

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
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MEMORANDUM

TO: OPERS Retirement Board

FROM: Blake W. Sherry, Director – Information Technology

RE: **V. Discussion Items:**
 A. Strategic Planning Retreat

DATE: June 15, 2004

Our strategic planning process calls for us to update the plan annually so that it remains useful as a five-year rolling plan. This is the time to do that.

In preparation for the July 19 retreat, we are soliciting your input about goals and objectives. As you may recall, the seven goals are not expected to change very often. They are high-level statements that are meant to convey what we generally want to achieve. You might, however, find that a few word changes will make them better.

However, the objectives are another story. Objectives change often. Some are completed, others are institutionalized into the ongoing practices at OPERS, and some drop off the plan because they are no longer relevant. New objectives are usually added each year.

As you think about updating the plan, please keep in mind that the objectives are the measurable steps or specific projects that are undertaken to advance the goals. They need to be clearly understood by everyone.

Please review the materials in the binder and then complete the attached form that is designed to solicit your ideas for new objectives. We ask you to **return this form to me by July 6 so we can circulate to other board members**. Staff has also come up with several ideas for new objectives. Staff's suggestions are detailed in your binder under the Proposed Modification to the Goals and Objectives Tab. At the Retreat, we will be looking for your review and feedback on these staff suggestions.

BWS/jna

*Please refer to the goals below and make any changes or additions for objectives in the spaces provided. **If possible, please return this form to Blake by July 6 so we can circulate to other board members.***

Goal #1: Provide quality customer service and communications to members and employers.

Goal #2: Create an organizational environment which allows PERS to achieve its mission.

Goal #3: Provide a competitive, comprehensive benefit package to the members.

Goal #4: Use leading technologies to enhance internal efficiencies and external services.

Goal #5: Increase Board education on benefit and investment trends.

Goal #6: Achieve legislative results that are in the best interests of our members, benefit recipients and employers.

Goal #7: Achieve a long-term investment return that, when combined with reasonable employer and employee contributions, allows us to fulfill our mission.

Additional Objectives:

Goal # ____ : _____

Goal # ____ : _____

Goal # ____ : _____

Goal # ____ : _____

Goal # ____ : _____

Goal # ____ : _____

**Ohio Public Employees Retirement System
Board Strategic Planning Retreat**

Agenda

**July 19, 2004
OPERS**

		<u>Facilitator</u>
8:30 AM	Continental Breakfast	
9:00 AM	Welcome and Review of Agenda	Charlie Adkins Laurie Hacking Blake Sherry
	Discussion of SP & budget timeline	
9:15 AM	Progress Reports <ul style="list-style-type: none">• Challenges• Accomplishments	Strategic Planning Team
9:45 AM	CEM	
10:30 AM	Break	
10:45 AM	CEM (Continued)	
11:15 AM	Update Strategic Plan <ul style="list-style-type: none">• Discussion of completed objectives• Discussion of institutionalized objectives• Modification of objectives	Blake Sherry
11:45 PM	Lunch / Annual Board Evaluation	Sharon Downs Charlie Adkins
12:45 PM	Discussion of new goals and objectives	Blake Sherry
1:45 PM	Financial Planning	Bill Damsel
2:15 PM	Break	
2:30 PM	Building Feasibility Study	Karen Carraher Fred Myers
3:00 PM	OPERS Academy	Mindy Bailey Shelley Wilson
3:30 PM	Wrap-Up	
3:45 PM	Adjourn	

Strategic Planning Objectives - Institutionalized and Completed

<i>G-Obj Resp</i>	<i>Objective</i>	<i>Comments/Status</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	
Goal: Goal #1: Provide quality customer service and communications to members and employers								
1-01	BS/DD	Develop a plan and implement a call center	Phase 1 (basics) of Call Center was completed 10/9/01. Phase 2 & 3 enhanced features, to be completed in '03/'04.					Completed Ph. I
1-02	DD/KC/BS	Develop a plan to determine appropriate turnaround time for all service areas	Plan complete					Institutionalized
1-03	LT	Implement the plan to meet the turnaround time targets	Continued					Institutionalized
1-04	DD	Expand pre-retirement planning services to members with less than 10 years of service	Complete					Complete
1-05	DD	Expand field counseling and group outreach	Complete at end of '01					Institutionalized
1-07	DD	Review and update all communications materials and forms	On-going					Started Initiated & Ongoing Institutionalized
1-08	DD/LT	Study new alternative mediums for member communications	On-going					Initiated & Ongoing Institutionalized
1-09	DD	Develop new member educational materials	Complete					Started Initiated Complete

