



**BIENNIAL STRATEGIC PLAN FOR
2020-2021**



Table of Contents

Strategic Planning Process - Mission, Vision, and Values	2
MISSION	2
VISION	2
VALUES.....	2
STAKEHOLDERS	3
Current State Analysis.....	3
Summary of Previous Strategic Plan Projects and Completion Status	4
Goals for 2020-2021 Strategic Plan.....	5
Goal #1	5
Education and Training Initiative	5
Goal #2	6
Communication and service initiative	6
Goal #3	7
Investment Stability and Sustainability Initiative	7



Strategic Planning Process - Mission, Vision, and Values

MISSION

A mission statement explains an organization's reason for existence and who it serves. It describes the organization's purpose and overall intention. The mission statement supports the vision and serves to communicate purpose and direction to employees and other stakeholders.

FCERA's Mission

to provide secure retirement benefits to our members and beneficiaries while investing the assets of the plan within prudent levels of risk.

VISION

A vision statement is important to help an organization navigate when thinking about the future.

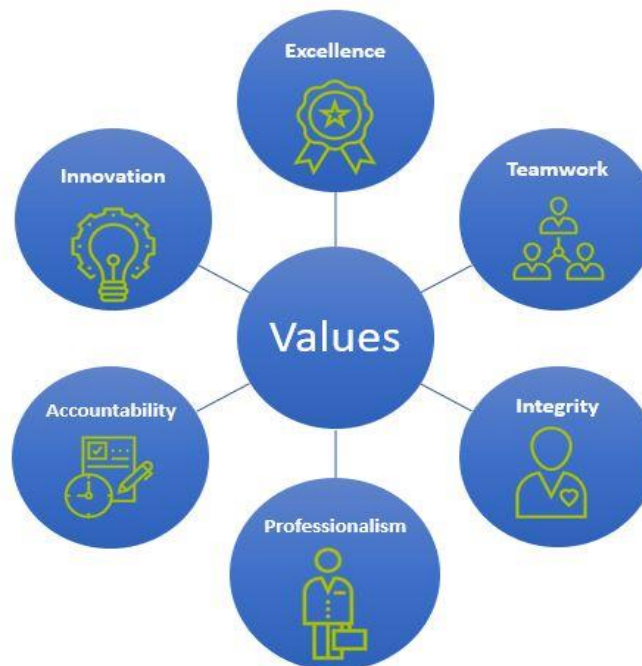
FCERA's Vision

A trusted and stable partner in the financial security of FCERA's sponsors, members, and beneficiaries

VALUES

Values are the core principles that guide and direct the organization and its culture. In a values-led organization, the values create the moral compass for the organization and its employees. The values guide the decision-making process and establishes a standard against which actions can be assessed. These core values are an internalized framework that is shared and acted on by leadership.

FCERA's Values





STAKEHOLDERS

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

Current State Analysis

The current state analysis reviews factors impacting FCERA – either positive and negative, internal and external. It is an exercise to consider all assets and opportunities and identify gaps or vulnerabilities that could impede FCERA’s success. While we cannot foresee every issue or predict the future, the current state analysis is a useful tool to consider the operating environment that can affect the success of FCERA’s efforts.

The following summary is based on input from FCERA staff, management and the Board of Retirement.

At an all-staff meeting, staff provided input on their ideas for the Strategic Plan. During the offsite meeting, the Board of Retirement considered staff’s input and provided feedback and suggestions based on the following questions.

- 1) What does FCERA do well?**
- 2) What can FCERA do better?**
- 3) How can FCERA get better?**

After gathering data from the all-staff meeting, staff’s concerns were employee retention, improving the FCERA website, and measuring what matters using surveys and other tools. Staff thought FCERA does well in customer service, being efficient with processes and employee appreciation. After discussion with the Board of Retirement at the offsite meeting, the board’s concerns for the future dealt with market volatility, fund sustainability, and maintaining customer service.

Based on the common themes between staff and the Board of Retirement, management has developed the following 3 goals:

1. Education and Training Initiative
2. Communication and Service Initiative
3. Investment Stability and Sustainability Initiative.



