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BOARD AGENDA LETTER

DATE: January 17, 2018

TO: Board of Retirement

FROM: Donald C. Kendig, CPA,
Retirement Administrator

Staff Contact: Doris Rentschler
Assistant Retirement Administrator
Maria Baker
Retirement Communications Officer

SUBJECT: Approval of Biannual Strategic Plan for 2018-2019 - APPROVE

Background and Discussion

For our August 3rd all-staff training, FCERA held two half-day sessions that covered a variety of topics. One of the topics covered was a Strategic Planning session. The purpose of this was to involve and include staff in the direction of FCERA as we move forward. Staff conducted a SWOT (Strengths, Weaknesses, Opportunities, Strengths) analysis as a group and also held a brainstorming session on what goals and objectives could be created from that analysis. The attached Biannual Strategic Plan includes two objectives that were crafted from a summary of the SWOT analysis by staff. We then held meetings with Administration, managers and supervisors, and then with all staff to review this Biannual Strategic Plan and to ensure that the objectives appropriately reflected the intention of staff during that SWOT analysis.

At our November 2nd annual offsite Board meeting, we also gathered a SWOT analysis from our Board members. We covered the SWOT analysis from the Board members and then covered the objectives crafted from the staff SWOT analysis, and held a discussion on what overlap we may find in order to create a final Strategic Plan that incorporates goals and objectives from the Board, Administration, and staff.

This final Biannual Strategic Plan for 2018-2019 also includes a summary of results from the previous Strategic Plan of 2016.

Attachments

1. Biannual Strategic Plan for 2018-2019



BIANNUAL STRATEGIC PLAN FOR 2018-2019



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FCERA AT-A-GLANCE

MISSION

“Our mission is to administer the retirement benefits for the members and beneficiaries in a courteous, accurate, prompt and professional manner, while administering fund assets in a manner that achieves investment and funding objectives within prudent levels of risk.”

VALUES

Excellence Teamwork Integrity Professionalism Accountability Innovation

STAKEHOLDERS

Active Members	Deferred Members	Plan Sponsors	FCERA Co-workers	Taxpayers-Public
Board of Retirement	Investment Managers	Retiree Members	Beneficiaries	Public Pension Community



FCERA Staff S. W. O. T. Analysis

From the August 3, 2017 training

<p style="text-align: center;">STRENGTHS</p> <p>Customer Service Staff Morale Improved Accuracy with new Pension System Education Level of Staff Transparency Diversity We know our PURPOSE! Website and Member Portal Job Security</p>	<p style="text-align: center;">WEAKNESSES</p> <p>Outdated Processes Salaries (not competitive) Lack of Communication (internal and external) Not meeting Member needs on a timely basis Lack of complete policies and procedures Backlog of work / Dealing with past practices and errors Lack of Autonomy (Legislature) Lack of Cross-training / Work Silos Website and Member Portal</p>
<p style="text-align: center;">OPPORTUNITIES</p> <p>To Address Career Opportunities Department wide</p> <ul style="list-style-type: none"> • Training / Cross-train staff • Reimburse for advanced educational opportunities <ul style="list-style-type: none"> ○ University classes, seminars, financial training • Create Promotional Opportunities/ Review Classifications • Alternate works schedules <p>Meet or Exceed Assumed Rate of Return Technological Solutions – i.e. CAFR Software E-Learning for staff and member portal Improve processes and procedures</p>	<p style="text-align: center;">THREATS</p> <p>Staff Turnover – leave for more money or less responsibility Political – Legislative Action Cyber Security Financial or Economic Environment <ul style="list-style-type: none"> • unable to achieve Assumed Rate of Return <p>Public and Media Perception High Contribution Rates (Plan Sponsor stress) Changing Board Members Innovation</p> </p>



Summary of Previous Strategic Plan Projects and Completion Status

Succession Planning and Recruitment and Retention: Assistant Retirement Administrator and Benefits Manager Onboarding

Project Deliverables:

At the completion of this project, FCERA will have:

1. An Assistant Retirement Administrator able to assume the role of the Retirement Administrator.
2. A Benefits Manager able to assume the role of the Assistant Retirement Administrator.

Project Completion: Yes.

Independent or Public Agency Status

Project Deliverables:

1. The implementation of an independent agency provision of the Government Code.

Project Completion: No. This project has been eliminated after the failure of AB 1243 to be signed into law. It may be approached again in the future if it is the desire of the Board.

High Speed Rail Eminent Domain and Office Relocation

Project Deliverables:

1. Office space that will meet FCERA's needs for the foreseeable future.
2. Reasonable compensation for the existing office space at 1111 H Street to be possessed by the High Speed Rail Authority (HSRA).