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1-10 KC	Expand employer outreach and education programs	Complete. Employer focus groups held on regular basis. Curriculum developed based on focus group data and analysis of employer call center tracking logs. Employer training sessions are being conducted.	Institutionalized					
1-11 BS	Create an interactive website for general and personal account information	The Member Account Web project went into production during November '02. It was enhanced to include DCP functionality and wizard (calculator) in January '03.		Complete				
1-12 BS/KC	Develop and implement a plan to use the web in all employer reporting	Complete. Over 778 employers using the new system. Currently promoting employer participation and developing system enhancements.	Completed Pilot, Completed Ph. 1 ACH & 2					
1-13 BS/DD	Update and expand the annual benefits statement	On-going	Institutionalized					
1-14 DD	Develop a service plan and investment education for the new DCP	Complete	Started	Complete				
1-15 DD	Implement a service plan for the new DCP	Complete		Complete				
1-17 SW	Attract and retain a trained, competent staff	Recruiter and Training Coordinator hired first quarter '01. Training program and recruiting strategies implemented.	Institutionalized					
1-18 DD	Law enforcement service credit project	Complete - Data converted and implemented for '03 annual statements.						

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1-19 DD	Interim benefits to beneficiaries of joint & survivor retirement	No longer necessary since turn around time reduced to 30 days from date of notification of death.		Complete			
1-20 DD	Survivor Benefit Help Program	Complete		Complete			
1-21 DD	Expansion of release and exchange of information	Complete		Complete			
1-22 DD	Education on choice of DB or DC	Complete		Institutionalized			
1-24 KC	Develop & implement a centralized fulfillment function for requests for information from the Call Center, OPERS websites, & various Benefits Depts.	Completed. Organization's forms being fulfilled from Office Services.					
1-25 DD	Develop a retiree seminar similar to our pre-retirement programs, but focusing on retiree issues	Complete			Complete		

<i>G-Obj Resp</i>	<i>Objective</i>	<i>Comments/Status</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
Goal:	Goal #2: Create an organizational environment which allows OPERS to achieve its mission						
2-01	SW	Develop a proactive recruitment plan to attract potential employees to PERS	Complete. Recruiting plan in place.	Institutionalized			
2-02	SW	Retain talented and skilled staff	On-going. Staff turnover has declined from 12.8% turnover in '00 to 4.9% in '02. 5.1% in '03.	Institutionalized			
2-03	SW/LT	Raise employee satisfaction through empowerment and involvement in decision making related to their duties and the overall operations of OPERS	On-going	Institutionalized			
2-04	SW	Increase diversity among staff at all levels	Recruiting yielded 28% diversity hires in '02, 25% in 2003. Diversity training ongoing for new employees and managers. Diversity outreach committee meeting regularly.	Started			
2-05	SW/LT	Encourage staff input	On-going. BPR using staff teams to develop improvements.	Institutionalized			
2-06	SW/LT	Foster an environment that reinforces, rewards, and encourages innovation and superior performance among staff	Designed new performance evaluation system in '01. New system implemented in '02. Refinements made in '03.	Institutionalized			
2-07	SW	Continually evaluate benefits for the purpose of attracting and retaining staff	On-going. Health care benefits to be reviewed in '03 (see obj. 2-23).	Institutionalized			

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2-08 SW	Maintain a superior salary structure to recruit and retain staff	Review and update every 3 years. Comprehensive review conducted in '00; follow up review completed in '03.					
2-09 SW	Implement a staff training program	Ongoing. Training needs continue to be assessed. Training program continues in a variety of subject areas.					
2-10 SW	Provide external and internal manager and supervisor training	Training needs continue to be assessed. Basic procedural and legal tracks training completed; soft skills tracks continuing.					
2-13 SW/CH	Establish and commit to a plan to regularly and routinely communicate to staff	On-going. In-house written communications and staff meetings. PERSON-to-PERSON, monthly management meetings and intranet.					
2-14 DD	Analyze service demands of baby-boomers as they near retirement	On-going. Enterprise capacity analysis incorporated projected increases in customer service demands due to demographic trends.					
2-15 BS	Redesign the work processes	Saving System process redesign was implemented with new system. Survivor Benefit and Refunds first departments for BPR. Enterprise capacity analysis was completed in August of 2002. The Backpayment unit is the next area for process redesign.					

