Strategic Plan Continuation: Second Reading

TMRS Board of Trustees

October 25, 2017
Agenda

• Recap of the Strategic Planning Process and Activities Undertaken to Date

• Feedback Discussion
  – #1: Mission and Vision Alternatives
  – #2: New Proposed Core Values
  – #3: Goals, Objectives, Timing and Performance Measures
  – #4: Implementation and Reporting

• Closing Comments and Next Steps
# Process Timeline and Activities

## Where Are We Now?

<table>
<thead>
<tr>
<th>Preparatory Period</th>
<th>Board Session</th>
<th>Drafting Period</th>
<th>Board Meeting</th>
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<td><strong>Preparation</strong></td>
<td><strong>Board Session</strong></td>
<td><strong>Drafting</strong></td>
<td><strong>Board Meeting</strong></td>
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<td>(March/April)</td>
<td>(May)</td>
<td>(June/July)</td>
<td>(October)</td>
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- **Senior Staff prep session**
- **Individual Board member discussions**
- **Surveys**
  - Members/Retirees
  - Advisory Committee members
  - All TMRS Staff
  - Vendors / consultants
- **Compile pre-read materials**

- **Engage in visioning**
- **Discuss Stakeholder Research**
- **Review S.W.O.T.**
- **Discuss progress made under the existing Strategic Plan**
- **Discuss and prioritize critical themes to address**

- **Summarize and document meeting outcomes.**
- **Work with Senior Staff to prepare a draft Strategic Plan**
- **Senior Staff gets feedback from teams**

- **Mosaic presents the draft Strategic Plan for the Board’s first reading**
- **Follow up:**
  - Incorporated Mission and Vision preferences
  - Refreshed Core Values
  - Determined Performance Targets
  - Developed Action Plans

- **Present the draft Strategic Plan for the Board’s second reading**
Translating the Board’s Feedback

High-level strategic direction:
- What is our purpose?
- Where are we going?
- What actions are needed to get there?
- What are the Board’s expectations?

More detailed direction:
- What should be looked into?

WHAT / WHEN
- Mission and Vision Statement
- Goals & Objectives
  - Carry Over Objectives
  - Critical Issues
- Timing
- Performance Measures

HOW / WHO
- Strategies and Action Plans
  (Staff Management Tool)
**Objective C: Elevate employee engagement levels across the organization.**

<table>
<thead>
<tr>
<th>Strategies/Action Plans</th>
<th>Responsibility</th>
<th>Start Date</th>
<th>End Date</th>
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<td>5. INSERT</td>
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Performance Measure:
Target:
Activities Undertaken as a Result of the First Reading

- Incorporated Board feedback regarding the Mission and Vision Statements
- Developed new Core Values (vis-à-vis the Engagement Taskforce)
- Developed specific targets for the Performance Measures
- Proposed a schedule to address the 2018 Strategic Plan objectives

Today’s discussion is structured as an information item. We are seeking additional feedback and input from the Board.
Key Documents for Today’s Discussion

Red-lined Draft Strategic Plan

2018 Preliminary Board/Committee Workplan
Feedback Discussion 1

Mission Statement Alternatives
August Discussion Recap -- Mission Statement

• In August, the Board reviewed four possible Mission Statement Alternatives
• There was not a clear favorite; however, two preferences emerged:
  – We serve our members by making retirement secure, sustainable, and understandable
  – Making retirement secure, sustainable, and understandable
• Board direction was to refine the concepts
August Discussion Recap -- Mission Statement (cont’d)

• The following words were requested to be considered for possible inclusion:
  – Reliable or dependable
  – Attainable
  – Stakeholders

• Additional preferences captured:
  – “Sustainable” felt too much like a buzz word, but overall the Board liked what the word conveys or implies;
  – The word “understandable” didn’t resonate with the Board;
  – Preference for “retirement benefits” versus “retirement” generally; and
  – A suggested Mission Statement was offered by a Board member.
Current TMRS Mission Statement

To deliver secure and competitive retirement plans through a professionally managed organization that anticipates diverse needs; provides quality services; and openly and effectively communicates with members, retirees, and cities.
Refined Mission Statement Alternatives

1. Providing secure, reliable retirement benefits
2. Bringing secure, reliable retirement benefits within reach
3. Working together to bring secure, reliable retirement benefits within reach
4. The model for secure, sustainable retirement benefits*

*A suggestion offered during the August Board meeting.

A Mission Statement answers the fundamental questions of:
Who are we? Why do we exist? What is our purpose?
Feedback Discussion #1: Refined Mission Statements

- What comments does the Board have on the refined concepts?
- Is there a specific one that resonates better than the others?
- Are there concepts missing that ought to be expressed?
- Any other comments?
Feedback Discussion 2

Vision Statement Alternatives
August Discussion Recap – Vision Statement

• The Board reviewed three possible Vision Statement Alternatives

• There was not a clear favorite; however, two preferences emerged:
  – To be the model for retirement industry practices
  – To be the leader in providing public employee retirement benefits

• Board direction was to refine the concepts
August Discussion Recap -- Vision Statement (cont’d)

• Preferences captured:

  – No need to include the word “practices”

  – Various meanings of the words “model” and “leader” were debated.
    - There was no consensus around either word
    - The Board favored the concept of having TMRS looked to by the industry as a standard-bearer.

  – The Board preferred a motivating vision that reflected the spirit or net result of innovation; the options offered fell flat.

