



2009 STRATEGIC PLAN

The Educational Employees' Supplementary Retirement System *of Fairfax County*

Adopted October 29, 2009

Section I: Achieving and Maintaining Best Practices for ERFC

<p>Strategy <i>We will maintain a supplemental retirement program that reflects best practices and complements the Virginia Retirement System and Social Security, to provide excellent defined benefits and value for our members.</i></p>			
Action Plans	Responsibility	Target Completion Date	Status
1. Identify and report annually on best practices. Assess the <i>ERFC</i> and <i>ERFC 2001</i> benefit structures, and compare with similar programs.	Staff and Board of Trustees	Ongoing	
2. Survey and compare benefit practices and trends of similar systems bi-annually.	Staff	Ongoing	
3. Continue to evaluate and consider changes to <i>ERFC</i> and <i>ERFC 2001</i> that will enhance their value to our members and result in greater understanding and appreciation of the program among members.	Staff	Ongoing	
4. Identify significant differences and perceived inequities between <i>ERFC</i> and <i>ERFC 2001</i> , and advise FCPS management of needs for revision and/or resolution as appropriate within ERFC or as part of other FCPS benefit practices.	Staff and Board of Trustees	Ongoing	
5. Monitor proposed and actual changes to VRS, Social Security, and other Fairfax County retirement programs. Track national trends, and develop action plans to modify <i>ERFC</i> and <i>ERFC 2001</i> as appropriate.	Staff and Board of Trustees	Ongoing	

Section II: Member Communication/Education

<p>Strategy We will increase the understanding and appreciation of the value of ERFC and our total retirement income program, by our members and all stakeholders in ERFC.</p>			
<i>Action Plans</i>	<i>Responsibility</i>	<i>Target Completion Date</i>	<i>Status</i>
<p>1. Maintain a comprehensive overall ERFC communication plan for all members that includes:</p> <ul style="list-style-type: none"> • Workshops • Newsletters • Increased automation, including the web site and benefit calculator applications • Brochures/handbooks • Enhanced benefit statements 	Staff	Ongoing	
<p>2. Develop targeted communication campaigns for mid-career and early-career employees.</p>	Staff	January 1, 2011	
<p>3. Continue to adjust the format of the member workshops to include more information on the ERFC 2001 plan structure as its membership increases and matures.</p>	Staff	Ongoing	
<p>4. Evaluate all communications, including the benefit statements produced annually for all members, to ensure the illustration of value.</p>	Staff	Ongoing	

<i>Action Plans</i>	<i>Responsibility</i>	<i>Target Completion Date</i>	<i>Status</i>
<p>5. Utilize communications strategies that:</p> <ul style="list-style-type: none"> • Emphasize the total retirement benefits available to members from all sources • Explain the basic plan provisions simply and directly • Outline the core differences between <i>ERFC</i> and <i>ERFC 2001</i>, and the rationale for those differences 	Staff	Ongoing	
<p>6. Develop and maintain evaluation tools to measure the effectiveness of our communications activities and materials, including an annual online survey of the membership to measure their awareness of ERFC's benefits and value.</p>	Staff	October 1, 2010	

Section III: Accountability, Disclosure, and Advocacy

<p>Strategy We will expand disclosure and advocacy efforts with all stakeholders to achieve a mutual understanding for the necessity and excellence of ERFC.</p>			
<i>Action Plans</i>	<i>Responsibility</i>	<i>Target Completion Date</i>	<i>Status</i>
1. Facilitate annual “state of ERFC” presentation to the School Board.	Staff and Board of Trustees	Ongoing	
2. Advocate the continued importance of providing defined benefits to our members.	Staff and Board of Trustees	Ongoing	
3. Disclose our successful achievements in best practices to our stakeholders.	Staff and Board of Trustees	Ongoing	
4. Present a qualitative review of achievements under this strategic plan at the Board of Trustees’ annual retreat.	Executive Director/CIO and Board Chairperson	Ongoing	

