



MENDOCINO COUNTY EMPLOYEES RETIREMENT ASSOCIATION

MCERA Succession Planning Process

Board of Retirement Meeting

August 21, 2024

Succession Planning Process



Objectives

- Prepare for the future.
- Outlines a process for identifying and developing individuals to replenish existing talent when roles become vacant.
- Helps employees identify and develop skills needed for advancement.
- Provides the Board with a clear path for organizational stability.

Traditional Six-Step Process

1. Retirement Eligibility
2. Critical Role Identification
3. Succession Chart
4. Candidate Profile
5. Coaching Plan
6. Compensation Survey

Shortcomings of the Traditional Succession Planning Model



- Primarily focuses on identifying and developing internal candidates.
 - Very difficult for small organizations like MCERA.
 - No opportunity to coach external candidates for succession into the role.
 - MCERA's size necessitates alternatives beyond internal candidate development.
- Focuses primarily on planned transitions to permanently fill positions.
 - MCERA's greatest risk from unplanned events whether temporary or permanent

Absence vs Vacancy



Absence

- An absence is expected to be of limited duration from which the incumbent is expected to return to active service.
- Absences are filled on a “Acting” basis.
- An absence can turn into a vacancy.



8/14/2024

Vacancy

- A vacancy is when the incumbent will not return to service and the position will be permanently filled with someone else.
- Vacancies may be filled on an “Acting” or “Interim” basis.



Planned vs Unplanned Events



Planned

- A planned event could be either an absence or a vacancy, but the timing is such that there is opportunity to plan for the transition.
 - Absence – Scheduled time off
 - Medical time off for a planned event (such as scheduled time off for a non-urgent surgery and recovery)
 - Vacancy – Planned transition events
 - Termination of employment with sufficient notice to recruit and fill the position (such as a planned retirement)

Unplanned

- An unplanned event could be either an absence or a vacancy, but the timing is such that there is limited ability to plan for the transition.
 - Absence - Unscheduled time off
 - Medical time off for an unanticipated event (such as a serious injury - car crash)
 - Vacancy – Unplanned transition events
 - Termination of employment with little or no notice to recruit and fill the position (such as dismissal, permanent incapacity or death of the incumbent)

