

Date: April 17, 2024
To: Board of Retirement
From: Doris L. Rentschler, Executive Director
Subject: Strategic Plan History and Work Plan Accomplishments 2012-2023, Quarterly 2024
Work Plan and Strategic Calendar Updates

Recommended Action:

Receive and file.

Fiscal and Financial Impacts:

None.

Strategic Plan Importance:

This review of past strategic plans and work plan accomplishments does not directly relate to the current Strategic Plan.

Risk Assessment:

None.

Background and Discussion:

At a past meeting, there was a request to bring back a list of Board Strategic Plan accomplishments with the current Board work plan status update. In addition to the accomplishments, I've included the review of past strategic plans which shows the evolution of strategic goals.

Attachment(s):

1. MCERA Strategic Plan History 2012-2023

MCERA Strategic Plan History 2012 - 2023

2023 - 2027 Strategic Plan

1. Protect the Plan's long-term financial health
 - a. Explore alternative investment opportunities
 - b. Consider developing a position on ESG
 - c. Explore scenarios to further protect member benefits
2. Strengthen risk oversight
 - a. Enhance the approach to identifying, monitoring, and managing current and emerging risks
 - b. Evaluation how the Board spends its time fulfilling its responsibilities
3. Improve effectiveness and efficiency through people, process, and technology
 - a. Improve business processes
 - b. Align technology advances to evolving business needs
 - c. Develop and implement a process to evaluate MCERA's core business operations
 - d. Develop and implement succession strategies for Staff and the Board, to the extent possible
4. Develop MCERA's reputation as a retirement benefits expert
 - a. Support the Benefits Correction Process
 - b. Assess the current usage of MCERA education, communication, and services to understand preferences, and develop baselines and appropriate targets
 - c. Expand retirement education offering
 - d. Broaden communications program and grow stakeholder relationships
 - e. Align services to member, retiree, and employer preferences

2015 - 2022 Strategic Plan Objectives and Strategies (adopted 2015, amended 2018)

- 100% success rate in the timely delivery of monthly retirement benefits *
- 100% funded by 2040
- Maintain a 95% client approval rate
- Maintain state of the art technology for pension administration
- Policy-focused governance model
- Communicate frequently to educate clients and stakeholders
- Invest strategically by focusing on asset allocation

2012 - 2015 Strategic Plan Goals and Objectives

1. Enhance communication and customer service provided by the Association
 - a. Develop a proactive communication Strategy
 - b. Increase interaction and information sharing with plan sponsors
 - c. Improve content and usability of the website and plan materials
 - d. Create a member portal
 - e. Provide members with education to equip them for retirement

2012 - 2015 Strategic Plan Goals and Objectives continued

2. Improve effectiveness of internal operations
 - a. Prepare for implementation of PEPRA
 - b. Assess technological needs and evaluate a PAS, and internal controls
 - c. Complete IRS VCP
 - d. Evaluate organizational structure, staff development, cross-training, and succession plan.
3. Establish optimal board governance
 - a. Review existing charters and policies to identify gaps
 - b. Refine the disability determination process
 - c. Establish ways to report and measure progress of strategic plan goals and objectives
 - d. Establish annual fiduciary training tailored to the Association
4. Explore ways to ensure prudent management of contributions and investment of retirement fund assets.
 - a. Explore ways to increase investment returns while managing overall portfolio risk
 - b. Evaluate the risks and returns of shifting the degree of active and passive management of investments
 - c. Undertake asset/liability modeling (ALM); analyst best/worst case and most likely scenarios and trends.
 - d. Re-evaluate the existing actuarial funding method and the assumptions.
 - e. Provide information to the plan sponsors on PEPRA.