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2-16 SW	Review and update internal procedures manuals	Training unit coordinating the review and updating of basic on-the-job procedures manuals. To date, 7 of 8 benefit areas manuals have been updated. All updates and responsibilities shifted to each area for maintaining.	Institutionalized					
2-17 LH	Implement the strategic plan	On-going. Several annual cycles completed, integrated into budget.	Institutionalized					
2-18 LH/LT	Improve educational assistance for Board and staff	On-going. Annual Board seminar held in addition to Strategic Planning retreat. Joint ORS trustee education program planned.	Institutionalized					
2-20 LT	Develop a performance measurement system. High level benchmarks, progress reports and operational metrics	High level benchmarks with supporting lower level metrics have been developed. Working on IT system changes to track milestones. Some tracking complete. Progress report at '03 SP Retreat.	Started	Ongoing	Institutionalized			
2-21 SW	Implement new employee evaluation system	System is implemented. Refinements after year 1 implemented in '03. Investigating upward feedback tool; Directors finalized development plans resulting from 360 degree feedback process. Considering 360 process to extend to A.D.'s.	Institutionalized					
2-23 SW	Re-evaluate and re-design the employee healthcare plans to ensure market competitive benefits while applying cost containment measures	2003 evaluation in process with recommendations to OPERS Board scheduled for Fall '03. New Plan adopted by Board and implemented January 1, '04.			Institutionalized			

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2-24 LT	Ensure adequate backup and succession within each department				Ongoing		
2-26 KC	Perform a Cost Benefit Analysis to determine whether adding building Security and Custodial Svc. as OPERS emp. would be beneficial to the organization	Completed. Analysis support continued outsourcing of security and custodial services.					

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Goal:	Goal #3: Provide a competitive, comprehensive benefit package to members						
3-01	DD	Survey employers and the membership to determine needs in attracting short-term or long-term employees	On-going	Institutionalized			
3-02	DD	Study the pros and cons of having short-service employees maintain their account with the defined benefit plan	Complete with DC design and implementation.	Institutionalized			
3-03	DD	Study the adequacy of the current member benefits package	On-going. Benefit comparison reviewed at '02 Board Retreat, and will be updated bi-annually.	Institutionalized			
3-05	DD	Obtain actuarial analysis of various post retirement reemployment alternatives	Complete	Institutionalized			
3-06	DD	Study benefits for phased retirement	On-going	Institutionalized			
3-07	DD	Explore options for maintaining the stability of the retirement and health care funds in light of adverse conditions	Board adopted choices plan - implementation on-going. Further study and review is on-going. (see 3-14).	Institutionalized			
3-08	DD	Provide more education for the Board on benefit trends and alternatives	On-going. Benefit comparisons done bi-annually at Board retreat.	Institutionalized			
3-09	DD	Design the DCP	Complete	Institutionalized			

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3-10 LT	Implement the DCP	Complete		Complete			
3-11 DD/BS	Implement a PLOP (Partial Lump Sum Option Program)	Complete					
3-12 DD	Implement a QEBA (Qualified Excess Benefit Arrangement)	Complete					
3-13 DD	Ensure HIPPA compliance	Complete					

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Goal:	Goal #4: Use leading technologies to enhance internal efficiencies and external services						
4-01	BS	Replace equipment to upgrade technology infrastructure	Installation of CPU and new data storage (DASD) device was completed in May '01. Updates of Network on-going.	Institutionalized			
4-03	BS/DD	Develop and implement a plan to use Intranet, email, voice response systems, and the Internet to improve internal and member services	Complete. Will continue to enhance.	Institutionalized			
4-04	BS/KC	Develop and implement a plan to use the web in all employer reporting	Complete. Over 778 employers using the new system. Currently promoting employer participation and developing system enhancements.	Completed Pilot			
4-05	BS	Proactively investigate and test new technologies	Currently testing the use of Java and IBM websphere tools for integration with Benefit Calculation module.	Institutionalized			
4-06	BS	Establish a consistent methodology (policy) for prioritizing the implementation of new technology	Technology Council was formed, integrate with budget and strategic planning process.	Institutionalized			
4-07	BS	Conduct a cost/benefit analysis with regard to outsourcing technology operations	Currently part of all analysis.	Institutionalized			

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4-10 BS/KC/JB	Determine how long data and forms are kept through the Records Retention Project.	Records retention project with Cohasset has been completed. New retention schedules disseminated and staff is receiving training on new procedures.	Started	Completed			
4-19 BS/DD	Explore mandatory EFT to benefit recipients	Complete					
4-20 KC/BS	Enhance accounting infrastructure through implementation of G/L interfaces and process re-design to improve reporting capabilities	G/L Upgrade completed. Enhanced monthly financial reports available and training completed.					

