

Date: June 20, 2018
To: Board of Retirement
From: James Wilbanks, Ph.D., Retirement Administrator
Subject: Communications Strategy

Attached, for your consideration, is the draft MCERA Communication Strategy. The document has been written to support the MCERA Strategic Plan and is intended to provide guidance and direction to the Board and Staff regarding communications efforts.

In writing the draft Communications Plan, I did realize that we may want to consider amending the MCERA Vision Statement and alternate language is included for consideration. To be clear, I am not recommending that the Board make this change to the Strategic Plan now; it is presented here for review and consideration in advance of the annual review of the Strategic Plan that is scheduled for the third quarter of 2018.

I recommend the Board adopt the presented draft Communications Strategy.

COMMUNICATIONS STRATEGY

BACKGROUND

The Mendocino County Employees Retirement Association (MCERA) Board of Trustees (Board) adopted a strategic plan in December 2015. During Strategic Planning in 2017, the Board determined to increase efforts in the area of communications with members and stakeholders. This Communications Strategy is adopted by the Board in order to provide the strategic framework for MCERA communications efforts. This Communications Strategy and the corresponding communications efforts are all in support of the adopted Strategic Plan. The key components of the strategic plan are outlined in the following paragraphs and the details of the Communication Strategy follow in subsequent sections of the document.

The MCERA Vision as set forth in the Strategic Plan is:

A healthy part of a strong Mendocino County economy.

We are a trusted, financially stable contributor to a strong Mendocino County economy.

Commented [JW1]: Alternate text offered in red font. Consider updating or changing the Strategic Plan??

The MCERA Mission in support of the vision is:

We provide members and their beneficiaries with sustainable benefits and exceptional service through professional plan administration and prudent investment practices.

The MCERA Guiding Principles as part of the Strategic Plan are:

- We exist to serve our clients, sponsors and the taxpayers of Mendocino County.
- We act with integrity and respect for all.
- We think strategically and are continuously improving.
- We recognize people are our most valuable resource and our culture empowers staff.

The MCERA Strategic Plan contains the following four objectives:

- MCERA will maintain a 100% success rate in the timely delivery of monthly retirement benefits.
- MCERA will be 100% funded by 2040.
- MCERA will maintain a 95% client approval rate.
- MCERA will maintain state of the art technology for pension administration.

The Strategic Plan also outlines the following strategies to reach these objectives:

- The Board employs a policy-focused governance model and operates as a high performance team.
 - Focus on what is truly important for the Board, delegate all else to Management.
 - Seek analysis and recommendations from experts before making decisions.

- We communicate frequently to educate clients and stakeholders about MCERA as well as our achievements and issues.
 - Own our accomplishments and short-comings equally.
- We invest strategically by focusing on asset allocation.
 - We focus on a 50+ year investment horizon.

Not referenced in the Strategic Plan above, but just as important in forming this Communications Strategy is the fact that the MCERA Board and Staff are fiduciaries of the plan. There are two primary fiduciary duties to which MCERA is held: the Duty of Loyalty and the Duty of Care.

As outlined in the Constitution of the State of California, the Duty of Loyalty of a public retirement system requires, first and foremost, serving the interests of the Plan Members and Beneficiaries. Secondary considerations under the Duty of Loyalty are serving the Plan Sponsors and Tax Payers by minimizing employer contributions and efficiently operating the Association.

This Communications Strategy supports the MCERA Board and Staff by outlining specific communication objectives, target audiences, key messages for each audience, communication methods, means for staying on message, and how the success of this communication strategy will be evaluated.

COMMUNICATIONS OBJECTIVES AND STRATEGIES

The Communications Strategy provides a process and framework for how MCERA works to deliver on the communications components of the Strategic Plan. Specifically, this strategy details how MCERA works to accomplish the objective of maintaining a 95% client approval rate and specifies key messages that we communicate frequently to educate clients and stakeholders about MCERA's processes, achievements, and issues.

Based on the MCERA Strategic Plan, the broad communications objectives for MCERA are:

- MCERA operates according to the highest standards of government transparency.
 - MCERA maintains 100% compliance with the Brown Act.
 - MCERA maintains 100% compliance with the Public Records Act.
- MCERA educates members to help them successfully retire from public service.
 - MCERA reaches every member, every year.
- MCERA is trusted by members and the public to provide benefits in compliance with the law.
 - MCERA maintains 100% compliance with all applicable laws, plan documents and policies.

These objectives are further detailed and clarified in the Evaluating Success section below.

TARGET AUDIENCES AND KEY MESSAGES

The MCERA Strategic Plan identifies two groups that are targeted for communications: Clients and Stakeholders. Clients can be divided into sub-groups such as Active Members, Inactive Members and Retirees although the messaging is similar for each sub-group so this Communications Strategy simply uses Clients as a whole.

Stakeholders is a broad category with several distinct sub-groups that require different treatment. The sub-groups within Stakeholders used in this Communications Strategy are: Plan Sponsors, Press and the Public. Thus, the target audiences are.

1. Members,
2. Plan Sponsors,
3. Press, and
4. Public.

KEY MESSAGES PER TARGET AUDIENCE

Common message for all target audiences –

- Plan is stable and sustainable.
- The sky is not falling. While MCERA does have a sizable unfunded liability which imposes a cost, the Association is working to reduce the unfunded liability in a prudent manner.
- We have a plan to reach full funding and are making progress on that plan.
- MCERA is a professionally managed organization which relies on nationally recognized experts where necessary and appropriate.
- By law, the primary duty of loyalty for MCERA is to our members.

