



FRESNO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION
(FCERA)

FISCAL YEAR 2016-17

STRATEGIC PLAN

PROPOSED: JUNE 1, 2016

Contents

| | |
|--|----|
| Section I – FCERA’s Background | 1 |
| Administrative Organization Chart..... | 2 |
| Section II –Strategic Planning Overview | 3 |
| Definitions | 3 |
| FCERA’s Strategic Plan | 4 |
| FCERA’s Mission..... | 4 |
| FCERA’s Core Values | 4 |
| Fiduciary Responsibilities | 5 |
| Strategic Planning Methodology | 6 |
| Criteria for Establishing Strategic Plan Projects | 6 |
| Section III – Assessment of FCERA’s Mission, Progress, and Positioning | 7 |
| Mission Assessment | 7 |
| 2008 Strategic Plan Progress Assessment | 8 |
| FCERA Strategic Positioning Assessment | 10 |
| Strategic Challenges and Needs | 16 |
| 2016-17 Strategic Direction Going Forward..... | 16 |
| Section IV – 2016-17 Strategic Planning Goals/Projects | 17 |
| Proposed Projects..... | 18 |

Section I – FCERA’s Background

The Fresno County Employees' Retirement Association (FCERA) is a cost-sharing multiple employer public retirement system established by the County Board of Supervisors on January 1, 1945 to provide retirement, disability, death and survivor benefits for its members under the California State Government Code, Section 31450 et. seq., (the County Employees Retirement Law of 1937, hereinafter "CERL") and Section 7522 et. Seq., (the Public Employees' Pension Reform Act of 2013, hereinafter "PEPRA"). The retirement plan is administered by a Board of Retirement (Board), which consists of nine voting members and a retiree alternate.

FCERA is governed by the California Constitution, the CERL, the PEPRA, and regulations, procedures, and policies adopted by the Board. The Fresno County Board of Supervisors may also adopt resolutions, as permitted by the CERL, which may affect benefits for FCERA members.

The Board is responsible for establishing policies governing the administration of the retirement plan, determining benefit allowances, and managing the investments of FCERA's assets. The Board defines the duties and oversees the activities of the Retirement Administrator, who in turn, directs and oversees the staff and operations of the Administrative Office.

Participating employer entities ("Sponsors") include:

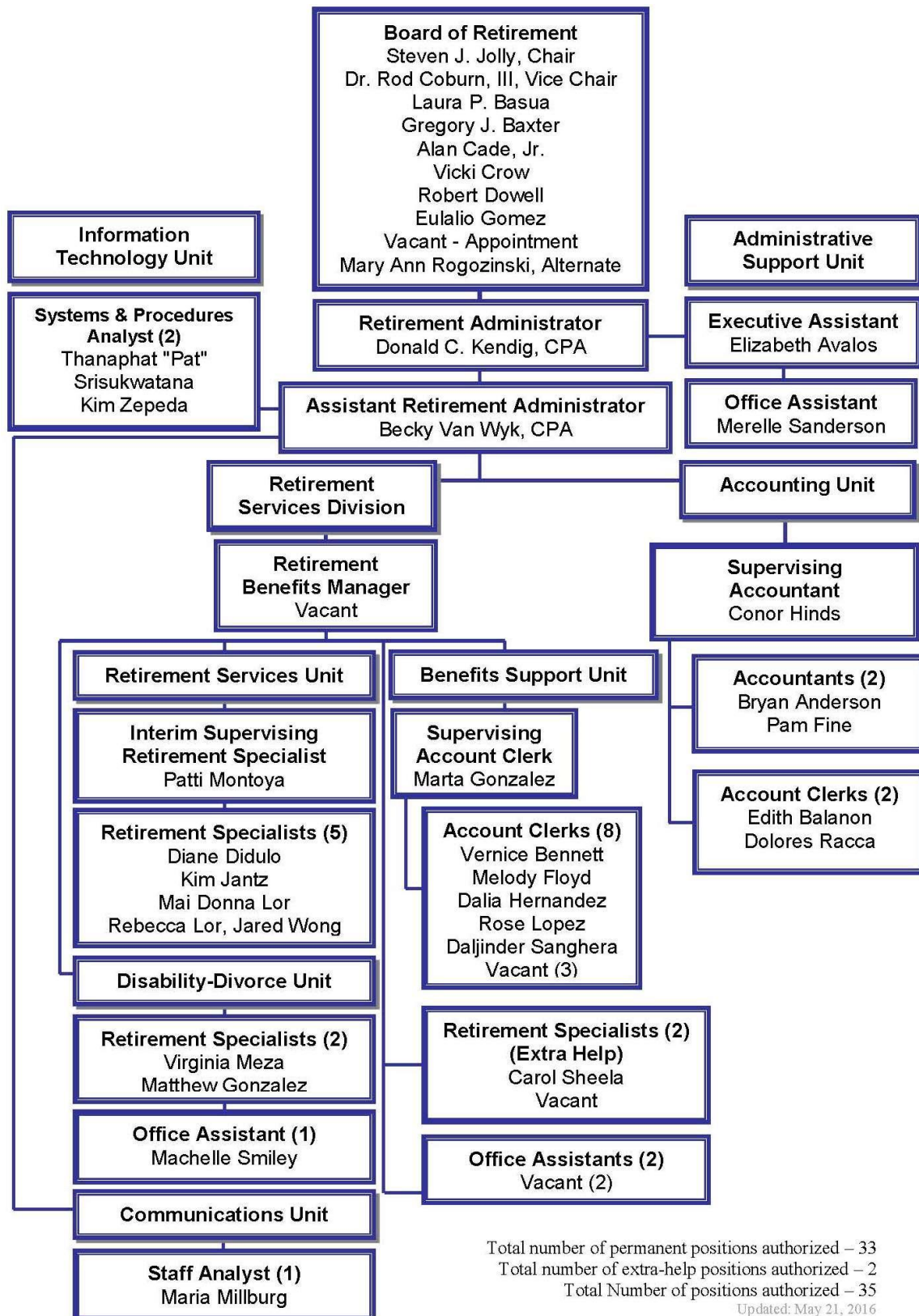
- County of Fresno
- Superior Court of California, County of Fresno
- Clovis Veterans Memorial District
- Fresno-Madera Area Agency on Aging
- Fresno Mosquito & Vector Control District