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Goal: Goal #5: Increase Board education on benefit and investment trends								
5-02	LH/LT	Identify, prioritize, and discuss broad policy issues	On-going. Investment policies, Health Care changes, asset/liabilities review are recent examples.	Institutionalized				
5-03	LH/LT	Address and prioritize current and long-term initiatives	On-going. Part of strategic plan and budget process.	Institutionalized				
5-04	JB/LT	Document comprehensive Board policies. Inventory, make recommendations and document	Over 15 new policies developed and approved by the Board in '03. Policies follow consistent structure / format to facilitate Board monitoring of compliance.		Complete	Institutionalized		
5-05	LT	Increase Board education on benefit and investment trends	On-going	Institutionalized				
5-07	JB/LT	Establish a new trustee orientation program	Complete		Complete			
5-08	LH	Explore the advantages of undertaking a Board Annual Review	Annual review completed in 2002 & 2003, and planned for 2004.		Complete			
5-09	LH/LT	Investigate and discuss new methods to communicate more effectively with the Board	Monthly board updates on investment and organization wide topics are provided. Board web site created. Board receives monthly packets one week in advance of meetings.	Institutionalized				
5-10	TS	Improve current relations with Ohio Retirement Study Council and the Ohio Legislature	On-going. Progress continues.	Institutionalized				

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5-11 BS/KC	Integrate the budget with the strategic planning process	On-going. Budget reports designed to assist in this effort.	Institutionalized				
5-12 JB	Obtain Fiduciary Counsel	Obtained		Complete			

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Goal:	Goal #6: Achieve legislative results that are in the best interests of our members, benefit recipients, and employers						
6-01	TS	Improve current relations with Ohio Retirement Study Council and the Ohio Legislature	On-going	Institutionalized			
6-04	TS	Proactively obtain 3% COLA legislation	Completed 2/1/02.	Complete			
6-06	TS	Explore the costs and benefits of participating in a cooperative effort with all Ohio retirement systems to monitor state and federal issues	On-going	Institutionalized			
6-08	TS	Explore the impact of the proposed SERS merger on PERS	Completed actuarial analysis.	Institutionalized			
6-09	DD	Analyze the issues surrounding a public safety division	On-going	Institutionalized			
6-10	DD	Review actuarial assumptions with recent experience and make appropriate adjustments to assumptions	Complete	Completed 5 yr. Study			
6-12	DD/BS	Determine the administrative impact of the new DCP legislation and other proposed legislation	On-going	Institutionalized			

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6-13 LT	Review and update statutory provisions for operational efficiency and flexibility	Incorporated in Business Process Redesign.			Institutionalized		
6-14 NT	Identify and analyze the outsourcing of non-core investment activities			Institutionalized			

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Goal:	Goal #7: Achieve a long-term investment return that, when combined with reasonable employer and employee contributions, allows OPERS to fulfill our mission							
7-01	NT	Document and comply with a long-term investment focus in the investment policy	Policies covering all major aspects of program have been prepared and approved. Annual review process is in place, with policies reviewed in May and June.					Institutionalized
7-02	NT	Periodically review asset allocation and modify, as necessary to achieve funding objectives	Asset / Liability project underway for '03, focused on trustee edu., and subsequently on an evaluation of the appropriateness of a separate asset allocation for the HC fund, & the current asset allocation for pension assets. Project to conclude YE '03.		Complete			
7-03	NT	Achieve and maintain investment performance in the top half of OPERS' peer group consistent with acceptable levels of risk	Full-yr. '02 inv. perf. matched the return of the composite benchmark, peer fund ranking fell to 4th quartile due to higher equity allocation. Asset allocation will be rev. in '03, & EKA & Staff will work on eval. approp. peer universe for comparison.					Institutionalized
7-04	NT	Document the policy for avoiding investments that provide less than a competitive rate of return, and adopt procedures for handling such requests	Completed. Discussion held with trustees at November 2003 Inv. Committee meeting. Decision made to not pursue ETI policy/program at the current time.			Complete		