Section IV: ERFC Governance and Fiduciary Responsibilities

Strategy <i>We will ensure appropriate and efficient governance of ERFC that maintains high professional standards in accordance with our fiduciary responsibilities.</i>			
<i>Action Plans</i>	<i>Responsibility</i>	<i>Target Completion Date</i>	<i>Status</i>
1. Maintain an orientation/education program for new trustees.	Staff and Board of Trustees	Ongoing	
2. Maintain appropriate formal statements of professional conduct for the Board of Trustees and staff.	Staff and Board of Trustees	Ongoing	
3. Encourage training and certification for the Board of Trustees.	Staff and Board of Trustees	Ongoing	
4. Maintain clear expectations for services requested of consultants and advisors	Staff and Board of Trustees	Ongoing	
5. Review and evaluate professional services on an annual basis.	Staff and Board of Trustees	Ongoing	
6. Maintain reasonable independence from service providers in order to facilitate a seamless transition in the event a relationship is severed, and maintain a plan to assure continuity of services if a long-term advisor departs.	Staff / Board of Trustees	Ongoing	
7. Keep all existing Board policies current.	Staff and Board of Trustees	Ongoing	
8. Maintain positive working relationships with the VRS, FCPS Human Resources, and the FCPS leadership team. When possible, participate on advisory boards for these organizations.	Staff / Board of Trustees	Ongoing	

9. Continue to conduct and maintain self evaluations annually among the Board of Trustees that consider effectiveness, participation, membership, and fiduciary responsibilities.	Board of Trustees	Ongoing	
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Section V: Funding Policy/Investment Management

<p>Strategy We will maintain a coordinated funding policy and investment strategy that results in a sound funded status, with stable employer and employee funding.</p>			
<i>Action Plans</i>	<i>Responsibility</i>	<i>Target Completion Date</i>	<i>Status</i>
<p>1. Periodically evaluate the actuarial assumptions, methods, contribution smoothing techniques, investment strategies, and funded status of similar plans – and propose changes for ERFC as appropriate.</p>	Staff	Ongoing	
<p>2. Evaluate the funding and actuarial practices followed by other Fairfax County retirement plans. Report findings as they compare and contrast with ERFC practices.</p>	Staff and Board of Trustees	Ongoing	
<p>3. Monitor ERFC’s investment strategies, and make revisions as advisable in order to dampen volatile investment returns.</p>	Staff	Ongoing	
<p>4. Monitor ERFC’s current funding policy and measure its success in stabilizing the employer contribution rate, as it compares with developing public pension plan industry practices designed to cope with unusual periods of volatile investment returns. Propose changes as necessary.</p>	Staff	Ongoing	

<i>Action Plans</i>	<i>Responsibility</i>	<i>Target Completion Date</i>	<i>Status</i>
5. Develop a policy with regard to the disposition of favorable experience and any subsequent allocations among employer contribution rates, employee contribution rates, reserves, and benefit improvements.	Staff and Board of Trustees	July 1, 2011	
6. Develop a policy that considers employer contribution rates, employee contribution rates, actuarial methods, and benefit reductions when addressing corrective action steps that may become necessary in order to eliminate deficits resulting from unrecovered investment losses.	Staff and Board of Trustees	July 1, 2010	

Section VI: ERFC Administration and Management

<i>Strategy</i> <i>We will provide professional, timely, and efficient services to our members, that will enable them to plan for their retirements in an informed manner</i>			
<i>Action Plans</i>	<i>Responsibility</i>	<i>Target Completion Date</i>	<i>Status</i>
1. Develop and maintain evaluation tools to measure cost effectiveness, service quality, efficiency, and accuracy.	Staff	Ongoing	
2. Maintain a succession plan for the Executive Director/CIO.	Staff and Board of Trustees	Ongoing	
3. Implement and maintain the multi-year staffing plan for ERFC that considers the efficiencies of the new IT system.	Staff and Board of Trustees	Ongoing	
4. Develop a continuing education and professional development plan for key ERFC staff.	Staff and Board of Trustees	September 1, 2010	

Section VII: Long-Term Automation

Strategy <i>We will complete the installation of an integrated IT system that incorporates workflow, benefit administration, retiree payroll, and imaging, to improve our efficiency and increase our member services; we will assess the system for future improvements.</i>			
Action Plans	Responsibility	Target Completion Date	Status
1. Finish <u>Membership Phase – Base System Configuration</u> , including two months of parallel testing.	Staff and LRS	November 1, 2009	
2. Finish <u>Benefit Payment Phase – Base System Configuration</u> , including two months of parallel testing.	Staff and LRS	January 1, 2010	
3. Implement workflows, including benefit calculation, retirement, refunds, lump sum/Option D, death notifications, and revert processing.	Staff and LRS	March 31, 2010	
4. Implement enhanced member web Services.	Staff	June 30, 2010	
5. Develop an on-going IT system evaluation process to prioritize essential operating improvements, including timelines for implementation.	Staff	Ongoing	