

COMPETITOR ANALYSIS

FINANCE

GOALS

TIMELINE

BUSINESS PLAN

STRATEGY

TEAM

MARKETING

OPERATIONS

MPERS' Business Plan
Fiscal Years 2020, 2021 and 2022



Background

MPERS' Board Governance Policy calls for the development of a rolling three-year business plan. Sound business planning should culminate in a plan that presents projects and objectives that promote MPERS' strategic goals and mission, takes into account the economic environment, and maximizes resource utilization. The organization should be stronger, more focused, and more effective when utilizing a sound business plan. The business plan is not a static document but rather one that continues to evolve over time. The Business Plan should help MPERS fulfill its mission which is captured in the following statement:

"To provide a foundation for financial security to plan participants by delivering quality benefits and exceptional member service through professional plan administration and prudent management of assets, at a reasonable cost to the taxpayers of Missouri."

Many organizations will spend countless hours and resources to formulate and reformulate a strategic plan. We believe that the legislature has already provided our strategic plan by creating MPERS and memorializing our reason for being in state law. Namely, our strategic plan is to collect payroll contributions, invest those contributions in the market in a reasonable manner, and pay earned benefits. This business plan, because it is specific and not theoretical like many strategic plans, provides real and measurable objectives for staff to follow throughout the course of the year. In order to support the strategic plan, we have summarized three simple strategic goals to guide our efforts. These goals are: provide MPERS' members with exceptional and cost-effective service, protect MPERS' trust fund and resources, and increase MPERS' capability to outperform investment benchmarks.

Because the environment is fluid and MPERS intends that this process will be revisited each year, the Business Plan contains more tasks in the current year compared to successive years. MPERS staff accomplishes many important and urgent tasks that represent core administrative and investment operations throughout the year. These core activities are not represented in the business plan. Instead, this plan focuses on those tasks that are strategic to improving MPERS' performance and consistency, but do not necessarily have the urgency of core functions.

Core Values

The Business Plan is also reflective and an outgrowth of our Core Values, which are noted below:

- *Our members are our number one focus...we work for them.*
- *Our goal is to provide exceptional service **always** no matter who is on the phone or sitting across from us.*
- *We strive to preserve, protect, and grow our assets.*
- *We are committed to the security and privacy of our members' information.*
- *We make decisions in the best interest of our members based upon statutory guidance.*
- *We conduct business at a reasonable cost to the taxpayers of Missouri.*

Budgeting

No business plan would be complete without some mention of the budgeting process. As a practical matter, the business plan will be subject to the approved budget. The current budget process is not strictly "zero-based budgeting"; however, staff takes a hard look at each line item to ensure the expenditure is reasonable and not inflated each year to provide a "cushion" for unnecessary expenditures. Staff intends to present the budget committee with our best estimates on the expenditures from the trust fund to administer the pension fund for the current year. It is staff's hope that when unanticipated major expenses are incurred or new ideas come forth that require additional resources that the board will understand and consider budgetary amendments after a thorough explanation from the executive director.

Business Plan Fiscal Years 2020, 2021 and 2022

Listed below are the objectives for the next three fiscal years. The objectives are listed in no particular order; however, there clearly are some items with a higher priority than others. It is the expectation of staff that each of the FY20 items will be completed during the upcoming fiscal year. Any exceptions will be explained accordingly. These action items are intended to support the System's strategic goals of providing MPERS' members with exceptional and cost-effective service; protect MPERS' trust fund and resources; and increase MPERS' capability to outperform investment benchmarks.

FY2020 Action Plans

Item No.	Action Items
1	Create "early-career" and "mid-career" seminar offerings to enhance knowledge and value of benefit and improve retirement planning.
2	Design and publish comprehensive annual report in house.
3	Review content and refresh design of member brochures.
4	Provide new covered member orientation material available for use statewide.
5	Coordinate updates to SEBES and PG to gather beneficiaries for 2011 Tier and provide plan-specific information during new employee enrollment.
6	Benefit auditor cross train staff on role with annual report production, annual valuation preparation, and death audits.
7	Develop long-term disability approval letter from MPERS noting important details like retirement date, estimated benefits, etc.
8	Investigate having LRS place service purchase calculators in <i>myMPERS</i> .
9	Solicit bids and initiate actuarial audit.
10	Consider administrative risks that should be included in risk policy and identify corresponding controls.
11	Affirm, via completed surveys or other means, that all appropriate vendors have satisfactory disaster recovery plans in place.
12	Develop additional white paper material for stakeholder library.
13	Work with new IT consultant to analyze systems such as data backup, disaster recovery, security systems and provide report to Board.
14	Work with new phone and internet service provider to identify efficiencies, new tools, including a report to the Board.
15	Develop governance policy compliance audit checklist.
16	Update MPERS history/evolution of benefits document.
17	Conduct remote test with IT consultant (i.e. Midwest Computech).
18	Update Business Continuity—Essential and Non-Essential Job Checklist.
19	Draft procedures for monthly, quarterly, and yearly tax processing and filing requirements.