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7-05 NT	Annually review the investment business plan, and modify, as necessary	Annual planning implemented in spring of '01. Annual plan to be presented in fall each year.	Institutionalized					
7-07 NT	Maintain a competent, well-trained staff to implement the investment program	Hiring underway for Governance Officer. Semi-annual report card evaluation process implemented.	Institutionalized					
7-09 NT	Research and develop a plan to implement the DCP investment program	DC Plan implemented and live. Investment consultant for '03 has been selected and will provide quarterly performance reporting to Board.	Started		Complete			
7-10 NT	Provide continuing education to the Board regarding investments	Board retreat in June to include 1-1/2 days of investment education through EKA Client Conference. Secondly, staff will again hold an Investment Forum in the fall. Finally, asset allocation review has educational /research component.	Institutionalized					
7-11 NT	Retain an outside investment advisor to serve as a fiduciary to the Board	Completed with hiring of EK+A. Retained Cooper Consultants to ensure independence in selection process. Completed.	Institutionalized					
7-12 NT	Select and retain an investment performance measurement consultant	Complete. Retained Callan for DC Investment performance monitoring for '03. Callan will initially present at the may meeting, and quarterly thereafter. EKA continues to provide investment performance monitoring for DB plan assets.	Institutionalized					

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7-13 NT	Develop a policy to identify, select, hire and monitor outside investment managers	Complete. Public Manager Search Process developed prior to commencing public searches in '01. Board approved process in May '01.	Institutionalized					
7-14 NT	Develop and maintain policies to address important aspects of the investment program as developed in annual plan.	Investment policies are essentially complete. Policies are reviewed annually in May and June.	Ongoing					
7-16 NT	Re-develop the internal active management approach in Domestic Equity	Redeveloped internal active management approach in Domestic Equity in '02. Approach is well supported with quantitative tools, fundamental analysis, and appropriate portfolio management practices and oversight.			Complete			
7-17 NT	Document internal active management approach in Fixed Income	Fixed income internal management policy and strategy re-developed and approved in '03. Internal portfolio achieved return that was 60bps in excess of benchmark in '03. Peer rankings for portfolio are favorable.			Complete			
7-19 NT	Develop a Private Equity Investment program	Second analyst hired in Private Equity, bringing total staff to three. Department is executing its Board-approved strategy. Objective has been institutionalized.	Institutionalized					
7-21 NT	Hire a consultant for real estate and alternative investments	Hired consultants for Real Estate and Private Equity in '02. Objective has been institutionalized.	Institutionalized					

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7-23 NT	Improve internal and external investment communications and information management	Intranet developed, implemented, and functioning well as information sharing and archiving tool. Media policy developed and implemented. Objective has been institutionalized.	Institutionalized					
7-26 TS/LH	Increase involvement in corporate governance, develop corporate governance strategy	Governance Officer hired late '03. Recommended development of governance subcommittee with representatives from Investments, Finance, Legal, and Communications. Lending investment support to proxy voting and governance support.	Complete		Ongoing			

Strategic Planning Objectives - Current

G-Obj	Resp	Objective	Comments/Status	2001	2002	2003	2004	2005
Goal: Goal #1: Provide quality customer service and communications to members and employers								
1-06	BS/DD	Provide access to personal account information through web, voice response systems and e-mail	VRS portion complete. Continue to expand web options and IVR. Retiree info slated for late '04.		eMBS		VRS/E-Mail	
1-16	BS/DD/KC	Redesign the work processes	Check Imaging expected to be completed by July '04. Business Process Re-Design in Contribution Receipts to begin October '04.	Started	BPR, Capacity Analysis	Call Tracking System, Backpayments	Estimates Workflow	
1-23	KC	Develop Employer Call Center for a one stop shop for employers	Customer Service Reps added to Call Center to support ECS. Call Tracking implemented. Employer Seminars developed from the call center questions.					
1-26	KC	Expand Employer Outreach Program Services and reporting capabilities	New employer newsletter and employer manual. Employer Seminars expanded. Staff in process of integrating into employers regular meeting cycle.					
1-27	KC/TS/BS	Implement accelerated contribution reporting	Legislation drafted and in process of being sponsored. Voluntary employer compliance at approximately 80% of employers.					