The total proposed budget for Fiscal Year 2016-17 is \$6,450,000 and includes 33.0 Full Time Equivalent (FTE) positions. The amount includes administrative expenses (including cash and depreciation), excludable information technology costs, and the contingency for relocation costs associated with the high speed rail project of \$150,000.

| FCERA 2015-16 Proposed Budget | | | |
|-------------------------------|--|-----------------------|--|
| Full Time Equivalent (FTE) | | 33.0 | |
| \$\$\$ | | \$6,450.0 | |
| | | | |
| Salaries and Benefits | | Services and Supplies | |
| FTE | | FTE | |
| 33.0 | | 0.0 | |
| \$\$\$ | | I/T Excludable Costs | |
| \$2,847.6 | | FTE | |
| | | 0.0 | |
| | | \$\$\$ | |
| | | \$233.4 | |

(Dollars are in thousands)

Administrative Organization Chart



Section II –Strategic Planning Overview

Definitions

What is FCERA's strategic plan, its mission, and its values? Before answering, here are some important definitions:

stra·te·gic

/strəˈtējɪk/

adjective

relating to the identification of long-term or overall aims and interests and the means of achieving them.

"the company should take strategic actions to cope with fundamental changes in the environment"

synonyms: planned, calculated, tactical, politic, judicious, prudent, shrewd
"his lawyers were known for their strategic defense methods"

- carefully designed or planned to serve a particular purpose or advantage.
"alarms are positioned at strategic points around the prison"

plan

/plan/

noun

1. a detailed proposal for doing or achieving something.

"the UN peace plan"

synonyms: procedure, scheme, strategy, idea, proposal, proposition, suggestion, action point; More

2. an intention or decision about what one is going to do.

"I have no plans to retire"

synonyms: intention, aim, idea, intent, objective, object, goal, target, ambition
"her plan was to win a medal"

mis·sion state·ment

noun

a formal summary of the aims and values of a company, organization, or individual.

val·ue

/ˈvæljuː/

noun

plural noun: values

1. the regard that something is held to deserve; the importance, worth, or usefulness of something.

"your support is of great value"

synonyms: worth, usefulness, advantage, benefit, gain, profit, good, help, merit, helpfulness, avail; More

2. a person's principles or standards of behavior; one's judgment of what is important in life.

"they internalize their parents' rules and values"

synonyms: principles, ethics, moral code, morals, standards, code of behavior
"society's values are passed on to us as children"

FCERA's Strategic Plan

FCERA's strategic plan is this detailed proposal stating FCERA's intention to achieve the identified goals within the next one to five years.

FCERA's Mission

FCERA's mission is to, *"administer the retirement benefits for the members and beneficiaries in a prudent, accurate, timely and cost-effective manner, while administering fund assets in a manner that achieves investment and funding objectives within prudent levels of risk."*

FCERA's Core Values

FCERA's strategic plan is better understood when you know what FCERA values. FCERA's core values lie, "in our commitment to deliver service in an accurate, courteous, prompt and professional manner. Our goal is to provide the highest level of service to our members, the public, our co-workers and the Board of Retirement." Our values are:



Excellence – We hold ourselves to high standards of performance demonstrating a value for learning and continuous improvement. We take pride in the work we do, continuously striving to exceed our goals. We encourage an open and diverse environment and a "CAN DO" attitude.