  – It was agreed that the scope of the vision should encompass both the public and private sectors.
A Slight Detour…

Before discussing the refined Vision concepts, let’s recap the discussion outcomes from the May 2017 Strategic Planning Session visioning exercise.
Current TMRS Vision Statement

TMRS will be the preferred provider of competitive retirement benefits and excellent customer service by improving plan funding, investment return, communication, and education.
Refined Vision Statement Alternatives

1. Inspiring tomorrow’s retirement industry
2. The standard in delivering retirement benefits
3. The gold standard for empowering retirement

A Vision Statement is future focused. It answers the fundamental questions of:
Where are we going? What do we seek to become?
Feedback Discussion #2: Refined Vision Statements

• What comments does the Board have on the alternatives?
• Is there a specific one that resonates better than the others?
• Are there concepts missing that ought to be expressed?
• Any other comments?
Feedback Discussion 3

ACTIVE Principles
What are Core Values or ACTIVE Principles?

• Core Values are the set of attitudes, beliefs, and behaviors that define TMRS and its employees

• Answer the fundamental questions of:
  – What do we believe in?
  – What principles guide us?
  – How do we do business around here?

• TMRS currently has ACTIVE Principles which are the organization’s core values

• Board direction was for Staff to discuss the ACTIVE Principles and suggest modifications, if desired
Staff’s Process for Reviewing the ACTIVE Principles

• The Engagement Taskforce is a group of 17 employees that represents a cross-section of the TMRS employees

• Taskforce met three times to discuss and refresh the ACTIVE Principles

• Unanimous decision: develop a new set of Core Values in lieu of the ACTIVE Principles

• Senior Leadership has reviewed and provided feedback to the Taskforce; slight adjustments were incorporated into today’s proposal

• New Core Values suggested by Staff include two parts, one for all employees and additional values for Leadership
# Current TMRS ACTIVE Principles

## ACTIVE Principles

<table>
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<tr>
<th>Principle</th>
<th>Description</th>
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<tr>
<td>Accountability</td>
<td>We operate with transparency, learn from our mistakes, and accept responsibility for our actions.</td>
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<tr>
<td>Continuous Improvement</td>
<td>We continually evaluate our operations and measure customer satisfaction to make our internal work processes and services better.</td>
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<td>Teamwork</td>
<td>We foster a collaborative, respectful environment and promote open communication among Board, staff, members, and cities.</td>
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<td>Integrity</td>
<td>We conduct our business and ourselves in an honest and ethical manner.</td>
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<tr>
<td>Versatility</td>
<td>We proactively adapt and respond to our environment and the changing needs of our members and cities.</td>
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<tr>
<td>Employer of Choice</td>
<td>We maintain a culture that recognizes the value of each employee; inspires creativity, mutual respect, and professionalism; and rewards employees for excellence.</td>
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NEW Proposed TMRS Core Values

All Employee Core Values

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<tr>
<th>Core Value</th>
<th>Description</th>
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<tr>
<td>Excellence</td>
<td>Strive for exceptional performance</td>
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<tr>
<td>Innovation</td>
<td>Improve service, communication and operations</td>
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<tr>
<td>Accountability</td>
<td>Proactive ownership</td>
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Additional Leadership Core Values

<table>
<thead>
<tr>
<th>Core Value</th>
<th>Description</th>
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<tr>
<td>Communicate</td>
<td>Cultivate transparency and accountability</td>
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<tr>
<td>Support</td>
<td>Encourage innovation and teamwork</td>
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<tr>
<td>Reward</td>
<td>Recognize employees for excellence</td>
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Core Values are the attitudes, beliefs, and behaviors that define TMRS. They answer the fundamental questions of: What do we believe in? What principles guide us? How do we do business around here?
Feedback Discussion #3: Proposed Core Values

• What comments or questions does the Board have for Staff on the proposed Core Values?
• Are there additional concepts that Staff ought to consider?
• Any other comments?
Feedback Discussion 4

Performance Measure Targets and Implementation/Reporting Schedule
August Discussion Recap – Goals, Objectives, Proposed Timing and Performance Measures

• At the August meeting, the Board reviewed the Goals, Objectives, proposed Timing and Performance Measures.

• Some Performance Measures were under development; specific targets were needed to complete the idea.

• The Board requested no changes to the Goals, Objectives, Timing, or Performance Measures.

• Since August, Staff has worked to further flesh out the Performance Measure Targets.

• They are included in the Board’s materials for consideration and discussion.
Feedback Discussion #4a: Performance Measure Targets

• What comments or questions does the Board have on the new performance measures?
• Are there additional concepts that staff ought to consider?
• Any other comments?
Feedback Discussion #4b: Implementation and Reporting

• As the conclusion of the strategic planning process nears, three remaining questions for the Board are:

1. What is the Board’s desired frequency to receive strategic plan progress updates?

2. What type of reporting is desired (e.g., verbal report, written report, etc.)?

3. What questions does the Board have about the strategic planning objectives to be addressed in 2018?
Feedback Discussion #4b: Implementation and Reporting (cont’d)

A Preliminary Workplan for 2018 has been provided in the Board’s materials

- Delineates routine items and those strategic planning objectives that are scheduled to be addressed.

- Demonstrates how strategic plan topics flow into Board and Committee agendas in 2018.

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### 2018 Board and Committee Preliminary Workplan

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<tr>
<th>Agenda Topic</th>
<th>February</th>
<th>March</th>
<th>May (Board &amp; Staff)</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
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Closing Comments and Next Steps
Next Steps

• Mosaic will:
  – Compile and integrate the feedback from today’s discussion into the draft Strategic Plan and 2018 Workplan.

• A final draft will be presented to the Board in December for consideration and approval.

• Other desired areas for discussion?
THANK YOU FOR YOUR TIME!

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