Project Completion: Yes.

Member Service Initiative: Service Purchases and Contribution Adjustments

Project Deliverables:

1. Office support services will be structured to provide for Disability unit support, beneficiary changes, scanning, and indexing, staffed by an initial 3.0 positions (requiring the addition of 1.0 Office Assistant in Fiscal Year 2016-17).
2. The front counter will be serviced by one person, with support services providing coverage during leaves of absence.
3. The Benefit Support unit will be provided an additional Account Clerk to focus solely on the elimination of the service credit purchase backlog. Once complete, the position will be assigned to other backlogs, or eliminated through attrition, if no other backlogs exist.



Project Completion: Partial. Many of the listed deliverables have been met, we have restructured the office support services staff, have changed the front counter to be serviced by one person, and added an account clerk position. The Contribution Adjustment backlog has been eliminated. The Service Credit Purchase backlog does still exist, and this will be carried forward along with new member service goals for this strategic plan.

Pension Administration System Completion

Project Deliverables:

1. New Pension Administration System integrated with FCERA's accounting system, and integrated with the Custodian's payroll system.
2. Member self-service portal, providing real time benefit information to FCERA's members.

Project Completion: Yes.

Goals for 2018-2019 Strategic Plan

Goal #1

Foster an organizational culture that values and promotes teamwork, education, accountability and achievement.

Background

An organizational culture that values and promotes teamwork, education and accountability, demonstrates that we value our own human capital and allows us to continue to meet our stakeholders' needs. For several years, FCERA suffered considerable turnover and vacancies. The inability to retain employees caused staffing shortages and significant backlog of work. The Board of Retirement demonstrated their commitment to staff with support for the reclassification of staff to better align compensation with position requirements. In 2016, FCERA was fortunate to achieve full staffing of authorized positions and maintain minimal turnover.

Desired Outcome

The intent of this objective is to preserve an agency that leads with transparency and promotes teamwork throughout and to foster an environment of creativity while maintaining accountability and personal responsibility. Additionally, the objective seeks to enable FCERA staff by providing the knowledge and skills necessary to fulfill current needs as well as prepare staff for future challenges and professional opportunities.

Objectives

- I. Optimize FCERA's organizational resources.
- II. Develop the organizational structure and position classifications to support staff development.
- III. Identify potential programs that will enhance skills and advanced development of staff.
- IV. Foster an organizational culture that values and promotes teamwork.

Action Plan and Deliverables

1. Prepare staff, through training/cross-training, for promotion and succession planning.



- a. Minimum of 1/3 of all staff should be cross-trained with another role, unit, or section by December 31st, 2018.
- b. Staff will be encouraged to submit requests for training (internal, county, or external) that could be helpful to their position or potential promotion. FCERA will aim to increase training attendance by 50% by December 31st, 2019.
2. Request Human Resources (HR) review of Office Assistant and Account Clerk classifications as Program Technicians and add Retirement Analyst positions.
 - a. While FCERA does not have significant control over the achievement of this goal, we will offer our full support, encouragement, and assistance to ensure that HR completes a full analysis of staff. This process has been started internally through the Personnel Committee and will be sent to the full Board by January 31st, 2018. Completion of the review by HR will be set by HR's timeline.
3. Identify education opportunities (internal and external) for staff.
 - a. FCERA will create and send a survey to staff by March 31, 2018, regarding staff desires for educational opportunities. We will form an internal educational committee by June 30, 2018 and draft a plan based on responses to achieve this goal by September 30, 2018.
4. Develop and implement a team-building campaign for staff.
 - a. The Communications Officer will research team-building opportunities and draft a plan for team building by June 30, 2018. We will aim for team-building activities at least semi-annually.

Goal #2

Refine FCERA's business and policy practices in ways that enhance transparency, stakeholder awareness, delivery of member services and the ability of the Organization to administer the System effectively and efficiently.

Background

Communication and interaction between stakeholders (i.e. management, staff, members, plan sponsors, etc.) is essential for the efficient operation of the plan. During 2016, as a part of our commitment to communication and education, FCERA invested in an e-learning platform to improve staff training and member education.

Desired Outcome

The intent of this objective is to enhance stakeholder awareness, understanding and comfort with the investment and benefit process through training and communication to, effectively and efficiently, serve FCERA members and stakeholders into the future.

Objectives

- I. Use technology to leverage communication and e-learning platforms to provide and encourage stakeholder education and awareness.
- II. Ensure organizational quality and performance through continuous improvement.



