

# 2004 Budget Presentation

## **Employees' Retirement System**



# **2002/2003 Accomplishments**

- Global Pension Settlement Implementation completed.
- Issued a Request for Proposal for a Pension Management Information System (PMIS) and awarded a contract to Covansys Corporation.
- Continued to Improve Member Communications.
- Continued Monitoring of Investment Portfolio.

# Global Pension Settlement Implementation

- Lump sum bonus payments are continuing to new retirees – total payments \$156.7 million to over 10,300 members.
- Processed payments to 564 estates totaling over \$5.0 million in benefits – approximately 71 estates still in process valued at \$.5 million in benefits.
- In August 2003, court ordered continued acceptance of consent forms for all non-consenting members.
- Began accepting 1.6% contribution for new members and calculated catch-up amounts.
- Processed Fire and Police Survivorship former member bonuses to 1,947 individuals valued at \$977,000.

# **Pension Management Information System**

- Issued an RFP for a new Pension Management Information System. Included a Phase I analysis based upon proposals, site visits to current users, & reference checks. Phase II analysis based upon oral presentations and interviews with prospective team members. Awarded a contract in May (5 month process).
- Reviewed proposed enhancements including an imaging component, workflow, and web based member service. Awarded a contract for these features in July, 2003.
- Covansys staff on site in June, 2003, currently in gap analysis phase of the project (over 100 meetings with ERS staff to identify gaps in proposed Clarety solution).
- Acquisition of hardware and software for new solution underway.

# Improved Member Communications

- Continued production of monthly newsletter for retirees.
- Continued to provide retirement planning seminar – expanded availability dates.
- Developed additional brochures on member benefits and calculations.
- Updated web-based pension estimator available at [www.cmers.com](http://www.cmers.com) to include new option factors.  
(13,000 estimates done on-line)
- Added surveys for new retirees, comment cards, etc.

# Portfolio Monitoring

- 1/1/2003 Valuation reflects funded status of 115.2% on an actuarial basis. ERS #2 in funding status of 90 largest public pension funds.
- As of 10/9/03 estimated value of fund is estimated at \$3.87 billion up from 1/1/03 value of \$3.36 billion (market gains in excess of \$.63 billion) .
- Daily, monthly and quarterly monitoring of investment returns.
- Due Diligence trips to current and new managers.
- Continued Commission Recapture Program – additional revenues of \$217,000 for 2002 and \$133,000 for 2003.

# 2003/4 Proposed Activities

- Continue work on new Pension Management Information System (PMIS), scheduled for 2005 implementation.
- Install electronic document management system and begin back file conversion efforts.
- Continue data remediation efforts for single data repository.
- Continue analysis of Private Equity as an additional asset class for the fund.