

MBTA Retirement Fund

Strategic Plan Implementation Progress Report

Updated August 18, 2021

Goal A Enhance financial technology capabilities to support a secure and high performing customer service environment.		
Objective	Strategic Initiative	Implementation Status
<p>A1: Improve and Modernize the Retirement Fund’s IT infrastructure.</p>	<p>A1.1: Implement technological improvements consistent with legal standards and best practices to better protect confidential information.</p>	<ul style="list-style-type: none"> • <i>In progress.</i> Implementing multifactor authentication (MFA) for access to the MBTARF’s network, directory services, switches, endpoints and servers. • <i>Complete.</i> Implementation of enhanced mobile device management and email encryption is complete. • <i>Complete.</i> Tested feasibility of implementing remote online notarization mechanism to enable members to remotely notarize and e-sign retirement applications and other Retirement Fund documents; ongoing implementation on hold. • <i>Complete.</i> Laptop hard drive encryption capabilities were included as part of the Windows 10 migration (discussed in A1.2). • <i>Complete.</i> Implemented mechanisms to allow for disability retirement applicants to obtain exams utilizing telemedicine. • <i>Complete.</i> Adopted Zoom Video Communications, which provides real time audio and video conferencing and online chat services through a cloud-based peer-to-peer software platform.
	<p>A1.2: Migrate from a traditional on-premises hosting solution to a cloud-based hosting solution and upgrade the Retirement Fund’s operating system from Windows 7 to Windows 10.</p>	<ul style="list-style-type: none"> • <i>Cloud Migration – in progress.</i> The Retirement Fund completed negotiating updates to its master subscription agreement with its managed service provider and technology consultant and corresponding SOW for the cloud migration work, which is in progress. • <i>Windows Migration – complete.</i> The Retirement Fund’s migration to Windows 10 is complete.

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	A1.3: Complete migration to an electronic records management and retention program to improve storage and retrieval, while reducing the burden of maintaining paper records.	<ul style="list-style-type: none"> • <i>In progress.</i> Determining the feasibility of utilizing a digital record system for official records. • <i>Complete.</i> Benefit software provider PTG implemented a mechanism that attaches scans of paper-based member and retired member records to the corresponding member files in PTG PensionPro.
A2: Implement and maintain a sophisticated online self-service platform.	A2.1: Implement password protected account access for members and retirees to obtain and monitor basic retirement data including pension benefit information by completing PTG Pension Pro benefit software implementation.	<ul style="list-style-type: none"> • <i>Complete.</i> The PTG Member Self-Service Portal is live on the Retirement Fund’s website.
	A2.2: Ensure that the Retirement Fund’s website is secure and maintained properly.	<ul style="list-style-type: none"> • <i>Ongoing.</i> • <i>Complete.</i> The Retirement Fund’s Manager of Information Technology and Keza implemented website updates for the Member Self-Service Portal and other items, including website layout and member and retiree account access. Additional investment-related items were updated and amended, such as Asset Allocation – Target & Current, Investment Policy Statement, Investment Manager List. • <i>Complete.</i> Updated Privacy Policy and Terms of Use posted on website to cover enhanced website and PTG functionality.
A3: Educate financial technology users on upgraded service offerings and evaluate customer satisfaction.	A3.1: Identify online and traditional educational tools to educate members, retirees and their beneficiaries on the Retirement Fund’s online service offerings.	<ul style="list-style-type: none"> • <i>Planning.</i> The Retirement Fund anticipates rolling out educational tools related to the PTG Member Self-Service Portal (such as detailed FAQs with illustrations and a webinar). • <i>Complete.</i> Retirement Fund management published an April 2021 <i>Milestones</i> newsletter. • <i>Complete.</i> The Retirement Fund announced its launch of the PTG Member Self-Service Portal in the June 2020 <i>Milestones</i> newsletter.
	A3.2: Conduct customer satisfaction surveys and evaluate customer service delivery and offerings based on findings to improve financial technology and customer facing business processes to achieve and deliver high quality, timely, effective and efficient customer service to our members.	<ul style="list-style-type: none"> • <i>Planning.</i> The Retirement Fund anticipates rolling out customer satisfaction surveys to evaluate the PTG Member Self-Service Portal offering and customer services related thereto.

