumstances that the SJCERA Board of Retirement ("Board") and its management staff ("Leadership Team") embarked on a collaborative process to develop a five-year strategic plan for the years 2022 through 2026. Critical steps in the process included the following activities:

- Gathering and analyzing sentiment from SJCERA stakeholders including representatives of participating employers, all SJCERA staff, members and beneficiaries, and select consultants to the Board,
- Conducting a comprehensive assessment of SJCERA's internal and external operating environment, including strengths, weaknesses, opportunities, and threats,
- Developing a 10-year future vision of a successful SJCERA,
- Identifying significant priorities and critical themes that required a strategic response from SJCERA, and
- Engaging in discussion on issues vital to the SJCERA's continued long-term viability.

### About the Cover Design

Just as the SJCERA pension is the backbone to a secure retirement for its members and beneficiaries, the San Joaquin River has a long history of supporting a vibrant San Joaquin Valley. | The cover design for the 2022-2026 SJCERA Strategic Plan reflects an impressionist interpretation of the San Joaquin River at the time of California's gold rush. | Since that time, the San Joaquin Valley has grown into a modern and highly technological agricultural industry, and the River continues to play a vital role both anchoring the community and connecting it to other counties. Together, the people and riverscape are essential to supporting the residents and businesses that call San Joaquin home.

Through the work completed by the Board and Leadership Team, SJCERA developed a framework for its strategic plan (“Strategic Plan”). In doing so, SJCERA is balancing its high-performance expectations today with its future aspirations.

The SJCERA Strategic Plan reflects the first five years of a ten-year journey to strengthen the long-term financial health of the Retirement Plan, modernize operations, and align people and resources with the ten-year vision. The Strategic Plan reflects what the Board and staff collectively aspire to achieve on behalf of members and beneficiaries and aligns the strategic choices made today and over the next five years.

The Strategic Plan enables SJCERA to transition to a modern operating model, leveraging new technologies to enhance service productivity, accuracy, and efficiency. During the transition, SJCERA commits to continuing its focus on core operations - collecting contributions, administering benefits, paying pensions, and investing assets – while putting people first. SJCERA has significantly benefited from consistency in its knowledgeable and committed Board and professional and caring staff, and a successful transition is dependent upon them.

In aligning SJCERA’s strategy with its future vision, a foundation is set for SJCERA to operate for the next decade and beyond. By 2026, SJCERA will be administering the Retirement Plan and delivering services in a modern way. SJCERA expects to work collaboratively with its stakeholders during its transition.

On behalf of everyone involved in the strategic planning process, the Board and Leadership Team invite you to review SJCERA’s Strategic Plan on the following pages and join us in partnership through this journey.

# MISSION

Administering pensions to provide members a secure retirement benefit.

# VISION

Your trusted partner delivering contemporary retirement services with care.

# VALUES

## **Integrity**

We honor our commitments and can be trusted to do the right thing.

## **Service**

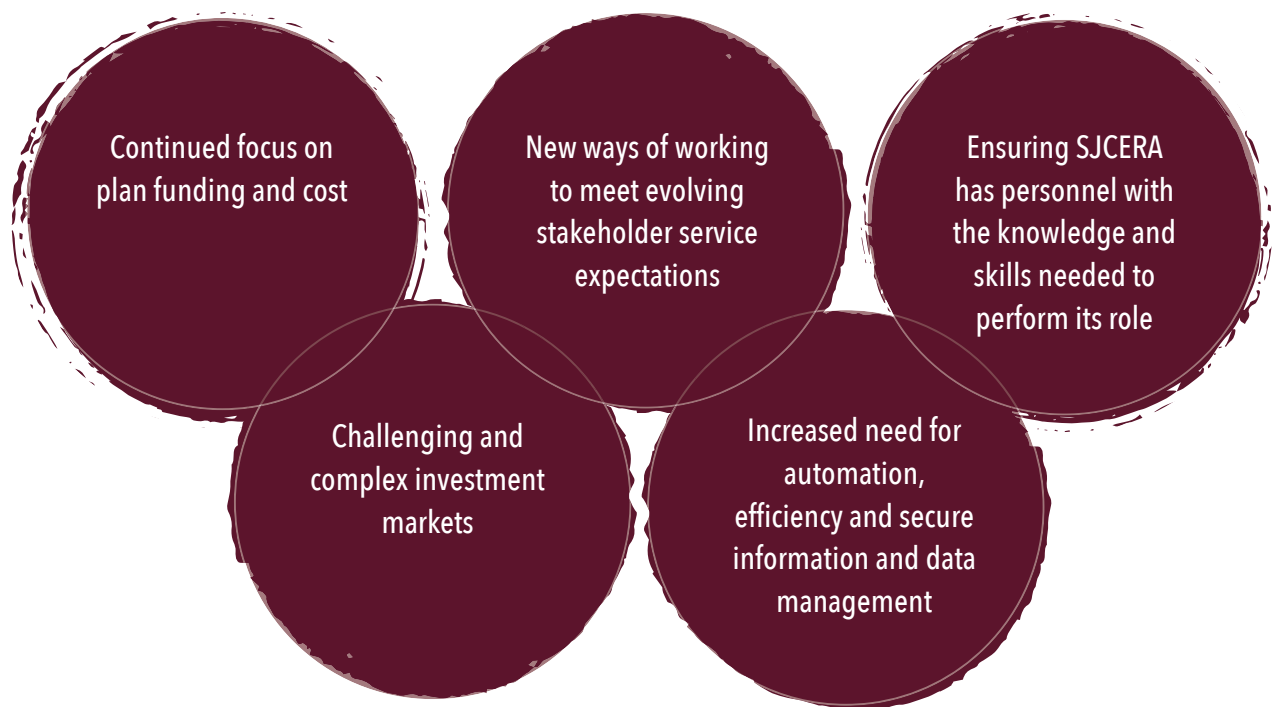
Being respectful and helpful is at the heart of who we are.