- III. Expand written policies and procedures; streamline processes to optimize our human capital and technological resources.

Action Plan and Deliverables

1. Enhance stakeholder education and communications opportunities by increasing department outreach, mid-career education and distributing current information on the website.
 - a. FCERA has begun to implement this by distributing material at the 2017 Health Fairs announcing our ability to provide department or plan sponsor specific seminars, lobby days, or lunch and learn opportunities. We have already scheduled 3 specialized departmental seminars for the month of November. We will strive to increase these department and plan sponsor opportunities to 24 per year by December 31st, 2019.
2. Substantially expand topics available and the use of the e-learning platform via the intranet and member portal.
 - a. Utilizing internal FCERA Subject Matter Experts and our IT staff, complete and launch 20 e-learning modules by December 31st, 2019.
3. Launch the improved FCERA internet and intranet sites.
 - a. FCERA website launch by March 1, 2018. Website improvements (increasing educational and outreach pages by 50%) completed by December 31, 2018. Intranet site for FCERA staff and Board launch by June 30, 2018.
4. Review processes and procedures to eliminate waste and improve service. Increase documentation of policy and procedures.
 - a. Request units to develop a plan to review processes and procedures by December 31st, 2018. Implement new, revised, or more efficient processes and procedures by December 31st, 2019.
5. Develop and implement the Communication Policy and Plan.
 - a. This policy and plan has been presented to the Board of Retirement and will be implemented and reviewed along the same timeline of this Biannual Strategic Plan.

Goal #3

Establish local investment communication channels and contacts and determine viability of local investment.

Background

At the 2017 Board Educational Offsite meeting, the Board expressed interest in local investment opportunities. At that time, staff mentioned potentially purchasing County of Fresno buildings to lease back, but that opportunity has since passed. Other potential ideas for local investment include: Low income rental housing, sub-prime loans to employees, business development, micro grants, commercial or developer financing, shopping centers, employee housing or retiree loans.

Desired Outcome

The intent of this goal is to research opportunities in areas of local investment, to create a policy and procedures for future local investment.



Objectives

- I. Research local investment opportunities.
- II. Identify potential risks associated.
- III. Create an ad hoc committee and proceed with direction of the committee and the full board.

Action Plan and Deliverables

1. Determine who are our competitors and what are the barriers to entry.
2. Identify potential partners – the people who can put the dollars provided by FCERA to work.
3. Draft a policy for local investments
 - a. If the Board wishes to move forward with local investment opportunities, draft a policy for the framework of this new process by December 31, 2018.
 - b. Consider what risks are involved and how due diligence would be completed.

Goal #4

Member Service Initiative: Service Credit Purchase backlog, increasing efficiency in member services, and improved member feedback.

Background

FCERA is committed to being a member service-oriented organization. Our person to person member service generally earns good feedback; that is to say, when a staff person directly assists a member, we do so in a professional, courteous and timely manner. However, in terms of agency wide backlogs, our members can experience frustration due to their wait time to receive a response. Recently, the Benefits Support Unit has put in place a new procedure to streamline the process of our Service Credit Purchase backlog, and we anticipate that this will result in an eventual elimination of that backlog. In addition, we will aim to evaluate and then improve our member satisfaction in all service areas.

Desired Outcome

The intent of this goal is to have continuous improvement in our service to members through improved efficiency and processes by utilizing feedback from our members to focus improvement in areas of worth.

Objectives

- I. Improve efficiency in our processes for completing service purchases and other processes through review and communication with employees who complete these tasks.
- II. Track progress and regularly provide updates to administration to ensure progress and seek continual improvement.
- III. Cross-train all applicable staff to safe guard institutional knowledge and provide contingencies for staff who leave our office.
- IV. Develop consistent training programs for each process.

Action Plan and Deliverables

1. Complete a 35-40% reduction in outstanding Service Credit Purchases by December 31, 2019.



- a. The Retirement Benefits Manager will hold weekly meetings with supervisors and staff who work on Service Credit Purchases to determine areas for needed training, identifying potential blockages in procedures, and increasing efficiency
 - b. The Retirement Communications Officer will participate with the Retirement Benefits Manager and identified staff to complete research and outlines for an E-Learning module to allow for more rapid and consistent training of current and new staff on how to process Service Credit Purchases.
2. Improve member satisfaction in interactions with Fresno County Employees' Retirement Association.
 - a. Develop and implement surveys to determine what current sentiment is regarding different levels of interaction: retirement processing, general feedback, and others by December 31, 2018.
 - b. From the baseline established above, aim to increase satisfaction levels through changing processes, increased communication and more education and outreach by December 31, 2019.