Goal B Cultivate a sophisticated, professional, risk intelligent organization dedicated to customer service.		
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<p>B1: Retain and develop a highly component staff.</p>	<p>B1.1: Enhance and encourage employee training and development opportunities (internally and externally) and promote continuing education, cross-training, risk awareness, and knowledge transfer to ensure workforce efficiency, sustainability, and innovation.</p>	<ul style="list-style-type: none"> ● <i>Ongoing.</i> Pursuing education: <ul style="list-style-type: none"> ○ Manager of Information Technology – CFA – Level II. ● <i>Complete:</i> <ul style="list-style-type: none"> ○ The Retirement Fund conducted new hire training on January 5, 2021 and July 19, 2021. ○ The Retirement Fund conducted 2020 Annual Training on September 24, 2020, and is planning 2021 Annual Training. ○ Manager of Benefits – Master’s in Business, Corporate Finance. ○ Former Manager of Operations completed BU CPE – Commercial Real Estate Certification. ○ Manager of Disability completed Master’s in Science – Industrial Org. Psychology. ○ Manager of Information Technology attended CLE on Cyber Security Threats and Best Practices in the Remote World of COVID-19 on 5/1/2020. ○ Former Manager of Operations attended CLE on Post-Quarantine Return-to-Work Guide on 5/11/2020. ○ Mandated social distance and sanitization training conducted in conjunction with training on the Retirement Fund’s COVID-19 Return-to-Work Guide on 5/21/2020. ○ Interim-Executive Director attended CLE on Employment Law Issues & Opportunities in Remote Work on 6/8/2020.
	<p>B1.2: Develop succession and redundancy plans to ensure availability of experienced and capable employees to assume new roles as needed and assure continuity of quality service.</p>	<ul style="list-style-type: none"> ● <i>Planning.</i> To be addressed in conjunction with the reorganization of the Retirement Fund’s organizational chart and recent hires. See Strategic Initiative B3.3.
<p>B2: Design and implement <i>Kai Zen</i>-like processes to improve benefits administration, information security</p>	<p>B2.1: Regularly evaluate, update and refine internal policies governing operations and management to reduce risk, enhance quality, improve discipline and encourage internal cooperation.</p>	<ul style="list-style-type: none"> ● <i>Ongoing.</i> ● <i>In Progress.</i> The Retirement Fund developed a COVID-19 Return-to-Work Guide to govern return to office operations for employees. The Retirement Fund is monitoring local, state, and federal COVID-19 return to work guidance and updating its Return-to-Work Guide as appropriate.

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and other Retirement Fund practices and procedures.		<ul style="list-style-type: none"> • <i>Complete.</i> The Retirement Fund provided general updates to its Employee Handbook in July 2021 to ensure compliance with applicable law and best practices. • <i>Complete.</i> Conducted outreach and convened Zoom meetings with peer retirement funds and aspirational retirement funds to discuss their operations and best practices - Plymouth County meeting held 11/19/2020; Middlesex County meeting held 11/23/2020; Boston Retirement meeting held 11/24/2020. • <i>Complete.</i> Outreach to PERAC to determine its best practices related to PTG/benefit software, mortality vendor, remote online notarizations, and telemedicine. • <i>Complete.</i> Engaged a new mortality verification vendor, PBI, to provide enhanced mortality verification services.
	B2.2: Adopt a program of assessments and audits to evaluate internal controls, policies, performance and risk, and develop improvements and enhancements to the Retirement Fund’s policies and procedures.	<ul style="list-style-type: none"> • <i>In progress.</i> The Benefits Department SOPs are in the process of being updated. • <i>In progress.</i> ICWG updating Finance Department Procedures and Selection of Investment Managers based to on internal assessment to conform to updated IPS and best practices - meeting scheduled for September 2021. • <i>Complete.</i> The Retirement Fund conducted an operational assessment of its reorganized structure, org chart, and job functions. • <i>Complete.</i> WISP annual review completed in December 2020. • <i>Complete.</i> ICWG updated IPS to account for new asset allocation targets effective 7/1/2020.
	B2.3: Convene regular Information Governance meetings to improve information security awareness and customer facing “FinTech” processes.	<ul style="list-style-type: none"> • <i>In progress.</i> Meetings with the Retirement Fund’s managed service provider and technology consultant, to be held each quarter.
B3: Strive to create a process-based	B3.1: Convene “agenda-driven” monthly staff meetings to promote internal synergy and organization while increasing accountability.	<ul style="list-style-type: none"> • <i>Ongoing.</i> Monthly staff meetings scheduled and held beginning September 2019 and continuing through to date.