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1-28 DD	Begin financial planning study, including software and face to face counseling	Working on study. Results to be presented at July Board Retreat.					

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Goal:	Goal #2: Create an organizational environment which allows OPERS to achieve its mission							
2-11 SW	Research and identify areas which would benefit from an internship program	Investment intern program initiated 6/01/01. Program currently on hold due to budgetary constraints.	Inv. Intern Program Initiated					
2-12 SW/LT	Develop a succession plan for key staff positions	On-going			[Bar]			
2-19 KC	Complete the new OPERS office building and provide necessary facilities and resources	Phase 1 & 2 completed on time and under budget. Feasibility study in process for old building.	Started					
2-22 BS	Conduct capacity analysis to guide future process redesign efforts	Initial study completed July '02. To be updated bi-annually.		Initial Capacity Analysis Study		Update Capacity Plan		
2-25 SW	Review Childcare Center annually	First baseline review Spring '03. Opened to community April '03. Continuing to monitor enrollment.			[Bar]			

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Goal:	Goal #3: Provide a competitive, comprehensive benefit package to members						
3-04	DD	Explore and implement future innovative pension and health care plan designs	PLOP program implementation complete. Exploring health care design changes with Board and workgroup (HCPP).	Started			
3-14	DD	Explore healthcare cost containment measures and plan design changes in order to prolong financial viability of retiree healthcare program	Study underway. Exploring ideas with Board and workgroup.				
3-15	DD/BS	Implement the Health Care Choices	On hold for HCPP.	Design & Analysis			
3-16	DD/BS	Implement Health Care Preservation Plan which includes Choices implementation, ongoing monitoring and other plan design changes	On hold, pending member education and feedback. Approval process continues in fall of '04.				
3-17	DD/BS/KC	Implement Additional Annuity Tracking System	On hold, pending legislation.				

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Goal:	Goal #4: Use leading technologies to enhance internal efficiencies and external services							
4-02	BS/KC	Investigate imaging technologies to reduce record storage and increase access to information through the COLD System			COLD	Pilot	Workflow	
4-08	BS	Periodically update the business resumption/disaster recovery plan			Plan Started	Plan Complete	Test	Convert/ Merge Plan
4-09	BS	Implement imaging and workflow into Call Center technical environment				Design	Implement	
4-11	BS	Retiree Web Initiatives including emphasis on Healthcare						
4-12	BS/KC	Interface G/L program with other systems						
4-13	BS	Document management for Investments Intranet			Pilot Complete			

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4-14 BS	Internal IT re-organization	Study complete in June '02, to be implemented '03 and '04.		Design	Implement		
4-15 BS	Explore ways to enhance Healthcare program through technology	Health Care systems being analyzed for complete re-write as part of '04's Health Care Choices program.			Design	Implement	
4-16 BS	Implement new organizational structure to improve IT Services	IT Help Desk went live in January '03. Now tracking various service levels for IT. Establishing service level agreements.		Started	Completed Phase I	Phase II	
4-17 BS	Explore mandatory use of the e-ECS	Not started. Changes being made for accelerated contributions.					
4-18 BS/NT	Develop an IT Strategic Plan for the Investment Division (interfacing)	Vision Project started as part of budget preparation.					
4-21 KC	Develop Management/Executive Reporting summary	In process. Preliminary package to be drafted by September '04.					
4-22 DD	Forecasting software for the Call Center to better predict call volume and staffing needs	Will be completed by end of '04.					
4-23 BS	Design and Implement Performance Measurements	In-Progress with Business Units, but moving slowly.					
4-24 BS/GJ	Update / Re-create Business Resumption Plan for Organization	Not Started					

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4-25 BS	Design and Implement Knowledge Management System to capture retirement expertise	Not Started					
4-26 BS/SW	Transform the Board and Executive Director's Performance Evaluations from paper format to a downloadable form via the OPERS Board Intranet	Not Started					

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Goal: Goal #5: Increase Board education on benefit and investment trends								
5-01	BS/LT	Develop and implement appropriate measurements and reporting requirements to monitor the achievement of organizational goals and standards	Performance measures continue to be developed for all areas of the business.					Started
5-06	JB/LT	Develop and implement a plan for trustee education	Board Retreat / seminars held periodically. Series of Health Care & Corporate Governance meetings held. Joint fund trustees education under development.					Started
5-13	LT/DD	Expand Board education for Benefits and other OPERS areas similar to the Investments seminars with involvement from other systems and ORSC	Working on joint trustee education seminars with other systems.					

