Strategic Plan – 2016

Provide retirement benefits and superior service to advance the financial security of its members

ERF Guiding Principles and Core Values

Guiding Principles

- We are committed to excellence, quality and value in everything we do through the most effective use of our resources.
- We focus on the needs of our members and deliver consistent and timely information to our members about their retirement benefits.
- We are committed to public trust by being an ethical, sensitive, and cost efficient organization.
- We continually evaluate our business processes to support a user friendly environment that improves member satisfaction.
- We support open communication.

Core Values

The ERF Staff is committed to reflecting these core values in all we say and do:

- Fulfilling fiduciary responsibilities with the utmost integrity and accountability
- Thinking independently, respecting individuality, and working as a team
- Encouraging open communication and collaboration
- Continuously expanding our knowledge
- In all endeavors, act in an ethical, honest, and professional manner

Strategic Plan – Business Objectives

The Employees' Retirement Fund of the City of Dallas focuses on six key business objectives. They are the following:

- **Customer Service** - Provide high quality customer service and education that enables members to make informed and timely retirement decisions
- **Education** - Improve the accessibility to, quantity, and quality of member education programs
- **Benefits Management** - Administer benefit programs and business processes in an innovative, effective and efficient manner
- **Investment Management** - Maintain an investment management program that will provide funding for the benefit obligations of the Fund
- **Financial Management** - Develop and maintain financial and accounting processes that support ERF's business objectives and initiatives
- **Operations Management** - Develop and maintain a secure technology infrastructure and operations that will support ERF business objectives and initiatives
- **Talent Management** - Provide ERF staff with training in the skill sets, policies, and procedures that enables them to perform their respective functions

Customer Service

Provide high quality customer service and education that enables members to make informed and timely retirement decisions

Initiatives	Project Managers	Timing/Cost	Metric
Benefit Statements **- Active Members** **- Deferred Vested**	David/ Melissa	2016 Low	Provide access to benefit statements through the portal and paper copies as requested.
Improve online experience with ERF Portal (include pension calculator, contributions and other services)	Melissa/Duc	2016 Medium	Provide additional features and hotline support. Increase number of users
Enhance the summer educational series – outreach program to active members to make sure that they understand ERF benefits. Add new program for employee staff meeting to provide a deeper dive on certain benefit issues.	David/Melissa	2Q – 2016 Low	Reach 10% of active members.
Improve office experience for members	David	1Q – 2016 Low	Customer Survey Ratings. Ratings of 90%+
Improve Retiree Experience	David/ Melissa	2Q – 2016 Low	Create two new classes for retirees

Cost Scale
Low = <$1000
Medium = $1,001 - $25,000
High = >$25,001

Education

Improve the accessibility to, quantity and quality of member education programs

Initiatives	Project Managers	Timing / Cost	Metrics
Quarterly Newsletters for Active members and retirees	David / Melissa	2016 High	Reach 100% of attendees
Special Edition Newsletter for Retiree Meetings	David / Melissa	1Q and 3Q – 2016 Low	Reach 100% of attendees
Enhance pre- retirement and pre-financial planning class.	David/ Melissa	2016 Medium	Hold 6 classes per year
Design a 3 tier certificate series pension education option	David / Melissa	4Q - 2016 Medium	Host one cert series – three classes and then survey employees
Continue to enhance the summer sessions with myERF	David / Melissa	3rd – 4th 2016 Medium	Reach 10% of active members

Cost Scale
Low = <$2500
Medium = $2,501 - $25,000
High = >$25,001

Benefits Administration

Administer benefit programs in an innovative, effective and efficient manner

Initiatives	Project Managers	Timing / Cost	Metrics
Pension Accounting System (CPAS) Upgrade	David	1H – 2016 Medium	Complete RFP / Select vendor
Enhance data feeds from City	David	2Q – 2016 Medium	Successful installation of data feed
New Tier of Benefits - Chapter 40A Changes, Revise all forms and communication materials	David	2016 High (Election costs)	Changes approved by Board, Council and the Voters