## **Accountability**

We take pride in our work and continuously improve ourselves.

# ISSUES ON THE HORIZON

As part of the strategic planning process, SJCERA scanned its internal and external operating environments. Strengths, weaknesses, opportunities, and threats on the immediate and near-term horizon were identified. As a result, SJCERA believes five significant and interconnected priorities will most impact the Retirement Plan, operations, and its membership and, therefore, deserve a focused response. The priorities are summarized in the following illustration.



# STRATEGIC GOALS

SJCERA's approach to addressing the issues on its immediate and near-term horizon requires a committed focus to advancing the following three areas:



## GOAL 1

Strengthen the long-term financial health of the Retirement Plan.

## GOAL 2

Modernize the operations infrastructure.

## GOAL 3

Align resources and organizational capabilities.

Further information on how SJCERA intends to make progress towards these Goals in the coming five years and what success under the Strategic Plan will look like under a ten-year vision for each is delineated on the following pages.

# GOAL 1

## Strengthen the long-term financial health of the Retirement Plan.

### Objectives

- A. Evaluate the appropriateness of actuarial assumptions.
- B. Review and confirm or refresh asset allocation.
- C. Determine the future vision for the investment program operating model.
- D. Optimize the investment manager lineup.
- E. Explore alternative approaches to addressing risk through plan design.
- F. Define emerging governance issues.

### What will success look like?

SJCERA's approach to delivering on these objectives will be successful if meaningful progress toward the following performance aspirations is realized within the first five years of SJCERA's ten-year vision.

1. The Retirement Plan is on its longer-term path to full-funding.
2. The Board's appropriately balanced risk posture supports benefit payments.
3. Retirement Plan actuarial assumptions are reasonable and appropriate.
4. Portfolio costs are prudently managed.
5. SJCERA's views on environmental, social, and governance (ESG) matters, including diversity, equity, and inclusion, is defined for the organization and investment portfolio.

Key actions to be taken each year to further this Goal are defined through SJCERA's Annual Action Plan set by the Chief Executive Officer.

# GOAL 2

## Modernize the operations infrastructure.

### Objectives

- A. Implement the Pension Administration System (PAS).
- B. Enhance the member experience.
- C. Improve technology for business operations.
- D. Improve the employer experience.

### What will success look like?

SJCERA's approach to delivering on these objectives will be successful if meaningful progress toward the following performance aspirations is realized within the first five years of SJCERA's ten-year vision.

1. SJCERA is known for its self-service innovation, automation, accuracy, and efficiency.
2. The PAS has been successfully implemented; members, employers, and SJCERA staff all embrace and benefit from the PAS.
3. Members and employers enjoyed a positive service experience from SJCERA throughout the transition to the PAS.
4. The disaster recovery and business continuity plan and practices reflect contemporary practices.
5. Appropriate security measures have been implemented and are maintained to industry standards to protect SJCERA confidential information.
6. SJCERA has leveraged online learning and implemented fully automated online benefit and account management tools for members.
7. SJCERA staff is viewed by employer human resources and payroll representatives as a valuable partner and a problem-solver.
8. SJCERA's Board of Retirement, Leadership Team, and staff are proud of their collective achievements.
9. SJCERA's member education and accessible member information results in engaged, educated, and retirement-ready members and satisfied employers.
10. Stakeholder relationships are healthy and productive.

Key actions to be taken each year to further this Goal are defined through SJCERA's Annual Action Plan set by the Chief Executive Officer.



# GOAL 3

## Align resources and organizational capabilities.

### Objectives

- A. Develop and implement a workforce planning process.
- B. Enhance education and development across all levels of the organization.
- C. Implement practices to support Board continuity and evolution.
- D. Create a foundation of performance metrics and measurements.

### What will success look like?

SJCERA's approach to delivering on these objectives will be successful if meaningful progress toward the following performance aspirations is realized within the first five years of SJCERA's ten-year vision.

1. The Board maintains its focus at the policy level.
2. The Board's collegial, diverse culture and institutional knowledge is upheld.
3. SJCERA is a vision-centric, focused organization with clear, well-defined goals and objectives.
4. The Leadership Team sets high standards and empowers staff to take ownership of responsibilities in alignment with the SJCERA mission.
5. SJCERA's succession planning efforts create continuity for both the Board and Leadership Team, and personnel changes at all levels are addressed seamlessly.
6. SJCERA's professional staff are adaptable to the changing work environment; they are proud to work at SJCERA.
7. Members, employers, and the County Board of Supervisors understand and value SJCERA's role and benefits.

Key actions to be taken each year to further this Goal are defined through SJCERA's annual action plan set by the Chief Executive Officer.

# CONCLUSION

The next five years reflect a pivotal time in SJCERA's journey as a pension administrator. In committing to this five-year Strategic Plan, SJCERA is setting a foundation from which to operate for the next decade and beyond. The Strategic Plan reflects a prudent response to the issues on SCJERA's immediate and near-term horizon.

SJCERA takes pride in the decades of service it has delivered to its members and beneficiaries and is inspired to build upon this history to realize its future vision.

