



ACERA Strategic Plan
2023-2027

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Alameda County Employees'
Retirement Association

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Introduction

In 1947, the Alameda County Board of Supervisors established ACERA to provide retirement allowances and other benefits for current and former employees of the County’s agencies and related public entities – ACERA’s members. While much has changed over 75 years, ACERA’s purpose has remained constant. Today, our members rely on ACERA as an essential component of their retirement security. Our participating employers rely on ACERA as a turnkey recruitment and retention tool for a high-quality workforce that serves the County’s vibrant community.

I am proud of ACERA’s accomplishments and what we’ve come to mean to our members and employers. Our Board of Trustees (“Board”) and staff have worked tirelessly to achieve a reputation as a high performing pension fund. Our efforts continued in the face of a global pandemic, when ACERA quickly pivoted to virtual operations. We delivered our mission to our members and employers without interruption or delay.

ACERA came through the pandemic stronger. We have learned and become more resilient through uncertainty, but there is more work to do. Change is constant and oftentimes comes without a playbook. We are now facing higher inflation, increasing economic uncertainty, challenging investment markets, rising cyberattacks, a tight labor market, and shifting beliefs about how and where work should be performed.

As an organization, it’s how we go about making decisions that makes a difference. Our ability to be successful in the future depends on the foundation of today’s governance and leadership. A solid foundation is based on thoughtful planning that harnesses our collective expertise and experience to not only try to anticipate future risks but take steps now to address them. Strategic planning helps us to be effective in our governance and leadership of ACERA.

ACERA’s 2023 – 2027 Strategic Plan (“Strategic Plan”) reflects a collaborative, inclusive process undertaken by the Board and ACERA’s executive leadership team. It describes our long-term vision of success and maps out priorities that require our focused attention. Importantly, it infuses stakeholder feedback. We developed the Strategic Plan through a consultative approach with key stakeholders including the Board, our members, employer representatives, and ACERA’s internal staff. I am grateful to all who took the time to offer their comments.

The Strategic Plan prioritizes ACERA’s long-term financial viability with continued development of the organizational operating “muscles” needed to anticipate and manage change. We will formalize and embed the ways of thinking and practices that have led to our success to date. We will act strategically to develop forward-looking actions that will help ACERA not just keep pace – but continue to thrive – in changing conditions. At the same time, we remain committed to delivering the high-standards of performance that our members and employers have come to expect of ACERA.

When implemented through our annual business plans, our Strategic Plan will align efforts across ACERA and serve as a filter for prudent resource allocation. The goals and objectives set forth will directly affect the development of ACERA’s annual budgets and guide the work that ACERA does to improve itself.

As we close our first 75 years, I am confident in what ACERA will achieve. I look forward to working with our talented and experienced Board and staff to make ACERA’s future vision our reality.

Sincerely,

Dave Nelsen, Chief Executive Officer

Developing Strategic Themes

High-performing public pension funds typically demonstrate excellence in the following areas:

- Governance
- Long-term financial viability of benefit plans overseen
- Investment management
- Member counseling, education, communication, and services
- Stakeholder relations
- Effective, efficient operations
- Risk management and compliance
- Organization personnel (board, staff and external service providers)
- Long-range planning practices
- Information technology platform

Through years of hard work and dedication, ACERA has developed strengths in many of these areas. Over time, practices change and evolve, and improvements can always be made. The bar for being a high-performing pension is ever evolving. It is essential to focus efforts and energy to make meaningful advancement. The practice of strategic planning forces a discipline of choosing where and how to focus resources over the longer-term.

When engaging in long-term planning, it is essential to consider a pension's future holistically, by evaluating both the financial and non-financial dimensions that are important to how it operates. A proper evaluation includes a critical analysis of the following questions, among others, in light of a consensus future vision:

- Who are our customers and how do they see us?
- What must we excel at?
- How can we continue to improve and create value?

ACERA applied this same approach. As part of the strategic planning process, ACERA compared the current state of its organizational context and operations with its desired future vision. As a result, the following strategic themes emerged that ACERA needs to master to realize its future success.

- Long-term financial viability,
- Transitions: people (internal and external), structures, and systems,
- Resource allocation and reallocation, and
- Cost-effective service improvements.

These are the themes that will make ACERA even stronger and ensure that it is ready to respond to changing circumstances in uncertain times. The strategic goals and objectives are written to communicate the business areas that will receive priority to advance the strategic themes.

Mission

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

Core Values



TRUST

Trust is the cornerstone for collaborative and cooperative work and the foundation on which all other Core Values are built.



INNOVATION

We seek new ways of thinking and working.



INTEGRITY

We act with honesty, trustworthiness, and the best intent under all circumstances.



ACCOUNTABILITY AND COMMITMENT

We take responsibility for our work and actions, and demonstrate commitment to our Mission.