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Goal: Goal #6: Achieve legislative results that are in the best interests of our members, benefit recipients, and employers							
6-02	TS	Increase contact with legislators to educate them about OPERS with emphasis on DCP	Increase efforts to educate legislators on health care and funding issues.	Ongoing			
6-03	TS	Keep actively informed on the mandatory social security issue	Continued efforts to oppose mandatory coverage. Becoming more active on federal efforts to modify GPO.	Ongoing			
6-05	TS/DD	Expand our relationship with constituency groups	Continued with periodic meetings with stakeholder groups. Health Care work groups continued in '04.	Ongoing			
6-07	TS	Take a more active role in the Coalition to Preserve Retirement Security and the Council of Institutional Investors (CII)	Continued participation in CPRS. New Governance Officer will allow OPERS to be more active in CII.	Ongoing			
6-11	DD	Analyze gainsharing strategies for fully funded systems	On-going				
6-16	TS	Enactment of legislation to make Board approved policy changes	Board approved policy changes drafted but not yet enacted due to controversy over pension reform legislation.				

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6-15 TS/DD	Identify and Participate in coalitions to advocate for meaningful health care reform at federal level	Continued membership in NCHC in '04. Other efforts include CEM, Health Care benchmarking project; coalition of public plans to advocate for federal reforms; and trying to influence drug pricing through the Pharma Futures Project.					
6-17 TS/LH	Develop Board consensus on strategies necessary for more advocacy oriented Corporate Governance Programs	Corporate Governance Committee formed. Education sessions held.					

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Goal:	Goal #7: Achieve a long-term investment return that, when combined with reasonable employer and employee contributions, allows OPERS to fulfill our mission						
7-06 NT	Periodically review the effectiveness of the investment program	Pension AL Study conducted in '03. Appropriateness of overall asset mix reaffirmed. HC study underway with pending recommendation to split HC assets from pension assets and establish separate HC policy and asset mix.			Ongoing		
7-08 NT/KC	Identify and analyze the outsourcing of non-core investment activities	Operational project underway to streamline settlement / accounting model. Work group is evaluating technology and budgetary needs to implement model. Project to run through '05.					
7-15 NT	Achieve the Investment performance objectives listed in the Investment Policy.	Achieved all investment goals in '03. 1,3,5 year returns all ahead of composite benchmark return. Peer rankings over 1,3 year periods in top 1/3rd. 5 year peer group ranking at 64th percentile.	Ongoing				
7-18 NT	Research a program to internalize a limited amount of International Equity Management	Initial research on internalization has been complete. Now working with quant group to model and test paper portfolios. Additional research is currently underway, with recommendation to be made in '04.	Ongoing				

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7-22 NT	Develop a risk budgeting and compliance monitoring program	Risk presentation made to trustees in Jan. Draft risk policy has been developed. Work continues on developing a risk budgeting framework for measuring risks associated w/ asset & sector allocation decisions. Addit. presentation to trustees to occur in 04.	Ongoing				
7-24 NT/KC	Integrate fund accountant into operational processes	Investment Ops project in process. Overall system plan completed and workflow implementation still in process.			Ongoing		
7-25 NT	Develop, strengthen and improve internal investment management	Internal active management has been substantially redeveloped. Initial results are encouraging with '03 out-performance for both the DE Research Portfolio & the internal Global Bond portfolio. Monitoring to continue.	Ongoing		Ongoing		
7-27 NT	Eval. & recommend methods to increase the ability of the inv. program to better capture market oppor. & risk controlled framework	Launched research initiative to study and recommend possible investment in a number of areas during '04 and beyond. Trustees will receive presentations and recommendations on a number of diversification and incremental return ideas throughout '04.	Ongoing				

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7-28 NT	Conduct an eval. of the Inv. Division structure w/ a goal of identifying ways to improve decision making, oversight, & risk control of key activities	Initial research of other funds undertaken; organization model developed; discussed with consultant, senior staff, trustees; sequence of actions developed; implementation to commence in 2Q '04.					
7-29 NT	Evaluate the merits of establishing a global equity component within the Investment program	Research underway in '04, with recommendation to trustee in latter part of '04 or early '05.					