Professionalism – We encourage a professional environment, maintaining confidentiality and performing job functions in an ethical and objective manner. As professionals we understand the importance of listening to and respecting others' ideas and perspectives open-mindedly. Professionalism is necessary to keep all employees motivated.



Teamwork – We are committed to a team-oriented approach to provide the highest level of service to our members. We value open communication, sharing knowledge, resources and ideas. Working together to reach common goals is the essence of success. Together we achieve more.



Integrity – We at FCERA act ethically and honestly, honoring our commitments, abiding by policies, and building trust with our members and co-workers. Integrity guides all of our work relationships.



Accountability – We take ownership of our work to provide accurate, complete and timely results. We accept the responsibility to communicate and interact openly with all FCERA staff to develop the tools and training necessary to complete our assignments. We will take the initiative to be a part of the success of the FCERA team.



Innovation – We promote a resourceful environment where new ideas and approaches are implemented to help our daily tasks flow smoothly and efficiently. Our focus is on proactively communicating and implementing activities to encourage and energize staff to create a positive environment and seek new ways to educate and inform members about the retirement process. It is our goal to plan strategically for the future.

Fiduciary Responsibilities

fi·du·ci·ar·y

/fəˈdooSHē,erē,-SHērē/

adjective LAW

1. involving trust, especially with regard to the relationship between a trustee and a beneficiary.
"the company has a fiduciary duty to shareholders"

FCERA is to carry out all of its activities in a manner consistent with the fiduciary duties and rules set out in the laws that govern fiduciaries. These include, but are not limited to:

Exclusive Benefit Rule – The assets of the retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system.

Primary Duty Rule – The Retirement Board has sole, exclusive fiduciary responsibility over the assets and administration of the retirement system... the Board's duty to its participants and their beneficiaries shall take precedence over any other duty.

Prudent Person Rule – Members of the Retirement Board shall discharge their duties... with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

Strategic Planning Methodology

The goals identified in this strategic plan are determined through a process by which staff identifies FCERA's challenges and alternatives, and then incorporates them into the proposed strategic plan (this document) for the Board's input and ultimate approval.

FCERA's process for strategic planning is based on the following assumptions:

- Strategic planning ensures that FCERA focuses its resources on addressing the most important issues and challenges it faces each year.
- FCERA makes steady progress in reaching its various goals.
- The timeline covered by the FCERA Strategic Plan will generally be between 1-5 years in length, but the Strategic Plan will normally be updated annually.

Each year, staff will review the Strategic Plan to:

- Assess progress and the continued appropriateness of current projects;
- Consider new challenges and needs that may have arisen; and
- Identify new goals that may need to be pursued.

Based on the above review, staff will revise the Strategic Plan by updating the status of current projects, removing completed projects, and proposing new projects with supporting rationale. To the extent possible, strategic planning projects will be described in detail, including specific deliverables, milestones, responsible parties, timelines, and budget implications.

Similar to the budget approval cycle, each year staff will solicit input from the Board on the Strategic Plan. Using the proposal approval cycle, staff will prepare a proposed strategic plan and the Board will review, modify and approve a final plan. The Administrator will report to the Board quarterly on progress achieved in implementing the Strategic Plan as part of the Administrator's quarterly update.

Criteria for Establishing Strategic Plan Projects

FCERA recognizes that there exist countless approaches to strategic planning and to determining what constitutes a strategic goal. In developing its own Strategic Plan, FCERA will be guided by the following assumptions:

- The vast majority of current staff resources within FCERA are dedicated to carrying out the normal and ongoing operations of FCERA, which results in limited resources to undertake substantial strategic projects. Accordingly, the

Strategic Plan will focus on a select group of goals that are crucial to the ongoing success and betterment of FCERA and the achievement of its mission.

- The Strategic Plan will not contain ongoing and routine goals undertaken by FCERA as part of its normal operations.
- The Strategic Plan will contain limited duration, significant goals that are outside normal operations.

Section III – Assessment of FCERA’s Mission, Progress, and Positioning

Per FCERA’s Strategic Planning policy, each year, staff will assess:

- the appropriateness of FCERA’s mission statement and its long term objectives;
- the progress made in implementing the previous years’ Strategic Planning projects; and
- whether or not FCERA is well positioned to achieve its mission and long-term objectives.

Mission Assessment

Before assessing the appropriateness of FCERA’s mission statement a couple of words warrant definition:

ad·min·is·ter

/ədˈmɪnəstər/

verb

manage and be responsible for the running of (a business, organization, etc.).

"each school was administered separately"

synonyms: manage, direct, control, operate, regulate, conduct, handle, run, organize, supervise, superintend, oversee, preside over, govern, rule, lead, head, steer, More

pru·dent

/ˈprōdnt/

adjective

acting with or showing care and thought for the future.

"no prudent money manager would authorize a loan without first knowing its purpose"

synonyms: wise, well judged, sensible, politic, judicious, sagacious, sage, shrewd, advisable, well advised, More

FCERA's mission is to, "administer the retirement **benefits** for the members and beneficiaries in a prudent, accurate, timely and cost-effective manner, while administering fund **assets** in a manner that achieves investment and funding objectives within prudent levels of risk."