Board Accomplishments and Highlights	Date Completed	Strategic Plan Relevance
2024 Board Work Plan		
Enterprise-wide Risk Assessment	Mar 2024	High - Goal 2, Objective A - Enhance the approach to identify, monitor and manage current and emerging risks; develop a process
MCERA Membership Survey	Apr 2024	High - Goal 4, Objective B - Assess usage of MCERA education, communication and services; complete a survey of stakeholders
2023 Board Work Plan		
PEPRA Compensation Limit Policy	Jan 2023	Med - Goal 3, Objective A - Improve business process
Board Discussion on Governance of Alternative Investments	Feb 2023	High - Goal 1, Objective A - Explore alternative investment opportunities
Asset Liability Study	Feb 2023	
Board Special and Regular Elections	Jun 2023 & Oct 2023	
Restarted Pre-Retirement Seminars	Mar 2023 & Sept 2023	High - Goal 4, Objective C - Expand retirement education & Objective D - Broaden communications program
Board Meeting Remote Attendance Policy	Mar 2023	Med - Goal 3, Objective A - Improve business process
MemberDirect Updates and 2FA	Apr 2023	Med - Goal 3, Objective A & B - Improve business practices and align technology advance to evolving business needs
MCERA Board New Trustee Handbook	May 2023	
Triennial Actuarial Experience Study	May 2023	
Added ESG position statement to Investment Beliefs	May 2023	High - Goal 1, Objective B - Consider developing a position on ESG
Separate Accounts Community Property Division Policy	Jun 2023	
MCERA Member Handbook	Jun 2023	High - Goal 4, Objective C - Expand retirement education & Objective D - Broaden communications program
Actuarial Audit	Jul 2023	

Board Accomplishments and Highlights	Date Completed	Strategic Plan Relevance
2023 Board Work Plan - Continued		
New Retirement Planning for PEPRA Members	Aug 2023	High - Goal 4, Objective C - Expand retirement education & Objective D - Broaden communications program
Transition from Book to Actuarial Value in General Ledger	Aug 2023	
Record and Data Retention and Destruction Policy (replaced Record Retention Policy)	Sep 2023	
Member Status Confirmation process	Nov 2023	High - Goal 1, Objective C - Discuss scenarios important to the longer-term financial health of the plan
Interest Crediting Policy	Nov 2023	
Board Performance Evaluation	Nov 2023	High - Goal 2 Objective B - Evaluate how the Board fulfills its responsibilities; implement Board self-evaluation and Goal 3, Objective D - implement succession strategies and Board education needs assessment
2022 Board Work Plan		
Strategic plan Off-Site	Feb 2022	High - development of the 5-yr SP
Resumed publishing monthly newsletter	Apr 2022	Med - Goal 4, Objective D - Broaden communications program
Adopt new 5-year Strategic Plan	May 2022	High - adoption of the 5-yr SP
Letter of Opposition to AB2493	Jun 2022	
Realignment of Reserve Accounts	Jun 2022	
Board special election	Jun 2022	
Developed an annual Board Strategic Calendar	Jul 2022	High - Goal 2, Objective B - Evaluate how the Board fulfills its responsibilities; align agendas and annual calendar with strategic objectives
Board education on cash flow and maturity metrics	Jul 2022	High - Goal 1, Objective C - explore scenarios to protect member benefits; discuss scenarios important to the long-term health of the plan

Board Accomplishments and Highlights	Date Completed	Strategic Plan Relevance
2022 Board Work Plan - Continued		
Filed new VCP application	Jul 2022	Med - Goal 4, Objective A - support the Benefit Correctio process
Adopted 5-year Information Technology Master Plan	Aug 2022	High - Goal 3, Objective B - align technology advances to business needs; complete a technology roadmap
Alternative Education on Private Equities	Aug 2022	High - Goal 1, Objective A - Explore alternative investment opportunities
Board Election Policy	Aug 2022	Low
Adopted Board Regulations (replaced Bylaws)	Aug 2022	Low
IT cybersecurity audit board presentation	Sep 2022	High - Goal 2, Objective A - Enhance the approach to identify, monitor and manage current and emerging risks; discussion feasibility and benefits of cybersecurity audit
Adopted Board Performance Evaluation Policy	Sep 2022	High - Goal 2, Objective B - Evaluate how Board fulfills its responsibilities; establish a Board annual self-evaluation policy
Published first Popular Annual Financial Report (PAFR)	Nov 2022	Med - Goal 4, Objective D - Broaden communicaiton program
Real Estate and Affordable Housing Board Education	Dec 2022	Low
2021 Board Work Plan		
Investment portfolio structure fix income review	Apr 2021	High - Invest strategically by focusing on asset allocation
Organizational Review of Positions	Jun 2021	
Received IRS Compliance Statement	Jun 2021	
Discussions with Court/District regarding required UAAL pmts.	Jun 2021 & Dec 2021	
PG ESF Upgrade	Oct 2021	High - Maintain State of the art technology for pension administration
Review/update MCERA's BCP and PG Secure protocols	Oct 2021	
Adoption of §31458.4 regarding DRO beneficiary designations	Oct 2021	

