

Tacoma Employees' Retirement System Retirement Director's Report May 21, 2009

COMMUNICATION

TRAINING

- Julia Chivers-Nicholson – Coaching.
- Web Conference and audio materials – Pamela Jett – Communication Skills Expert.
- Leadership Certificate – Oral and Written Skills – Progressive Business Conference.
- National seminars – Retirement Office – Supervision, Communication.
- City of Tacoma – Retirement Office – Communication series – oral & written.

COMMUNICATION

Revised - Board Packet – May 21, 2009 Retirement Board Meeting:

- Minutes
- Agenda
- Director's Report

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STAFFING

REVIEW OF RETIREMENT OFFICE ORGANIZATION STRUCTURE

Completed the review of the organizational structure.

Recommended:

- Senior Financial Analyst position
- Financial Supervisor position
- Up-grade of Administrative Secretary and Office Assistant positions

RECRUITMENT

Interviews – May and June:

- Financial Analyst
- Senior Financial Analyst
- Assistant Director (**up-graded** salary should be approved – **end May**)

POSITION CLASSIFICATIONS

Completed and **submitted** the following revised position descriptions to **Human Resources:**

- Assistant Retirement Director
- Financial Supervisor
- Administrative Secretary
- Office Assistants

CAREER DEVELOPMENT PLAN/SUCCESSION PLAN

Completed and **forwarded** the Retirement Office Career Development Policy to **Human Resources.**

Developing succession plan.

PERFORMANCE DEVELOPMENT PLANS

Participate in performance development plan training in **May/June.**

Complete performance development plans for the Retirement Office by **December 2009.**

360 EVALUATIONS

Work with Human Resources 360 feedback and follow-up **strategies.**

Work with Human Resources to implement 360 evaluations – **Retirement Office & Peers.**

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STRATEGIC PLANNING

STRATEGIC PLANNING WORKSHOP

Foundation for Strategic Planning Workshop

- **Completed – Vision – Strategic Planning Subcommittee – 2006.**
- **Completed – Mission – Strategic Planning Subcommittee – 2006.**
- **Adopted – Strategic Thinking Model – Board – September 2008.**
- **Reviewed – GFOA Best Practices, Funding Policy, & Asset Allocation – 2009.**
- **Completed – Crisis Management Policy – in conjunction with the funding policy discussion at the May 21, 2009 Quarterly Managers' meeting to stimulate thought and begin dialogue.**

Next Steps

- **Complete – Strategic Planning Need Questionnaire – Retirement Board – May 21, 2009.**
- **Compile feedback – May 28, 2009.**
- **Complete – Strategic Planning Preparation Questionnaire – Retirement Board – June 8, 2009.**
- **Compile feedback – June 18, 2009.**
- **Workshop – schedule – July 2009 – Discuss Board schedule/calendar.**

Strategic Planning Workshop Agenda:

- Review of Vision, Mission, Best Practices & Strategies.
- Review of Local, National & Global issues:
 - Social
 - Technological
 - Economic
 - Political/Legal
- Strategic Inquiry – Appreciative Intent – Inspiration to SOAR (Strengths, Opportunities, Aspirations, and Results)
 - Strategic Inquiry – Strengths and Opportunities
 - Appreciative Intent – Aspirations and Results

Attendees:

- Retirement Board
- Mark Olleman, Milliman – Strategic Thinking on Funding
- Andrew Junkin, Wilshire – Strategic Thinking on Asset Allocation

Note: Strategic Plan will serve as a foundation for the Crisis Management Plan.

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POLICY AND PLANNING

RETIREMENT SYSTEMS

Issues Facing Pension Systems – meet with Seattle and Spokane Retirement Systems – **May 15, 2009.**

OTHER RETIREMENT SYSTEMS

Completed a link to the following that will allow the Retirement Board to view:

- NASRA News Clips
- NAPPA Newsletter
- GFOA Newsletter
- 2009 Wilshire Report on State Retirement Systems: Funding Levels and Asset Allocation
- 2009 Wilshire Report on Asset Allocation Projections

Peer Comparisons – Work with Wilshire and Milliman to include in their presentations.