As drafted today, FCERA's mission accurately and concisely reflects its aims.

2008 Strategic Plan Progress Assessment

This section of the Strategic Plan is intended to assess the progress made in implementing the previous years' Strategic Planning projects. The last known Strategic Plan was issued in June of 2008 and contained the following projects:

2008 Projects Summary

1. Accounting Software Project – COMPLETED
2. Information Technology Roadmap/Assessment Project – COMPLETED
3. Internal Investment Position Feasibility Project – COMPLETED
4. Member Service Quality Measurement Project – COMPLETED
5. Stakeholder Relations Program (subsequent to the Member Service Quality Measurement Project) – INCOMPLETE, TABLED
6. Operations Reorganization Assessment (subsequent to the Information Technology Roadmap/Assessment Project) – REDEFINED FOR 2016-17
7. Facility Assessment Project (subsequent to the Information Technology Roadmap/Assessment Project) – UNDERWAY

2008 Project Details

1. *Accounting Software Project:* The first item staff addressed was replacing the outdated general ledger program. In 2010, the general ledger was successfully replaced with *Microsoft Dynamics NAV* and is being used to maintain FCERA's accounting records and streamline FCERA's CAFR reporting process.
2. *Information Technology Roadmap/Assessment Project:* In 2009, the Board adopted an IT Roadmap that identified key areas of needed improvements including replacing the general ledger program (listed above) and pension administration system, implementing an electronic document management system, a disaster recovery/business continuity plan, and hiring additional information technology staff. The Roadmap was a five year plan designed to bring FCERA into the 21st century.

The Arrivos Pension Administration System is in the final stages of development, and went live in November 2014.

The *On-Base Document Management System* was implemented in 2012 as part of the pension administration system replacement. This electronic document management system contains the membership records for all active and retired members of FCERA and is used on daily basis by staff to organize quickly access member records.

The Disaster Recovery/Business Continuity Plan (BCP) was approved by the Board at its October 2014 educational offsite and defines the steps to be taken should a disaster occur and includes alternate worksites.

The last item completed from the IT Roadmap was hiring of an additional IT staff member, which was completed in April 2015.

With the assistance of our partners at Linea Solutions and The Tegrity Group, we are well on our way to successfully implementing the IT Roadmap developed in 2009.

3. *Internal Investment Position Feasibility Project:* Both the Board and FCERA's outside investment consultant concluded that an internal Chief Investment Officer was warranted, but that current County pay limitations prevent the addition of the internal resource. The position will be recruited and retained, once the structural pay limitations are modified.
4. *Member Service Quality Measurement Project:* In 2011 an initial Member Survey effort was completed and reported to the Board completing the basic aspects of the project. The results from the survey were positive; with 91% of respondents stating that the service received during counseling sessions was outstanding.
5. *Stakeholder Relations Program:* In 2010 the Stakeholder Relations Program was put on hold until the completion of the Member Service Quality Measurement Project. It was not taken back up and is not currently recommended as a separate project.
6. *Operations Reorganization:* This proposed agency wide goal is not recommended as a specific project at this time, however it has been redefined for the current Strategic Plan. Regarding organizational structure, some improvements have been made. Administration successfully reclassified the Retirement Coordinators as Retirement Specialists with the long term goal of correctly identifying them as Retirement Analysts and providing compensation in line with FCERA's Peers; and a

Staff Analyst, for communications, was approved by the Board as part of the 2015-16 Budget.

7. *Facility Assessment Project:* The Facility Assessment initiative is currently underway with the consideration of relocating FCERA operations due to the California High Speed Rail project and eminent domain and is continued in this 2016-17 Strategic Plan.

FCERA Strategic Positioning Assessment

This section of the Strategic Plan will define how FCERA can deliberately position itself to carry out its mission and values, and assess the strategic direction of FCERA for the coming years. Detailed descriptions of these projects can be found in Section IV.

While public retirement systems, particularly other CERL systems, generally have missions similar to that of FCERA, they carry out their missions in different ways. FCERA has developed its own approach to carrying out its mission. The balance of this section describes FCERA's strategic position with respect to each of the following issues:

1. *Member Service*
2. *Stakeholder Relations*
3. *Governance, Training, and Decision Making*
4. *Succession Planning*
5. *Recruitment and Retention*
6. *Independent or Public Agency Status*
7. *Office Relocation and Facility Optimization*
8. *Pension Administration System Completion*

1. Member Service...

Members – FCERA views its members as its primary clients to whom it owes fiduciary duties, and FCERA is committed to providing them with excellent, cost-effective service. FCERA defines members to include active, deferred, and retired members, and their beneficiaries.