Summary of Previous Strategic Plan Projects and Completion Status

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

Project deliverables:

1. Prepare staff through training/cross-training for promotion and succession planning.
2. Request HR Review office assistants, account clerks and retirement specialist classifications.
3. Identify educational opportunities for staff.
4. Develop and implement a team-building campaign for staff.

Project Completion: Ongoing. While deliverables #1 and #2 have been completed successfully, cross-training, educational opportunities and team building exercises will continue to be on going priorities.

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.

Project deliverables:

1. Enhance stakeholder education and communications by increasing department outreach, mid-career education and distribution of current information on the website.
2. Substantially expand topics available and the use of the e-learning platform.
3. Launch the new FCERA internet and intranet sites.
4. Review processes and procedures to eliminate waste and improve service and expand documentation of policies and procedures.
5. Develop and implement the Communication Policy and Plan.

Project Completion: #5 has been completed and is up for review and potential revision in December 2020. Deliverables #1 has seen an increase of department outreach with 5 department outreaches this year in 2019. The goal is to expand on this outreach and provide 2 department outreaches a quarter., #2, #4 are currently in progress as staff completed one e-learning module in 2019. These deliverables are being extended with the 2020-2021 strategic plan. Deliverable #3 has been partially completed as our new website is up and running but will continue to be updated. The intranet project has been put on hold.



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

Project deliverables:

1. Determine who are competitors and the barriers to entry.
2. Identify potential partners
3. Draft a policy for local investments

Project Completion: yes. FCERA entered a partnership with RBC Global Asset Management (RBC GAM) to create a \$45 million portfolio of high-quality fixed income investments supporting home ownership, affordable rental housing, and small business loans originated by local lenders using a variety of government sponsored programs. FCERA invested approximately \$41.5 million which provided the portfolio an 8.05% net return over the 11-month period ending September 30, 2019. While a substantial portion of the return was attributable to an unusually large decline in long term interest rates the portfolio's income return was also competitive given the high credit quality and liquidity of the underlying government guaranteed securities.

Increase efficiency in member services and eliminate service backlogs.

Project deliverables:

1. Complete a 75% reduction in pending Service Credit Purchase request by 12/31/19.
2. Implement e-learning modules for rapid and consistent training of staff.

Project Completion: Deliverable #1 was completed 6 months ahead of schedule and staff is current on processing new requests. Deliverable #2 is underway and this project will continue in the upcoming strategic plan as part of the communication and service initiative.

Goals for 2020-2021 Strategic Plan

Goal #1

Education and Training Initiative.

Background

An organization that values own human capital allows us to continue to meet our stakeholders' needs. Providing educational and training opportunities cultivates FCERA's future leaders, improves individual and organizational accountability. In 2019 FCERA was able to reclassify the Account Clerk position in the Benefits Support Unit to Retirement Technician allowing staff for more professional opportunities and growth in the organization.



An organization that values teamwork can help improve morale, build trust, enhance relationships, and can provide greater flexibility. A morale committee was established with staff and will continue to work with management on the continuous growth of teamwork and morale.

Objectives

- I. Optimize FCERA's organizational resources.
- II. Identify programs that will enhance skills and advance development of staff.
- III. Foster an organizational culture that values and promotes teamwork.
- IV. Develop a FCERA Succession Policy.

Action Plan and Deliverables

1. Identify education opportunities (internal and external) for staff.
 - a. Education opportunities will help staff enhance their skills to their position or a future potential promotion. FCERA will increase training opportunities to staff by offering two in-house trainings annually by December 31, 2021.
2. Provide continuous team building opportunities
 - a. Management will work with the help of The Pep Squad to develop 1 team building exercise per year. FCERA will implement the first team building exercise by December 2020.
3. Develop the FCERA Succession Policy that establishes temporary and permanent succession planning guidelines with respect to the Retirement Administrator, Assistant Retirement Administrator, Investment Officer, and Benefits Manager. Staff being cross-trained can help develop the necessary skills to provide coverage should one of the roles need to be filled. FCERA will create and implement a Succession Policy by June 30, 2020.

Goal #2

Communication and service initiative.

Background

Communication and interaction within an organization is just as important as communication with stakeholders, members, plan sponsors, etc. This is essential for the efficient operation of the plan. During the development of the 2018-2019 biennial strategic plan, as a part of FCERA's commitment to communication, FCERA focused on developing content for the e-learning platform to improve staff training and member education along with more department seminars. The intent for improved communication is to provide stakeholder awareness to ensure the membership has the tools to effectively understand the retirement process.

