



NOTICE OF PUBLIC MEETING

To: Strategic Planning Committee:
Jim DeMartini, Chair
Michael O'Neal, Trustee
Sam Sharpe, Trustee

From: Rick Santos, Executive Director

SUBJECT: 2017-2019 Strategic Plan

The Strategic Planning Committee will meet at 12:45p.m., Wednesday, March 16, 2016 .

The Committee will meet in the Large Conference Room at StanCERA's Office, located at 832 12th Street, Suite 600, 6th Floor, Modesto.

AGENDA

1. Discussion and Action to Regarding the 2017-2019 Strategic Plan [View](#)



March 16, 2016

Retirement Board Agenda Item

TO: Strategic Planning Committee

FROM: Rick Santos, Executive Director

- I. SUBJECT: Strategic Plan 2017-2019
- II. ITEM NUMBER: 1
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Retain the 4 high level Organizational objectives developed in 2013 and bring back to the Committee, secondary goals and actionable items related to those objectives sometime later in the year and ultimately develop a Strategic Plan Document prior to the end of 2016.
- V. EXECUTIVE SUMMARY: In July 2013, the StanCERA Board participated in an offsite Strategic Planning workshop which formally recognized that the Vision and Mission Statements adopted in 2005 are still relevant and correctly describe the mandate and desires of the organization. The workshop was facilitated by a consultant specializing in these types of engagements and the total cost came in at approximately \$20,000. During this workshop, the Board carved out 4 high level objectives which ultimately became the "directional roadmap" for the Organization over the next 3 years. In the fall of 2013, staff refined those high level objectives and created actionable items that would eventually be used to reach these objectives. In October of 2013, the full StanCERA Board approved the final version of the 2014-2016 Strategic Plan.

2016 marks the end of our current Strategic Plan. Normally around this time, staff would be preparing to bring several competitive bids to the Strategic Planning Committee to secure a facilitator to help StanCERA set its objectives for 2017-2019. However, staff believes that the four high level strategic objectives the Board developed 3 years ago are still valid today and the cost of a new planning session outweigh its potential benefits.

Staff is proposing to continue using those high level objectives created in 2013 for the next 3 years and to create actionable tasks in 2016 that will help achieve those high level goals and set the Organizational roadmap for 2017-2019.

- VI. ANALYSIS: Below are the 4 high level objectives the StanCERA Board of Retirement crafted in the summer of 2013:
 1. *Invest StanCERA assets in such a way that efficiently maximizes the ability to meet current and future benefit obligations while balancing the need for contribution stability and sustainability*
 2. *Develop efficient and effective processes for the evaluation, monitoring and disposition of StanCERA's active managers*
 3. *Continue to foster an organizational culture that values and promotes team work, education, awareness, accountability and achievement*

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

While the secondary goals and actionable items that staff ultimately develops to meet these high level objectives over 2017-2019 will be different, they still have tremendous utility going forward and meet StanCERA's overall vision for organizational success.

The efficient investment of StanCERA assets and the ability to meet current and future benefit obligations is always first and foremost. In the future, staff anticipates the exploration of a hybrid defined contribution/defined benefit plan and the implementation of an asset allocation that immunizes short to intermediate term benefit payments as major actionable goals.

The development of efficient processes for investment governance and manager assessment, monitoring and disposition should always be evolving and getting better. There is no ultimate resolution to this objective. Staff anticipates over the next 3 years enhancing the governance process by hiring an in-house investment technician that can ultimately focus on understanding the investment process and working with our managers, investment attorneys and custodial bank to bring the Board timely and relevant information to assist in the decision making process. This will be particularly important in managing our alternative portfolio. Additionally, staff anticipates the implementation of cash management strategies and fee reconciliation processes that enhance the governance process as well.

Organizational values and culture is perhaps the single most important element of a well run and efficient business process. Having staff buy into the vision for the Organization, developing work ethic and taking pride in its output will be management's actionable goals for this objective. StanCERA is at a point where it is maturing as an Organization and ideas related to professionalism should play more of a role over the next several years.

Finally, stakeholder awareness and the efficient delivery of member services are firmly rooted in the new pension system project StanCERA is undertaking. With these new tools, StanCERA's ability to reach out and educate members and deliver services will take on a new and exciting meaning over the next several years. With the implementation of the system, staff anticipates formulating new business procedures that will capitalize on this technology and produce organizational dividends related to our people and processes.

Consequently, staff recommends retaining our 4 high level Organizational objectives developed in 2013 and bring back to the Committee, secondary goals and actionable items related to those objectives sometime later in the year and ultimately develop a Strategic Plan Document prior to the end of 2016.

VII. RISK: None

VIII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.

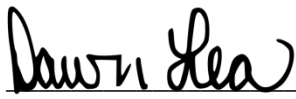
IX. ADMINISTRATIVE BUDGET IMPACT: No immediate impact. Ultimately will be determined based on the development of actionable items and their cost.



Rick Santos, Executive Director



Kathy Herman, Fiscal Services Manager



Dawn Lea, Member and Employer Services Manager