FCERA is committed to being a member service-oriented organization. We have already made considerable progress on this front, but recognize that more effort is needed. FCERA's strategic approach to service quality can be described as follows:

- FCERA will continue to look to other entities and industries (i.e. public retirement systems and other CERL systems, government agencies, and private sector corporations) in an effort to identify best practices in customer service. The purpose of this will not be to benchmark FCERA's services, but rather to learn about what other organizations are doing in the area of customer service and to assess applicability to FCERA, and implement where feasible.
- In addition to continually identifying best practices, FCERA is committed to building the capabilities to measure and assess the quality of its customer service so as to facilitate continuous improvement. These capabilities would include:
 - Clearly defining customer service and FCERA's customers.
 - Developing meaningful measures or benchmarks for evaluating customer service.
 - Developing customer service measurement methodologies (e.g. statistics, surveys, focus groups).

FCERA takes a long-term perspective to its member service goals, as it recognizes that building a truly service-oriented organization takes time.

2. *Stakeholder Relations...*

Stakeholders – FCERA also has numerous stakeholders and aims to create and maintain effective working relationships with them. FCERA's stakeholders include:

- Sponsors including the County of Fresno, the Superior Courts of Fresno County, the Fresno-Madera Area Agency on Aging, Clovis Memorial District, and Fresno Mosquito & Vector Control District.
- The taxpayers, media, and general public.

FCERA believes that stakeholder relations are an important business of the Association (its primary businesses are member service and investment management). In particular, FCERA believes it has a role in providing employers with expert information and support that enables them to make informed decisions concerning the design and funding of retirement benefits.

Stakeholder relations, however, can be challenging given that FCERA's stakeholders often have divergent interests. To be successful, therefore, FCERA believes it must take a transparent and systematic approach to stakeholder relations, similar to that used in the member service and investment programs.

The County of Fresno is a particularly important stakeholder of FCERA. While FCERA is legally an independent entity, it is historically intertwined with the County. As a result,

issues arise from time-to-time concerning FCERA's authority over such things as human resources, budgeting, and legal services. To date, FCERA's approach to the County has been to work as collaboratively as possible with the County to resolve such issues as they arise. This strategy has generally been satisfactory; however, issues over self-governance and independence continue to surface. FCERA will be exploring its independence as an agency as a way to constructively remedy the friction in this area.

In thinking about stakeholder relations, FCERA also considers the role of the media. Though the media itself may not be a stakeholder, FCERA recognizes the important role the media plays as a communication channel to stakeholders and the need to support the media to ensure it is able to report accurately on the activities of FCERA.

3. Governance, Training, and Decision Making...

As the operations of FCERA have grown increasingly sophisticated, and the number of difficult issues has increased, the Board has recognized the need to take a policy-focused approach to Board governance. Such an approach supports:

- more consistent, efficient, and effective decision-making;
- better risk management; and
- more effective use of staff and external resources.

Envisioning the future investment governance and decision making needs of FCERA, the Board has consciously considered and clearly communicated its desire to develop internal investment management resources to efficiently and effectively guide the investment of FCERA's growing trust fund. To this end, the Board has tentatively approved the addition and recruitment of a Chief Investment Officer. Present County Salary resolution constraints prevent the implementation of this vision at this time.

Amidst the growing sophistication of retirement laws, benefit calculations, and compliance requirements, the Board is aware of the need for year-round internal auditing resources to augment the quality control and accuracy efforts of staff.

The Board also recognizes the dynamic nature of the public retirement and supports the pursuit of relevant training opportunities to keep trustees and staff proficient.

4. Succession Planning...

As the workforce matures and becomes increasingly cyclical, there is a growing need to better position ourselves for the gaps in resources and knowledge that invariably occur.

Some of the tenured positions under consideration in the immediate past and future:

- Assistant Retirement Administrator (September 2016 retirement, 26 years)
- Retirement Benefits Manager (April 2016 retirement, 17 years)
- Retirement Specialist (January 2016 retirement, 27 years)

Some of the specific activities that are a part of succession planning include:

- Documenting Procedures
- Staff Development: training and education
- Cross Training (“at least two know how to do”)
- Additional staffing for cyclical vacancies (a “shock absorber” or two)
- Intuitive File Structures
- Central Repository (Intranet/Internet) for:
 - Procedure and Process Documentation
 - Past Legal Opinions
 - Forms
 - Reference Material

5. Recruitment and Retention...

Some of the specific activities and goals that are a part of recruitment and retention include:

- Fill all current vacancies within 6 months of occurring
- Salaries and Benefits Analysis -
 - Ongoing Retirement Specialist/Analyst review
 - Staffing for cyclical vacancies
 - Competitive pay and benefits
- Office environment enhancements
- Exciting training opportunities
- Opportunities for internal promotion and advancement

