

Date: July 15, 2020  
To: Board of Retirement  
From: Doris L. Rentschler, Executive Director  
Subject: Strategic Plan and Mission Statement

It appears that in-depth strategic planning sessions occurred in 2015 and 2017. During the planning processes, the Board crafted Mission and Values statements, identified Objectives and projects that were incorporated into the Strategic Plan, and the Board and Staff work plans. Those priorities direct the allocation of resources, help to mitigate risks and drive progress towards the most important outcomes. At least two board members were not serving when the last Strategic Planning off-site meeting was held.

The plan was updated in 2018 and incorporated into the 2019 Board work plan. Today's discussion is to gauge interest in performing an in-depth planning process, including review of the Mission and Vision Statements and identify the Board's priorities or continue the current strategic objectives – with or without modification. Should the board want an in-depth strategic planning process and since an off-site planning retreat isn't feasible at this point, the planning discussions could be completed over the next couple of months to identify the strategic priorities for inclusion in the strategic plan update.

The 2021 Board work plan will be updated to reflect the addition of new projects identified today, in future planning discussions, and as existing projects are completed.

Attachment: Strategic Plan, amended by the Board July 18, 2018

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## **STRATEGIC PLAN**

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The Mendocino County Employees Retirement Association (MCERA) is a defined-benefit retirement trust operated on the behalf of the employees and retirees of the Mendocino County government, Mendocino County Courts and the Russian River Cemetery District. MCERA collects contributions from active employees and plan sponsors, manages and invests those funds and subsequently pays benefits to plan participants during their retirement.

In building this Strategic Plan, the Board identified a number of concerns for the long run health of the organization. The specific areas of concern are: (1) the economic health of the county and the plan sponsors and how MCERA impacts those plan sponsors and (2) the level of trust between various stakeholders involved with MCERA. With these issues in mind, the MCERA Board adopts the following vision and mission statements, guiding principles, objectives and strategies. In addition, the MCERA Board has adopted a separate work plan in support of this strategic plan that is reviewed and updated quarterly.

### **Vision**

MCERA is a trusted, financially stable contributor to a strong Mendocino County economy.

### **Mission**

We collect, protect and grow assets to provide a secure retirement income for our members.

### **Guiding Principles**

- 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.

### **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.

### **Strategies**

- 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.

# Mendocino County Employees Retirement Association

## 2016 – 2020 Accomplishments

Accountability	Owner	Delivery Date	Status
100% Success Rate on Benefit Payments	Board, Staff	Continuous	
Approve Strategic Plan	Board	Q4:2015	
Monitor Strategic Plan	Board	Quarterly	
Develop Board Training Plan	Staff	Q1:2016	
Provide Board Investment Training	Callan, Staff, others	Quarterly	
Policy Overhaul	Board, Legal, Staff	Q2:2016	
Develop Policy Review Schedule	Staff	Q2:2016	
Maintain Policy Review Schedule	Staff	Quarterly	
BOR-BOS Meeting	Chair, Staff	January, 2016	
External Auditor RFP	Staff	May, 2017	
Create Fact Sheet	Staff	Q1:2016	
UAAL Analysis	Staff	Q4:2016	
Client Presentations	Staff	Quarterly	
PAS Go-Live	Staff	January 4, 2016	
Member Direct (Portal)	Staff, LRS, Linea	Q3:2016	
Electronic Document Management System (EDMS)	Staff, LRS, Linea	Q3:2016	
COLA Analysis	Staff	Q1: 2017	
Experience Study	Board, Segal, Staff	April 2017	
Actuary Contract	Board, Staff	April 2017	
Actuary Practices Policy	Board, Segal, Staff	April 2017	

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## 2016 – 2020 Accomplishments

Accountability	Owner	Delivery Date	Status
Favorable IRS Determination Letter	Board, Staff, Tax Counsel	August, 2016	✓
Asset Liability Study	Board, Staff, Callan	Q3:2016	✓
Asset Category Portfolio Review	Board, Staff, Callan	Q2: 2017	✓
Develop Annual Property Maintenance Plan	Staff, Facilities Staff	Q4:2016	✓
Emerging Markets Manager Search	Board, Staff, Callan	Q2: 2017	✓
Intl Small Cap Manager Search	Board, Staff, Callan	Q2: 2017	✓
2017 Property Maintenance Plan (Carpet, paint, windows, blinds, reception area, workstations, etc.)	Staff, Executive Office	Q2: 2017	✓
S&P 500 Cap Weighted Index Review	Board, Staff Callan	Q3:2017	✓
S&P 500 Equal Weighted Index Manager Search	Board, Staff, Callan	Q3:2017	✓
2017 Board Elections	Staff, Board	Q3:2017	✓
2017 Strategic Planning Off-Site	Staff, Board	Sep 13-14, 2017	✓
New Tablets for Trustees	Staff, Board	Q4:2017	✓
Monthly Member Newsletter	Staff	Q4:2017	✓
2018 Property Maintenance Plan (Parking Lot Resurface, HVAC System Replacement, Suite A Break Room)	Staff, Executive Office	Q2:2018	✓
ESG/Divestment Education	Investment Consultant, Staff	Q1:2018	✓
Investment Consultant Education	Staff	Q2:2018	✓
Alternative Scenario Actuarial Review	Board, Staff	Q2:2018	✓
Actuarial Audit	Board, Staff	Q2:2018	✓

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## 2016 – 2020 Accomplishments

Accountability	Owner	Delivery Date	Status
Communications Strategy	Staff, Board	Q2: 2018	✓
Plan FAQ Document	Staff, Board	Q3:2018	✓
COLA Region Re-evaluation	Staff, Board	Q3:2018	✓
Board Meeting on the Coast	Board, Staff	Q3:2018	✓
Business Continuity Plan	Staff	Q4:2018	✓
Board Evaluations	Board, Staff	Q4:2018	✓
UAAL 1-Pager	Staff	Q4:2018	✓
Investment Consultant RFP	Board, Staff	Q4:2018	✓
New Supervisor Meetings	Board, Staff	Q1:2019	✓
Investment Beliefs Statement	Board, Staff, Consultant	Q2: 2019	✓
Communication Metrics	Board, Staff	Q2: 2019	✓
Public Safety Power Shutoff Plan	Staff	Q3:2019	✓
Asset Liability Study	Board, Staff, Consultant	Q4:2019	✓
Add Infrastructure to Asset Allocation and Hire Infrastructure Manager(s)	Board, Staff, Consultant	Q4:2019	✓
Leadership Transition	Board, Staff	Q2:2020	✓

Other Items completed prior to 2016: MMRO Outsourcing, Custodial Bank hire and Transition