RESPECT

We appreciate ourselves, our work, our stakeholders, and each other.

Strategic Goals

ACERA's approach to addressing its strategic themes requires a committed focus to advancing the following four goals:

Goal 1 Improve funded status while maintaining an appropriate risk posture.

Goal 2 Seamlessly manage internal and external people transitions at all levels.

Goal 3 Modernize pension administration technology and optimize processes and operations.

Goal 4 Implement cost-effective member service improvements and expanded communications.

Further information on how ACERA intends to make progress towards these goals in the coming five years and what success will look like under ACERA's future vision is delineated in the following pages.

Goal 1 Improve funded status while maintaining an appropriate risk posture.

Objectives

- A. Expand scenario modeling practices to inform risk analysis and pension funding decisions.
- B. Identify opportunities to improve the nimbleness of ACERA's investment governance model.
- C. Explore the feasibility and benefits of alternative risk and implementation strategies pertaining to fund asset characterization and allocation.

What will success look like?

Our approach to delivering on these objectives will be successful if meaningful progress toward the following long-term aspirations is realized.

1. ACERA is financially stable.
2. Solid oversight practices and savvy risk awareness help ACERA to be nimble and responsive to changing conditions in uncertain times.
3. ACERA's investment process uses a risk-appropriate and prudent method.
4. Transparency is a hallmark of the way ACERA does business.

Key actions to be taken each year to further this goal are defined through ACERA's Annual Business Plan set by the CEO.

Goal 2 Seamlessly manage internal and external people transition at all levels.

Objectives

- A. Expand and normalize succession planning practices.
- B. Formalize and embed the approach to stakeholder relations.
- C. Review and align the board's governance structures and practices with the organization's needs and vision.
- D. Design and implement methods to monitor and shape organizational culture.

What will success look like?

Our approach to delivering on these objectives will be successful if meaningful progress toward the following long-term aspirations is realized.

1. Through proactive engagement, ACERA has trusted and reliable relationships with key stakeholders including the County, participating employers, and retiree and active member associations.
2. ACERA has the right access to expertise and resources to address its organizational needs, including from its consultants who provide valuable external perspective on important policy matters.
3. ACERA's culture fosters a sense of belonging and teamwork that makes it a destination employer.
4. Staff are recognized for being competent, engaged, and hard-working.
5. ACERA's thoughtful succession planning practices support continuity in prudent oversight and management.
6. The Board's philosophies, policies, collegiality, and culture enable a high quality of effectiveness and pride in the value of the Board.

Key actions to be taken each year to further this goal are defined through ACERA's Annual Business Plan set by the CEO.

Goal 3 Modernize pension administration technology and optimize processes and operations.

Objectives

- A. Complete implementation of the new pension administration system.
- B. Align resources to support the new operating environment.
- C. Evaluate and adopt technologies to enhance productivity and increase timeliness and accuracy.
- D. Improve business process resilience.
- E. Standardize the approach to legislative change integrations.

What will success look like?

Our approach to delivering on these objectives will be successful if meaningful progress toward the following long-term aspirations is realized.

1. ACERA's pension administration system implementation was successful and well-received by key stakeholders.
2. ACERA is committed to staying abreast of and maintaining continuous improvements to technology and internal processes, integrating those innovations that enhance productivity and cost-effectiveness for its members and operating model.
3. ACERA encourages employee learning, training, and development, coupled with supportive workplace opportunities and experiences.
4. ACERA has positioned itself to be adaptable and flexible within its legal governance framework.
5. ACERA's approach to managing security and privacy of member and system information has kept pace with evolving standards.

Key actions to be taken each year to further this goal are defined through ACERA's Annual Business Plan set by the CEO.

Goal 4 Implement cost-effective member service improvements and expanded communications.

Objectives

- A. Educate new and younger members about the value of ACERA's plans and services.
- B. Clarify to members the role of ACERA's education and services within the County's broader retirement offering.
- C. Increase coordination of communication efforts with participating employers and other retirement vendors.
- D. Explore ways to align servicing members' retirement needs with changing preferences.

What will success look like?

Our approach to delivering on these objectives will be successful if meaningful progress toward the following long-term aspirations is realized.

- 1. ACERA is known for being competent, reliable, and listening to its members and beneficiaries.
- 2. Members and beneficiaries of all ages and life stages value ACERA's benefit plans and programs.
- 3. Members have confidence that their retirement is secure and in good hands.
- 4. ACERA provides education that empowers members and beneficiaries with the knowledge and information they need to feel prepared for their retirement futures.
- 5. Customer service is accessible, helpful, accurate, and timely; complex member issues are resolved efficiently.

Key actions to be taken each year to further this goal are defined through ACERA's Annual Business Plan set by the CEO.



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