6. Independent or Public Agency Status...

FCERA has contemplated its operating authority for several years and the Board is investigating options that would allow it to continue to fulfill its mission and meet the

fiduciary responsibilities owed to members. The “default” structure that FCERA currently operates under was established in 1937 and implemented by Fresno County when FCERA was established on January 1, 1945. At that time, FCERA was a small, simple operation within the County Auditor-Controller/Treasurer-Tax Collector’s office. In recognition of the growth of pension funds and their need for independence in their decision making, in 1992 voters approved an amendment to the California Constitution (Article XVI, Section 17), which placed both the fiduciary responsibility and plenary authority for the administration of the retirement system on the governing retirement boards. Consistent with this delegation of authority and grant of responsibility, FCERA’s budget is established by the Board of Retirement and the funding for that budget comes fully from the assets of the pension trust. The operating structure did not change substantially until fiscal year 2002-03 with the recruitment of FCERA’s first Retirement Administrator. This was a sizable step towards independent operational authority; however, additional steps are necessary. All employees of FCERA are considered County employees and the County has chosen to retain tight control over position allocation and compensation. This has resulted in fiduciary decisions of the retirement Board not being implemented, complicating the ability of FCERA to carry out its duties.

This evolutionary complication is not unique to FCERA, and 5 of the 20 CERL systems have adopted various forms of operating independence through the law, litigation or explicit agreement. Implicit agreements exist with other systems, and appear to be working well. The remaining 9 to 11 systems, including FCERA, are looking towards legislation that would provide all systems with a choice of operating structures. Proposed legislation (AB 1853) would allow systems to choose from the following three staffing models (It has subsequently been amended for only the OCERS model and it might not work for FCERA.):

- Management personnel are deemed to be employees of the retirement system and the system Board establishes the positions and terms of employment for those positions. (OCERS model)
- Positions deemed to require specialized retirement system knowledge or expertise are employees of the retirement system. (SBCERA model)
- All positions are employees of the retirement system. (CCCERA model)

The proposed legislation is being sponsored by the State Association of County Retirement Systems (SACRS). If passed into law, each Board would vote to decide which model to adopt and would have the ability to change models as the needs of the system change. Under any of the models, many things would stay the same. Governance of the system would remain the same, with all of the stakeholders having the same degree of representation and oversight as they have now. FCERA and the Board's primary responsibility would continue to be to members. Transparency and accountability would not change. The administrative expenditure cap would not change. Meetings would continue to be open to all stakeholders and public comment would still be welcome. Retirement Board members would continue to be liable as fiduciaries for their decisions. The only change would be the ability of the Board to decide which staffing model would best enable FCERA to meet its goals and support the Board.

Regardless of the outcome of the proposed legislation, FCERA will want to determine which staffing model would be appropriate and pursue staffing independence. The OCERS model (as presently contemplated by the legislature) might not be sufficient if FCERA wants to maintain the goal of reclassifying Retirement Specialists to Retirement Analysts. The SBCERA model is likely to mean that all employees, except Office Assistants, are FCERA employees. The CCCERA model would give FCERA the greatest independence while preventing the "sticking points" that may occur with a mix like the SBCERA model. Staff recommends the SBCERA model for majority personnel operating autonomy or the CCCERA model for full autonomy. Preliminary reports from CCCERA are that it is working well for them.

7. Office Relocation and Facility Optimization...

The consideration of relocating FCERA operations due to the California High Speed Rail project and eminent domain is in full swing. An ad-hoc High Speed Rail Office Relocation Committee (HSRORC) has been formed to carry out the Board's strategic directives of relocating locating operations and optimizing the new office location for maximum flexibility and a permanent solution. Staff is presenting parameters in Recruitment and Retention section the Board's strategic plan as a decision guide for the HSRORC.

8. Pension Administration System Completion...

The new Pension Administration System, Arrivos, is in its final year of development. This last year involves the completion of the member portal, which will improve FCERA's member service quality by providing members access to their retirement information.

Strategic Challenges and Needs

Some of the major challenges and needs FCERA faces include:

- Staff recruitment and retention issues due to:
 - retirements
 - pay that is not considered competitive by those who leave;
- Eminent Domain and Space Needs
- The risk of internal failures or mishaps in the FCERA operations;
- Excessive external interference and erosion of autonomy by FCERA.

With the approval of this plan, FCERA will be proactively addressing these challenges and needs.