Item No.	Action Items
20	Automate current budget reporting process, transitioning from current excel format to Jet Reports.
21	Set up bank processing info within Dynamics GP to create pass-thru file for vendor payment upload to Central Bank.
22	Install new reporting package (Jet Reports) for Dynamics GP. Solicit training and installation guidance from vendor.
23	Conduct review of operations' vendors. Update and organize vendor information, combine duplicates, and archive historical information.
24	Establish routing workflow of vendor invoices for electronic approval and coding review.
25	Convert existing Dynamics GP reports from Management Reporter to Jet Reports.
26	Create checklist of fiscal year end closing processes for financial section.
27	Develop implementation manual for investments (risk focus).
28	Onboard new back office system to investments utilizing Albourne's technology.
29	Develop procedure manual for investments (business continuity focus).
30	Implement new process of collection and reconciliation of investment fees using ILPA template.
31	Conduct asset/liability study with Board of Trustees.
32	Implement enhanced investment fee reporting (i.e., MOSERS' model).

FY2021 Action Plans

Item No.	Action Items
33	Review and evaluate employee work procedures to affirm they are up to date, continue to be effective, and improve efficiencies.
34	Offer 2011 Tier seminars.
35	Identify member milestones and develop appropriate communication for each to promote awareness and interest in benefits. Will require collaboration with LRS to initiate.
36	Develop canned responses to common interactions in anticipation of PensionGold contact/event logging tool.
37	Review benefit correspondence to affirm they are up to date, complete and effective.
38	Develop new customized reports in Jet Reports for accounts payable/vendor queries.
39	Cross train payroll functions (to be determined).
40	Establish process to survey member calls and emails.
41	Analyze the applicability for template development in PensionGold to facilitate email distributions.
42	Create executive director congratulatory letter for new retiree payday. Purpose is to provide relevant reminders at a time when the process is very fresh.
43	Update Doc Types/Names in indexing to eliminate items that are no longer used or to consolidate items that are very similar (example: <i>Doc Type: Change & Doc Name: Contact Info</i> should be merged with <i>Doc Type: Change & Doc Name: Personal Info</i>).
44	Review content and refresh member correspondence and forms.
45	Seek bids for the external audit firm. Current contract ends with the FY 2020 audit.
46	Initiate with the Governance Committee the board self-evaluation process (last one conducted November 2017).
47	Review the directories and the files in the J drive to ensure the organization of the folders and files is optimal.
48	Create website communication tracking log to denote where information is listed in multiple places, such that information is updated and consistent.
49	Review media policy for effectiveness.
50	Determine if outreach is needed to maintain contact with vested former members.
51	Develop Wharton-like education program in cooperation with MU. (For staff and trustee education, mainly geared toward investments.)
52	Perform a mock event with LRS.
53	Develop customer service and call standards guide.

Item No.	Action Items
54	Establish notification process for active members submitting new email addresses that are not enrolled in myMPERS. Batch process would convey the benefits of secure access and how to complete it.
55	Transition current investment operation processes from spreadsheets to total reliance on new back office system.
56	Expand fixed asset information in Dynamics GP for more complete reporting needs.
57	Determine method to import/upload detail benefit check information into Dynamics GP.
58	Produce procedures for fiscal year end closing processes.

FY2022 Action Plans

Item No.	Actions
59	Cross train retirement application process.
60	Conduct board member election for MoDOT active and retired members and Patrol active and retired members.
61	Initiate five-year experience study covering 7-1-2017 to 6-30-2022.
62	Update and refresh MPERS main website.
63	Apply document upload feature to secure member access. Requires collaboration with LRS to complete.
64	Review new trustee orientation for updates/improvements.

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