Board Accomplishments and Highlights	Date Completed	Strategic Plan Relevance
2021 Board Work Plan - Continued		
UAAL payment options Study	Nov 2021	
Reduced remaining amortization period of UAAL Base-layer	Dec 2021	High - 100% funded by 2040
BOS adopts conforming resolution for MCERA plan document	Dec 2021	
Funded balance of infrastructure allocation	Dec 2021	High - Invest strategically by focusing on asset allocation
Hired Strategic Plan Consultant	Dec 2021	
2020 Board Work Plan		
Investment Policy Review	Q2:2020	Med - Policy focused governance model
Leadership Transition	Q2:2020	
Communications Metrics	Q3:2018	Med - Policy focused governance model
Communications Consultant Contract	Q2:2020	
Hired extra-help position to support staff	Q3:2020	
Investment portfolio structure equity review	Dec 2020	High - Invest strategically by focusing on asset allocation
2019 Board Work Plan		
New Supervisor Meeting	Q1:2019	
Investment Beliefs Statement	Q2:2019	High - Policy focused governance model
Communication Metrics	Q3:2019	
Public Safety Power Shutoff Plan	Q3:2019	
Asset Liability Study	Q4:2019	High - Invest strategically by focusing on asset allocation
Add Infrastructure to asset allocation	Q4:2019	High - Invest strategically by focusing on asset allocation
2018 Board Work Plan		
2018 Property Maintenance Plan	Q1:2018	
Alternative Actuarial Scenario	Q2:2018	
ESG/Divestment Education	Feb 2018	Med - Invest strategically by focusing on asset allocation
Investment Consultant Education	Apr 2018	
Communications Strategy	Q2:2018	High - Policy focused governance model
Actuarial Audit	Q2:2018	
Plan FAQ	Q3:2018	High - Communicate with clients
COLA Region Re-Analysis	Q3:2018	

Board Accomplishments and Highlights	Date Completed	Strategic Plan Relevance
Board meeting on the Coast	Q3:2018	
2017 Board Work Plan		
COLA Analysis	Q1:2017	
Experience Study	Apr 2017	
Actuarial Contract	Apr 2017	
Actuarial Practices Policy	Apr 2017	High - Policy focused governance model
Asset Allocation Review	Q2:2017	High - Invest strategically by focusing on asset allocation
Emerging Markets Manager Search	Q2:2017	High - Invest strategically by focusing on asset allocation
Intl Small Cap Manager Search	Q2:2017	High - Invest strategically by focusing on asset allocation
2017 Property Maintenance Plan	Q2:2017	
S&P 500 Weighted Index Review/Manager Search	Q3:2017	High - Invest strategically by focusing on asset allocation
Strategic Plan Off-Site	Q3:2017	High - Strategic Planning
Fillable Forms	Q3:2017	
Develop Client Approval Instrument	Q3:2017	Med - Maintain a 95% client approval rate
Board Tablets (iPads)	Q4:2017	
Board Positions Election	Q4:2017	
2016 Board Work Plan		
Approved 2016 Strategic Plan	Nov 2015	
PAS Go-Live	Jan 2016	High - Maintain State of the art technology for PAS
Joint BOR/BOS Meeting	Jan 2016	Med - Communicate with stakeholders
Develop 2016 Board Training Plan	Feb 2016	
Create Fact Sheet	Apr 2016	
Policy Overhaul and Review Schedule	May 2015	High - Policy focused governance model
IRS Determination Letter	Aug 2016	
Fill Board Position	Dec 2016	
Asset-Liability Study	Q3:2016	
MemberDirect (member self-serve portal)	Q3:2016	High - Maintain State of the art technology for pension administration
Electronic Document Management System	Q3:2016	High - Maintain State of the art technology for pension administration
2016 Property Maintenance Plan	Q4:2016	

**Board Accomplishments and
Highlights**

**Date
Completed**

Strategic Plan Relevance

UAAL Analysis

Q4:2016

Board Work Plans prior to 2016

Disability Medical Services (MMRO outsourcing)

Med - Goal 2 - Improve effectiveness of internal operations

Custodial Bank transition

Strategic Plan Relevance

- High Directly related to a performance measure of a Strategic Plan goal and objective
- Med Relates to strategic plan goals and objectives, but is not a specific performance measure
- Low Aligns to a broader guiding principle and/or strategic goals, but not to a specific objective or performance measure
- (blank) Important highlight not specifically tied to Strategic Plan, often routinely reoccurring event every 3-5 yrs