2016-17 Strategic Direction Going Forward

FCERA believes that all of the strategic issues discussed herein are important to the long-term success of the Association and will devote resources to all of them over time. However, given the limited resources of the Board, staff, and finances, FCERA will focus on certain strategic areas over the coming 1-5 years. These include:

1. **Succession Planning.** Improving FCERA's succession planning position will improve member service quality by keeping the organization well prepared for any sudden staffing changes. For example, FCERA will be onboarding a new Benefits Manager and recruit and onboard a new Assistant Retirement Administrator. The Retirement Administrator will have the Assistant Retirement Administrator staff one to three Retirement Board meetings a year and the Disability and Audit committees. The Benefits Manager will support the Assistant Retirement Administrator during those meetings. Supervisors will receive management training; interested staff will receive supervisor training; and all staff will receive leadership and communication training. A minimum of two staff will know how to do any one task and cross training will also include designated back-up staff for critical functions.
2. **Recruitment and Retention.** Improving FCERA's recruitment and retention of staff will also improve member service quality. Specifically, FCERA will provide:
 - ample training opportunities to all staff

- internally and externally equitable compensation
- business technology that enhances productivity and ergonomics, and
- sufficient staffing for cyclical or acute shocks to staffing levels and needs

FCERA will operate and brand itself as an employer of choice in Fresno County and the San Joaquin Valley. FCERA will promote from within whenever possible, providing upward mobility.

3. **Independent or Public Agency Status.** Providing for greater staffing independence will improve Board governance, staff succession planning, recruitment and retention, member service quality, and stake holder relations. Specifically, FCERA will follow and support AB 1853, and if passed, will implement one of the options provided. Should AB 1853 die or be vetoed, FCERA will explore sponsoring a bill to add it to existing legislation. FCERA will work as closely as possible with the County of Fresno in this effort, realizing that there may be disagreement.
4. **High Speed Rail Eminent Domain and Office Relocation** Specifically, FCERA will complete its relocation efforts by December 31, 2017. FCERA will secure and occupy a location that will provide for FCERA's space needs for the foreseeable future. The location will be easy to find and provide safe parking for its members and staff.
5. **Member Service Initiative.** The Benefit Support Unit will be provided an additional Account Clerk to focus solely on the elimination of the service credit purchase and contribution adjustment backlogs. Once the backlog is complete, the position will be assigned to other backlogs, or eliminated through attrition, if no other backlogs exist. FCERA will restructure the Office Support Services Unit for Disability Unit support, beneficiary changes, scanning, and indexing. This will be staffed by 3.0 positions (requiring the addition of 1.0 Office Assistant). The front counter will be serviced by 1.0 Office Assistant, transferring one of the existing positions to the Office Support Services Unit, with the Unit providing front desk coverage during leaves of absence.
6. **Pension Administration System Completion.** Specifically, FCERA will complete Arrivos and the Member Portal implementation by September 30, 2016. System updates will be ongoing.

Section IV – 2016-17 Strategic Planning Goals/Projects

This section contains priority projects FCERA will undertake in pursuing the above strategic areas.

Proposed Projects

| | |
|------------------------------------|--|
| <i>Project Name</i> | Succession Planning and Recruitment and Retention: Assistant Retirement Administrator and Benefits Manager Onboarding |
| <i>Rationale</i> | Providing quality membership services is central to the FCERA Mission. Improving FCERA's succession planning will improve member service quality. |
| <i>Project Deliverables</i> | 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. |
| <i>Time Frame</i> | FCERA Administration expects that the onboarding will be completed by one year after the retention of the Benefits Manager and the Assistant Retirement Administrator. |
| <i>Milestones</i> | 1. Staffing a regular Board meeting. 2. Staffing a committee meeting. |
| <i>Responsible Staff</i> | Donald Kendig, Retirement Administrator Assistant Retirement Administrator Benefits Manager |
| <i>Contingencies</i> | None anticipated. |

| <i>Project Name</i> | Independent or Public Agency Status |
|------------------------------------|--|
| <i>Rationale</i> | Providing for greater independence will improve Board governance, staff succession planning, recruitment and retention, member service quality, and stake holder relations. |
| <i>Project Deliverables</i> | The implementation of an independent agency provision of the Government Code. |
| <i>Time Frame</i> | <p>Route 1: AB 1853 has been introduced and has a deadline of August 31, 2016 to be passed and a deadline of September 30, 2016 in order to not be vetoed. Should the bill pass, the Board of Retirement will consider its options by December 31, 2016 and will work with the County to implement July 1, 2017.</p> <p>Route 2: Should AB 1853 die or become vetoed, the Retirement Board will engage in the process of sponsoring a bill to add itself to one of the existing independent agency sections of the Government code for introduction during the 2017 legislative year. This bill's timeline would be August 31, 2017 and September 30, 2017 respectively.</p> |
| <i>Milestones</i> | <p>Route 1: Bill adoption, Board of Retirement Adoptions, July 1, 2017 implementation</p> <p>Route 2: Bill sponsorship, bill adoption, June 30, 2018 implementation</p> |
| <i>Responsible Staff</i> | <p>Maria Millburg, Retirement Communications Officer</p> <p>Donald Kendig, Retirement Administrator</p> |
| <i>Budget Implications</i> | Independent Agency Status will not affect the budget directly. The Board's ability to implement its operational directives will. |
| <i>Contingencies</i> | There is a risk that the County will not agree with the rationale or the desire of the Board and could legally challenge FCERA's efforts. There is a risk that proposed bills will not be adopted into law. |