In addition to the above messages for all target audiences, this Communications Strategy adopts the following key messages for the identified target audience:

1. Members:
 - a. You will receive your benefits as provided by law;
 - b. You should save additional money for your retirement in either the employer sponsored deferred compensation plan or a private retirement savings plan.
2. Plan Sponsors:
 - a. Contribution rates are stable;
 - b. MCERA strives to efficiently and effectively administer the retirement benefits specified by the Plan Sponsors and State law;
 - c. MCERA takes no position on the design and level of benefits for our members or other sponsor operational issues;
 - d. MCERA actively engages with Plan Sponsors regarding benefit design to ensure Sponsors make fully informed decisions.
3. Press:
 - a. We are required to follow the law as written and interpreted by the Courts;
 - b. We work to effectively and efficiently administer the plan we are given by State law and our plan sponsors.
4. Public:
 - a. We are required to follow the law as written and interpreted by the Courts;
 - b. We work to effectively and efficiently administer the plan we are given by State law and our plan sponsors.

COMMUNICATIONS METHODS

MCERA communicates with the Target Audiences via the following methods.

Communication Method	Members	Plan Sponsors	Press	Public
Public Board Meetings	X	X	X	X
Joint Board Meetings	X	X	X	X
Board Meeting Recordings	X	X	X	X
Board of Supervisors Presentations	X	X	X	X
MCERA Website	X	X	X	X
Press Releases	X	X	X	X
Monthly Newsletter	X			
Retirement 101 Seminar	X			
Retirement Education Videos	X			
Retirement Webinars	X			
Plan Sponsor Meetings		X		
Press Interviews			X	
Editorial Board Meetings			X	
Opinion Editorials			X	X
Civic Group Presentations			X	X
Individual Interactions	X	X	X	X

MCERA does not use social media to communicate due to resource limitations and because messaging from MCERA is too infrequent to make social media effective.

STAYING ON MESSAGE

MCERA focuses on the key messages outlined above and avoids straying off these messages. There are detractors that criticize MCERA, and we do not focus on the messages from our detractors. We stay positive in our messaging at all times while focusing on our key points.

We present MCERA as a professional, expert organization by making sure we look and sound professional in public when representing MCERA. During MCERA Board meetings, the Board may elect to respond to public comment or questions, but will do so in a professional manner.

When engaging the Press or Public, MCERA representatives will ensure they are able to answer questions while continuing to speak to the key messages outlined above. We speak with confidence and understand that we are experts in the administration of defined benefit plans. By doing this, we can correct misconceptions about MCERA.

BUDGET

As a relatively small organization, MCERA does not have a separate staff and corresponding budget dedicated to Communications. The Board has adopted a budget with a dedicated line item directed to Communications within the sub-category Office Expense in the Administrative Category of the overall budget. Included in the Communications line item are three specific expenses: 1) expenditures for services directly related to Communications such as subscriptions to Mail Chimp and Survey Monkey, 2) expenditures on promotional items to increase member awareness of MCERA and 3) expenditures on items to incentivize specific member behavior such as reading the monthly newsletter or attending the Retirement 101 Seminar.

EVALUATING SUCCESS

The three broad objectives outlined above will be evaluated on a regular basis by means of the following qualitative and quantitative metrics. The measures below will be combined into an overall communication measure and reported to the Board on a quarterly basis during the Work Plan Review. A full review of all of these communication metrics will be provided to the Board annually during the Strategic Plan review.

1. MCERA operates according to the highest standards of government transparency.
 - a. MCERA maintains 100% compliance with the Brown Act.
 - b. MCERA maintains 100% compliance with the Public Records Act.
 - c. MCERA makes financial and actuarial information widely available to the public at all times.
 - d. MCERA discloses all information that is not legally protected.
 - e. MCERA makes Board policies widely available to the public at all times.
2. MCERA educates members to help them successfully retire from public service.
 - a. MCERA utilizes MemberDirect to provide real-time information regarding member accounts and benefits.
 - i. Increasing number of MemberDirect accounts
 - ii. Increasing utilization of MemberDirect to self-manage (tax changes, estimate generation, beneficiary changes, etc.)
 - iii. Increasing electronic communication election via MemberDirect
 - b. MCERA produces a monthly newsletter to educate members and sees improving metrics.
 - i. Increasing number of subscribers
 - ii. Increasing open rate
 - iii. Increasing click rate
 - c. MCERA produces a quarterly Retirement 101 Seminar and sees improving metrics.
 - i. Improving attendees comfort in stability of MCERA (Post-seminar evaluation v. pre-seminar evaluation)

- ii. Reducing Average Age of attendees
 - iii. Increasing up-take of deferred compensation plans
 - iv. Increasing contributions to deferred compensation plans
 - d. MCERA works with the Association of Mendocino County Retired Employees to address issues critical to retirees.
 - i. Staff presentation to AMCRE Meetings
 - ii. Written articles for AMCRE Newsletter
 - e. MCERA continuously improves the content and delivery of education for members.
- 3. MCERA is trusted by members and the public.
 - a. MCERA produces education information for Trustees to address questions from the public.
 - b. MCERA produces education information specifically for the press and public.
 - c. MCERA eliminates factual inaccuracies in news stories regarding the Association.
 - d. MCERA works to ensure that any news stories regarding MCERA include our perspective.
 - e. MCERA works to eliminate the appearance of negative editorials regarding the Association.
 - f. MCERA works to limit the appearance of negative opinion editorials regarding the Association.

DRAFT