Active versus Passive Presentation – Andrew Junkin – will include peer comparison – **May 21, 2009.**

AMENDED ORDINANCES

Ordinance amendment – Increasing military service from 15 to 21 days – second reading – May 5, 2009 – **Passed.**

Ordinance amendment – extending the timeline for applying for Disability Retirement – second reading – May 5, 2009 – **Passed.**

Ordinance amendment – expanding the Retirement Board's investment authority – May 5, 2009 – **Held Over** to a **date** to be **determined** for **additional** language.

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FUND ADMINISTRATION

REVIEW OF QUARTERLY REPORTS

Wilshire Quarterly Reports

Completed – Review of **Quarterly Wilshire Reports – May 21, 2009** – will review **annually** thereafter.

Recommendations submitted for the Wilshire flash report.

Budget Report

Adopted and Implemented a new Quarterly Budget Report – **August 2008** – Finance assisted in providing a more user friendly format.

Revisit once the Assistant Retirement Director is hired.

REQUEST FOR PROPOSALS (RFP)

Completion of actuarial and pension consulting **RFP – May 2009**.

Interviews to be scheduled – **July/August**.

SAP PENSION MODULE

A **SAP pension module** does **not** exist –reviewed with the Board 2005 & 2008.

Developed informational request for proposal – **SAP compatible** defined benefit pension module.

Finalize Informational Request for Proposal – **IT**.

Upon receipt of informational **RFP** – draft **timeline** and **resourcing**.

INTERNAL AUDIT ON INTERNAL CONTROLS

April 10, 2008 presentation – Scottie Nix – Retirement System – Internal controls audit performed by Scottie Nix.

April 10, 2008 – Scottie Nix – Review of Operational Risk Aversion –included in Board self-assessment questionnaire.

April 8, 2009 met with Scottie Nix, Internal Auditor – drafting scope:

- Segregation of Duties
- Authorization Procedures
- Documentation Procedures
- Accounting Records Procedures
- Physical Controls
- Independent Internal Verification

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FUND ADMINISTRATION (continued)

RECORDS MANAGEMENT AUDIT

April 8, 2009 met with Scottie Nix, Internal Auditor – drafting scope.

RECORDS RETENTION SCHEDULE

Developed records retention schedule – **1983**.

Reviewed and signed off by **State Regional Archivist** – **2005** – **reviewed again** – **2008**.

Reviewed by **State Auditors** – each **year** for compliance with State General Records Retention Schedule.

Training provided for the Retirement Office – **Record Retention** – **May 22, 2009**.

ELECTRONIC RETENTION

Retained all information **electronically** since **1983** – on a **backed-up shared drive**.

Volunteered to be part of a pilot for the City of Tacoma's new **Electronic Content Management System**.

DISASTER RECOVERY PLAN

Disaster Recovery Plan

- Member of Business Continuity Program Committee
- Internal Disaster Recovery Plans:
 - City of Tacoma Comprehensive Management Plan
 - IT Disaster Recovery Plan
 - Payroll Disaster Recovery Plan
 - Retirement Office Disaster Recovery Plan
- External Organizations who assist with Disaster Recovery:
 - Milliman
 - Northern Trust
 - Bank of America

FIDUCIARY LIABILITY INSURANCE

Report on Fiduciary Liability Insurance – **Annual** – Coverage/Premiums.

Recommendations are being drafted by Brown & Brown of Washington.

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FUND ADMINISTRATION (continued)

ACTUARIAL AUDIT

Scheduled for presentation – July 9, 2009 Retirement Board meeting.

REVIEW OF FUNDING POLICY

Scheduled for discussion – May 21, 2009 Quarterly Managers' meeting.

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TERS REPRESENTATION

NOTICE TO RETIREE

Pay advices – to the retirees – **April checks** – American Recovery and Reinvestment Act of 2009 which may require retiree to **adjust** their federal tax withholding:

- Making Work Pay Credit – monthly reduction in federal withholding
- Social Security payment of \$250.00

NOTICE TO PLAN PARTICIPANTS

E-Mail broadcast/Newsletter – to the Plan Participants – **May 7, 2009** (completed monthly or bi-monthly)

MEETING WITH PLAN PARTICIPANTS

Retirement Introduction was held at TPU Auditorium on **May 12, 2009** (held monthly or bi-monthly)