| | |
|------------------------------------|--|
| <i>Project Name</i> | High Speed Rail Eminent Domain and Office Relocation |
| <i>Rationale</i> | The California High Speed Rail project and eminent domain is in full swing. FCERA will need to relocate. |
| <i>Project Deliverables</i> | By the completion of this project, FCERA will have: <ul style="list-style-type: none"> • Office space that will meet FCERA's needs for the foreseeable future. • Reasonable compensation for the existing office space at 1111 H Street to be possessed by the High Speed Rail Authority (HSRA). |
| <i>Time Frame</i> | FCERA Administration expects that staff will occupy new offices by December 31, 2017. If not June 30, 2017. |
| <i>Milestones</i> | <ul style="list-style-type: none"> • Possession and Use Agreement with the HSRA. • Purchase Agreement for another office location. • Completed space plans. • Construction contract to build to suit. • Turnkey office building(s). • Move-in |
| <i>Responsible Staff</i> | Donald Kendig, Retirement Administrator Kenneth Price and Craig Armstrong of Board Counsel Brian Decker and Beau Plumlee of Colliers International |
| <i>Budget Implications</i> | The cost of this project is currently estimated to be \$9,314,570 for three buildings. Of this amount two thirds would be capitalized and depreciated over 30 years at approximately \$203,000 a year. FCERA will receive approximately \$2,000,000 for 1111 H Street. In addition, FCERA will receive approximately \$170,000 yearly in rents, offset by property management fees for one of the buildings. |
| <i>Contingencies</i> | Rents with 50% vacancy could be as low as \$85,000 a year. Unforeseen construction costs could occur. |

| | |
|--|---|
| <i>Project Name</i> | Member Service Initiative: Service Purchases, Contribution Adjustments, and other backlogs |
| <i>Rationale</i> | A substantial backlog exists related to service purchases and contribution adjustments. This directly affects members. |
| <i>Project Deliverables</i> | <p>The Benefit Support Unit will be provided an additional Account Clerk to focus solely on the elimination of the service credit purchase and contribution adjustment backlogs. Once the backlog is complete, the position will be assigned to other backlogs, or eliminated through attrition, if no other backlogs exist.</p> <p>FCERA will restructure the Office Support Services Unit for Disability Unit support, beneficiary changes, scanning, and indexing. This will be staffed by 3.0 positions (requiring the addition of 1.0 Office Assistant). The front counter will be serviced by 1.0 Office Assistant, transferring one of the existing positions to the Office Support Services Unit, with the Unit providing front desk coverage during leaves of absence.</p> |
| <i>Time Frame</i> | FCERA Administration expects that the service purchase and contribution adjustment backlogs will be eliminated by June 30, 2018 with new requests completed within 30 to 60 days. |
| <i>Milestones</i> | <ol style="list-style-type: none"> 1. Add one Office Assistant and one Account Clerk to the Fresno County Personnel Resolution by Sep 30, 2016. 2. Fill the Office Assistant position by December 31, 2016. 3. Fill the Account Clerk position upon relocation to a new office either June 2017 or December 2017. 4. Backlog elimination by June 30, 2018. |
| <i>Responsible Staff</i> | <p>Becky Van Wyk, Assistant Retirement Administrator</p> <p>Marta Gonzalez, Supervising Account Clerk</p> <p>Donald Kendig, Retirement Administrator</p> |
| <i>Approved Budget Implications</i> | Appropriation for the additional staff will be prorated and budgeted accordingly for the 2016-17 fiscal year forward. |
| <i>Contingencies</i> | None anticipated. |

| <i>Project Name</i> | Pension Administration System Completion |
|------------------------------------|---|
| <i>Rationale</i> | A new Pension Administration System will eventually provide human resource savings and increased accuracy through automation. The new system's member service portal will increase member service levels and provide real time data for FCERA's members. |
| <i>Project Deliverables</i> | By the completion of this project, FCERA will have: <ul style="list-style-type: none"> • New Pension Administration System integrated with FCERA's accounting system, and integrated with the Custodian's payroll system. • Member self-service portal, providing real time benefit information to FCERA's members. |
| <i>Time Frame</i> | September 30, 2016. |
| <i>Milestones</i> | <ul style="list-style-type: none"> • Arrivos slice over (completed 11/2014) • Payroll processed through Arrivos (Completed 04/16) • Member Self Service live by September 30, 2016. |
| <i>Responsible Staff</i> | Becky Van Wyk, Assistant Retirement Administrator, and Donald Kendig, Retirement Administrator |
| <i>Budget Implications</i> | The cost of this project has been appropriated for in previous budgets and an appropriation transfer will be utilized to fund the final leg of the project. |
| <i>Contingencies</i> | Linea Extension for implementation support of \$142,000 (due to staff turnover), Training module for quality and consistency in training \$200k (protection against staff turnover), Tegrity post implementation support above and beyond the maintenance agreement \$200k (due to staff turnover). |