FCERA is committed to being a member oriented organization. Feedback is just as essential to FCERA's growth and success as an organization. Receiving feedback from our membership is vital for FCERA to measure the quality of the customer service provided and to take that data and improve on the established process in place.



Objectives

- I. Develop consistent training materials for staff and members.
- II. 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 addition content on the website and social media.
 - a. FCERA implemented specialized department seminars to increase public outreach. FCERA will increase department and plan sponsor seminars to once a quarter by December 31, 2021.
 - b. Planning for a Mid-career education seminar is underway. This seminar is designed to increase member engagement in the retirement planning process. Completion of the first mid-career seminar will be by December 31, 2020. FCERA will host twice a year and after each year will evaluate feedback to improve the seminar.
 - c. Updates to the FCERA website and potential usage of social media to enhance member education and service. FCERA will add video vignettes and other content to the website twice a year by December 31, 2021 and will review status to determine if more content will be created.
2. 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 two new e-learning modules annually by December 31st, 2021.
3. Improve member satisfaction.
 - a. Develop survey mechanisms with management to determine what current sentiment is regarding different levels of interaction. First wave of surveys regarding retirement processing, general feedback and customer service completed and implemented by December 31, 2020.
 - b. From the baseline established above, utilize data to make improvements and streamline process with rollout by July 1, 2021.
4. Develop and standardize a FCERA style guide to help further present the FCERA brand in a consistent way. Guide completed and implemented by March 2021.

Goal #3

Investment Stability and Sustainability Initiative

Background

At the 2019 Board Educational Offsite meeting, the Board had discussions about FCERA's future goals for the upcoming years, including topics such as market volatility, pension benefit costs, fund stability and impact of a maturing plan. The intent of this goal is to maintain and strengthen the long-term stability



of the pension fund. With potential market volatility in the upcoming years along with more legacy tier members retiring there is a need to have a plan in place. FCERA needs to prepare for future periods where contributions coming in will be lower and outflows will be higher due to the large number of future retirees and the longer life expectancies of our members. Preparing FCERA for any upcoming threats can be vital in the stability and the sustainability in the pension plan for all members.

Objectives

- I. Regular communication with plan sponsors in order to educate and create awareness about Plan funding levels, required contributions and future benefits.
- II. Improve Staff and Board understanding of the existing portfolio: risk and return characteristics, legal and liquidity obligations, and overall investment policies, while assessing and implementing best practices.
- III. Articulate and balance the need for a long-term and durable portfolio mix against the need to adapt and adjust as markets, Board, and Staff change over time.

Action Plan and Deliverables

1. Develop a regular communication process with plan sponsors to learn of staffing developments effecting actuarial inputs, while informing them of the efforts undertaken by FCERA to preserve future benefits.
2. Grow and maintain awareness of capital market and manager developments which may affect portfolio risk and return by:
 - a. Maintaining general market knowledge, using tools such as Bloomberg, as appropriate.
 - b. Meeting regularly and communicating as necessary with the General Consultant.
 - c. Meeting with existing managers to review the current portfolio and its investments.
 - d. Attending relevant industry and educational events.
 - e. Consulting with peers and participating in SACRS and CALAPRS events.
 - f. Studying academic and industry publications to learn of advances in the art and science of investing.
3. Establish and reinforce with the Board, existing and potential managers, Consultants and Staff the need for a long-term view of the portfolio, while allowing for necessary changes.
 - a. Periodically review the Investment Policy Statement for necessary additions or enhancements.
 - b. Determine the most significant components of return and risk to the portfolio over long periods of time, building in language and policies to maintain a portfolio which focus on those elements to achieve that long-term targeted performance and viability.
 - c. Choose rules as necessary for making portfolio changes in order to overcome individual and group bias.
 - d. Process economic and market developments in such a way as to maintain the long-term view. A rigorous re-examination of all assumptions, when done well, breeds a healthy skepticism and avoids complacency.
 - e. Take steps which would be helpful in establishing FCERA as a desired partner by asset managers and service providers in the pension community