Out-of-Class, Acting, & Interim

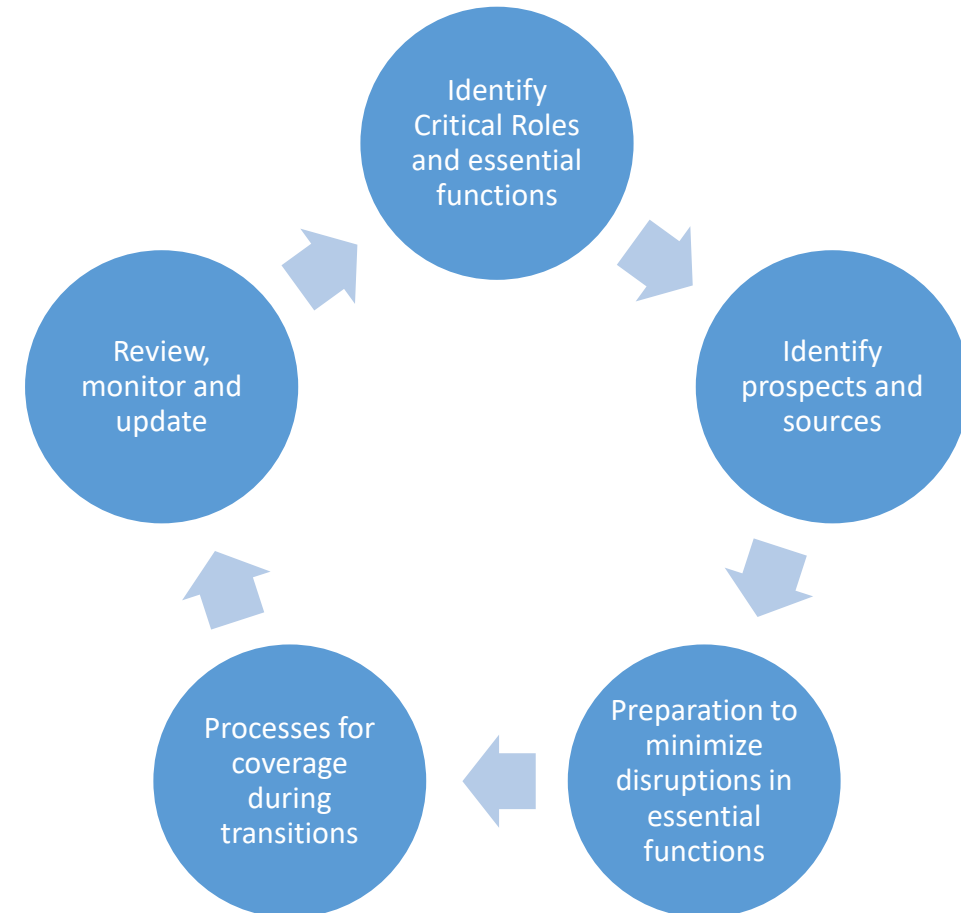


County Policy #41	Temporary Out-of-Class	Acting Assignment	Interim Appointment
Description	Performs a portion of significant duties of a higher classification that are beyond the scope of his/her current position.	Temporarily assigned to a position of a higher classification and performs a majority of duties.	Appointed to the position but is not a permanent appointment.
Pay	5% pay increase.	Up to 10% for 6 months. May be adjusted 5% after initial 6 months, based on difference in pay ranges.	Paid at the rate for the position.
Qualifications	Does not have to meet minimum qualifications of the higher position	Must meet the minimum qualifications of the higher position.	Must meet the minimum qualifications of the position.
Maximum duration	1 year	1 year	

MCERA's Succession Planning Process



1. Critical Role Identification
 - a) Identify essential functions
2. Succession Strategies
 - a) Develop strategies to address different needs and events.
 - b) Identify prospects and sources of candidates to fill critical roles
 - i. Internal candidates
 - ii. External sources and prospects
 - iii. Recruitment
3. Preparation to minimize disruption of essential functions
4. Establish processes and guidelines for coverage and transitions
5. Monitor and update



Step 1 - Critical Role Identification



Role	Urgency	Impact	Skills	Internal Talent	External Talent	Total	Priority Ranking
Executive Director	4	5	5	4	5	23	1
Retirement Financial Investment Officer	3	5	5	5	3	21	2
Retirement Analyst	3	4	4	2	3	16	3

Urgency: This role is likely to be vacant soon.

Impact: A vacancy would immediately impact operations.

Skills: Role requires specialized skills or knowledge.

Internal Talent: No internal candidates are ready for this role.

External Talent: Hiring externally for this role would be difficult.

1. Not True
2. Slightly True
3. Somewhat True
4. Moderately True
5. Extremely True

Step 2 – Identify Prospects and Sources



- The Executive Director will review the succession plan with the Board periodically.
- This review may include specific recommendations regarding sources for candidates and potential candidates, along with suggestions for the development of staff and the organization.
- Candidate sources include internal positions and external options.
- Advantages and disadvantages for each option.
- Succession options are provided for each critical role.
- The succession option used may vary depending on the type of event or need.

Step 3 – Preparations to Minimize Disruptions

Disruptions during an absence or vacancy can be minimized when:

- Staff are cross-trained on essential functions
- Process and procedure documents for essential functions are created and maintained
- Internal and external/outsourced options are identified

These best practices will prepare MCERA for planned or unplanned absences and vacancies.



Step 4 – Establish Processes



- Responsibilities
- Cross-training
- Absences / Vacancy procedures
- Acting / Interim Compensation
- Internal / External Candidates
- Powers and Duties
- Promotion and Recruitment

Step 5 – Review, Monitor and Update



- As circumstances change, both within and outside of MCERA, information regarding sources and potential candidates will become obsolete and will need to be updated.
- The Executive Director will review and update sources and potential candidates at least annually, or upon learning of changes that impact the plan.
- The Executive Director will periodically review the succession plan with the Board.
- The Succession Plan Policy provides responsibilities and guidelines for implementing the plan for absences and vacancies in critical roles in the organization.
- The Succession Plan Policy is reviewed every three years, or if the need arises.

Questions



The End