Cost Scale
Low = <$2500
Medium = $2,501 - $25,000
High = >$25,001

Investment Management

Maintain an investment management program that will provide funding for the benefit obligations of the Fund

Initiatives	Project Managers	Timing / Cost	Metrics
Asset Allocation Review **Conduct investment manager searches according to timeline**	Natalie	1Q - 2016 Medium	Complete searches and successful transitions
Conduct quarterly conference calls with all investment managers **Board presentations bi-monthly**	Natalie	2016 Low	Meet with 100% of managers 4x a year
Due Diligence Trips to existing managers	Natalie	2016 Medium	Conduct due diligence meetings on 1/3rd of managers every year
Enhance ERF Risk Management System	Natalie	2016 High	Enhance quantitative metrics

Cost Scale
Low = <$2500
Medium = $2,501 - $25,000
High = >$25,001

Timeline

ERF plans to conduct key searches for investment managers and professional service providers in 2016

January 2016
- Search – Next Generation

February 2016
- Asset Allocation Review
- Search – Next Generation

March 2016
- Search – Next Generation

April 2016
- Search – Next Generation

May 2016
- Search – Next Generation

June 2016
- Search – Next Generation

July 2016
- Search – New Asset Class

August 2016
- Search – New Asset Class

September 2016
- Search – New Asset Class

October 2016
- Search – New Asset Class

November 2016
- Search – New Asset Class

December 2016
- Search – New Asset Class

Financial Management

Develop and maintain financial and accounting processes that support ERF's business objectives and initiatives

Initiatives	Project Managers	Timing / Cost	Metrics
CAFR Process Improvement	Deirdre	2Q 2016 Low	Improve CAFR timing
Annual Audit Procedure documentation	Deirdre	2Q 2016 Low	Enhance detailed procedures

Cost Scale
Low = <$2500
Medium = $2,501 - $25,000
High = >$25,001

Operations Management

Develop and maintain a secure technology infrastructure and operations that will support ERF's business objectives and initiatives

Initiatives	Project Managers	Timing / Cost	Metrics
Cloud Migration	Duc	2016 High	100% migration to cloud
Email / VOIP phone system	Duc	2016 Medium	Complete cloud based solution
Network / System Security Enhancement	Duc	2016 Medium	Complete security enhancement
Complete CPAS Upgrade or Revise CPAS for New benefit tier	Duc	2016 High	Complete CPAS implementation

Cost Scale
Low = <$2500
Medium = $2,501 - $25,000
High = >$25,001

CPAS Overview

- Dallas ERF installed CPAS in 2000 and upgraded to 5.5 in 2010
- **CPAS Systems Inc.** is a global supplier of pension administration software systems based in Toronto. CPAS provides solutions for public pension plans, private pension plans, plan sponsors, third party administrators and financial institutions. The product suite, CPAS v5 is designed for the Internet and for member self-service. CPAS was acquired by Xerox in 2013.
- CPAS will not support the current version after 2017.
- ERF conducted RFI in 2014, and discovered the less than 5 vendors.

- Dallas ERF will issue RFP for pension accounting system in 2016. Expected cost will range from $750,000 to $2.5 million depending on the decision to upgrade or switch vendors

Talent Management

Provide ERF staff with training in the skill sets, policies and procedures that enables them to perform their respective functions

Initiatives	Project Managers	Timing / Cost	Metrics
Create individual development plans for all ERF employees	All Managers	1H – 2016 Low	Completed plans for 100% of employees
Enhance cross-training and succession plan	All Managers	2016 Low	1-2 people are cross trained for every function
Develop in-house training program	All Managers	2016 Medium	Hold 3-5 training sessions
Hire and train additional staff	All Managers	2016	Fill 100% of openings

Cost Scale
Low = <$2500
Medium = $2,501 - $25,000
High = >$25,001