

**New Mexico**  
**Educational Retirement Board**

**Strategic Plan**

**Fiscal Years 2017-2019**

## **Mission**

**Providing secure retirement benefits for New Mexico's educational employees – past, present and future**

## **Vision**

**To be an effective and trusted manager of New Mexico's Educational retirement system**

## **Values**

-  **Innovation**
-  **Integrity**
-  **Quality**
-  **Respect**
-  **Service**
-  **Stewardship**
-  **Transparency**

## **Goals**

- 1. Improve and maintain the financial condition of the fund**
- 2. Continually improve the quality of member/employer service**
- 3. Embark on agency-wide risk identification and management effort**
- 4. Build strong, effective relationships with all stakeholders**

## **Goal 1**

### **Improve and maintain the sound financial condition of the fund**

#### **Objectives**

**A. Continued increases in NMERB's funded ratio. The defined benefit plan is a secure element of NMERB members' retirement**

**Initiatives:**

1. Maintain constant monitoring, analysis and reporting of fund asset management and performance
2. Improve data collection, analysis and communication of results to stakeholders and policymakers

**B. Asset allocation and performance are within established ranges**

**Initiatives:**

1. Board reviews asset allocation at least every two years
2. Staff conforms asset structure to Board established allocation
3. Staff performs necessary levels of due diligence and monitoring to ensure compliance
4. Staff and consultants present quarterly reports to Board with status of allocation, performance, and other relevant information

**C. The fund performs efficiently in relation to state, national, and international economic and political climates**

**Initiatives:**

1. Identify educational and information resources and opportunities for Board, staff, stakeholders, and policymakers

2. Initiate dialogue on action for change in statutes/policies/rules
3. Develop roundtable of concerned, informed constituents/partners to brainstorm on ways to insulate or improve

### **Measures:**

- A. Annual, three, five, and ten year market rate of return to exceed benchmarks**
- B. Ranking within peer group – expected to exceed median over long-term**
- C. Continued progress toward reaching Board’s funding goal (100% funding)**
- D. Timely completion of NMERB’s annual actuarial valuation report and financial statement audit**

## **Goal 2**

### **Continually improve the quality of member and employer service**

#### **Objectives**

##### **A. Members and employers are highly satisfied with the administrative support provided to them**

###### **Initiatives:**

1. Solicit member/employer input on ways to improve our service
2. Conduct regular surveys in a variety of media to identify areas for improvement
3. Participate in benchmarking service, evaluate results and integrate improvement steps into related service component area
4. Participate in peer communication and observation to identify available processes or improvements that could be implemented or adapted for use in NMERB

##### **B. Constituents are delighted with NMERB's communication efforts**

###### **Initiatives:**

1. Redesign website with focus on improved ease of navigation to topical interest
2. Establish visual library of presentations, articles and links on various NMERB pension topics
3. Expand efforts to communicate with various member or employer groups by holding periodic "Listening Tours" in all parts of the state and by holding NMERB Board meetings in locations around state
4. Improve the reporting processes and tools to provide timely, accurate information about the status, performance, and actuarial soundness of the NMERB fund

**C. Members and employers understand the value of NMERB benefits****Initiatives:**

1. Improve content quality and availability of member seminars/publications/website
2. Develop targeted presentations for various member service levels to address more individualized time-related needs
3. Design and implement employer educational outreach activities and resources
4. Implement and increase use of member emails and member accounts on website to deliver information

**D. Members are equipped to make informed decisions about their retirement security****Initiatives:**

1. Work with topical speakers to address areas of concern to members – Social Security Administration, New Mexico Retiree Health Care Authority, Medicare
2. Provide relevant links on NMERB website, sorted by topic

**Measures:**

- A. Number of member seminars conducted and attendees
- B. Number of employer seminars conducted and attendees
- C. Number of NMERB initiated communications with members (newsletters)
- D. Number of NMERB initiated communications with employers (legislative updates, policy changes, or employer handbook)
- E. GFOA acceptance of NMERB's CAFR and PAFR
- F. Timely completion of NMERB's fiscal year financial audit
- G. Clean or unmodified financial audit opinion

### **Goal 3**

## **Perform agency-wide risk identification and develop associated management efforts to control**

### **Objectives**

#### **A. Business process risk policy addresses risk management on agency-wide basis**

##### **Initiatives:**

1. Review Board Governance Policy and other related areas for direction
2. Adopt and update as needed NMERB Disaster Recovery Plan and Business Continuity Plan
3. Identify areas of risk within geographical locations of office and obtain any available information/studies (i.e. City of Santa Fe Disaster Recovery Plan, other State of New Mexico procedures or plans, etc.)

#### **B. Agency-wide efforts to identify and mitigate risk**

##### **Initiatives:**

1. Develop employee educational awareness campaign of business risk
2. Survey staff, members, & employers on vulnerability areas
3. cross-training of staff in all departments and develop a formal job succession plan or task continuance plan

#### **C. Investment returns are less volatile**

##### **Initiatives:**

1. Measure asset volatility and report periodically to Board
2. Utilize industry best practice method to address volatility risk in asset investment
3. Identify and evaluate risk-based overlay strategies



**D. Internal audits are performed in accordance with industry best practice****Initiatives:**

1. Follow Audit Committee approved internal audit plan
2. Report internal audit results and findings to Audit Committee/Board

**E. Staff attrition rates decline, reducing loss of institutional knowledge****Initiatives:**

1. Promote physical training program to encourage healthy lifestyle for staff
2. Support and encourage educational opportunities to expand workplace skills and knowledge
3. Research for existing/potential tools or reward systems to provide incentive and motivation to staff

**Measures:**

- A. Update NMERB Business Continuity and Disaster Recovery Plan by June 30, 2017**
- B. Design various surveys to determine risk vulnerabilities among related groups , conduct and tabulate results by June 30, 2018**
- C. Continue to engage in documented risk analysis of assets and allocation**

## **Goal 4**

**Build strong, effective relationships with all stakeholders to collaborate on necessary legislative or administrative improvements in plan structure**

### **Objectives**

- 1. Establish continuing dialogue with various stakeholders to enhance communication and facilitate efforts on common goals through a variety of media**

#### **Initiatives:**

1. Hold periodic meetings to share information
  2. Analyze available data to assess needs or determine trends
  3. Work with representatives of member groups and employers to enhance the education and communication of changes in the plan
- 2. Communicate with employers on changes within their systems that will impact member benefits within NMERB prior to any potential change.**  
**Initiatives:**
  1. Maintain contact with employers so lead time is maximized in evaluating changes and giving feedback
  2. Consider other ways that NMERB can communicate in employer planning and decisions
  3. Enhance communication with members on employer action that may affect NMERB benefit
  4. Assist members and representative groups in educational efforts on defined benefit plan and its value to our members

### **Measures:**

- A. Schedule regular meetings with each group**

- B. Develop or update informational materials on NMERB to be used in recruiting efforts by employers**
- C. Continue dialogue with stakeholder group on emerging issues**