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organization that optimizes performance and efficiency.	B3.2: Develop and evaluate standard operating procedures (SOPs) to improve efficient operations, productivity and uniformity.	<ul style="list-style-type: none"> • <i>In progress.</i> The Benefits Department SOPs are in the process of being updated. • <i>In progress.</i> The Retirement Fund is preparing an annual operational event calendar setting out reoccurring items.
	B3.3: Evaluate the organizational chart and job descriptions to assure that roles match ever-evolving business responsibilities and service needs.	<ul style="list-style-type: none"> • <i>Complete.</i> Feedback obtained on job descriptions and the Retirement Fund organization structure from employees via Organizational Chart Evaluation Survey. • <i>Complete.</i> The Retirement Board approved the Retirement Fund staff reorganization plan that was developed, in part, by utilizing feedback obtained from employees via the Organizational Chart Evaluation Survey. • <i>Complete.</i> The Retirement Fund obtained staff feedback related to implementing its reorganized structure via the Reorganizational Assessment Survey. • <i>Complete.</i> The Retirement Fund management and Project 2020 team updated job descriptions in a manner consistent with industry practices, the Retirement Fund’s staff reorganization designed to recognize organizational changes, changes in job functions and technological enhancements as well as promoting cross-departmental work for all employees. • <i>Complete.</i> The Retirement Fund engaged the PERAC Chairman to conduct an operational assessment of its reorganized structure, organizational chart, and job functions. • <i>Ongoing.</i> Org Chart and job descriptions to be reevaluated based on employee departures and new hires.

Goal C Become a recognized leader in pension benefit administration.		
Objective	Strategic Initiative	Implementation Status
C1: Collaborate with state regulators, public pension systems and	C1.1: Meet semi-annually with PERAC and PRIM leadership and staff to discuss cutting-edge issues relevant to pension benefit administration and investment.	<ul style="list-style-type: none"> • <i>Ongoing.</i> The Retirement Fund has maintained ongoing contact with PERAC remotely during the pandemic - Fall meeting 2021 - <i>tbd.</i>

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other industry stakeholders to identify innovative “best practices” and educate stakeholders about the Retirement Fund.		<ul style="list-style-type: none"> • <i>Complete.</i> The Retirement Fund and PERAC meeting convened (remotely) in March 2021. • <i>Complete.</i> The Retirement Fund and PERAC meeting convened in August 2020. • <i>Complete.</i> The Retirement Fund and PERAC meeting convened in February 2020. • See Objective B2 for other PERAC “best practice” sharing.
	C1.2: Attend industry meetings and join industry trade groups to identify and adopt industry best practices to continuously improve and adapt the Retirement Fund to an ever-changing environment.	<ul style="list-style-type: none"> • <i>In progress.</i> The Retirement Fund is determining the feasibility of speaking at and/or attending upcoming industry events. • <i>Complete.</i> Select staff members attended Government Finance Officers Association (GFOA) Award Management System Training. • <i>Complete.</i> Interim Executive Director attended International Foundation of Employee Benefit Plans (IFEBC) - 65th Annual Employee Benefits Conference that covered the following topics: (i) economic outlook; (ii) managing risks; (iii) environmental, social and governance (ESG) – investment initiatives; and (iv) modern asset allocation.
C2: Achieve a level of Retirement Board ethics and fiduciary accountability that meets or exceeds industry standards.	C2.1: Provide fiduciary training to educate the Retirement Board Members regarding their duties of undivided loyalty, accountability and prudent investment to the Retirement Fund and its members, retirees, and their beneficiaries, both as a matter of law and pursuant to the Retirement Fund’s Fiduciary Standards and its Investment Policy Statement.	<ul style="list-style-type: none"> • <i>Planning.</i> Board Member fiduciary training planned for August 20, 2021, which will be conducted by the PERAC Chairman. • <i>Completed.</i> Board Member fiduciary training conducted in January 2020.
	C2.2: Implement techniques to increase the effectiveness of management’s communication to the Retirement Board.	<ul style="list-style-type: none"> • <i>In Progress.</i> Preparing an annual operational calendar setting out reoccurring items that will include an annual Board Meeting agenda for recurring items.
C3: Educate stakeholders including the public about the Retirement Fund.	C3.1: Increase awareness of the Retirement Fund’s unique and important historical role within the Commonwealth’s transportation and pension benefit systems.	<ul style="list-style-type: none"> • <i>In progress.</i> The Retirement Fund is determining the feasibility of speaking at upcoming industry events. • <i>Complete.</i> The Retirement Fund updated its website to include additional information in “About Us” section. • <i>Complete.</i> The Retirement Fund has increased awareness about its transparency and best practices through informational meetings

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		with comparable and aspirational retirement funds: Plymouth County meeting held 11/19/2020; Middlesex County meeting held 11/23/2020; Boston retirement meeting held 11/24/2020.
	C3.2: Educate stakeholders about the Retirement Fund’s achievements and its limitations, including funding challenges created through demographic forces such as disproportionate increases in retirees through increased life expectancy and decreases in active, contributing members.	<ul style="list-style-type: none"> • <i>Complete.</i> The Retirement Fund announced its launch of the PTG Member Self-Service Portal and the impact of COVID-19 on the Retirement Fund’s investments in the June 2020 <i>Milestones</i> newsletter. • <i>In progress.</i> The Retirement Fund is publishing and distributing a 2021 <i>Milestones</i> newsletter.

Goal D Sustain and preserve a financially sound pension fund.		
Objective	Strategic Initiative	Implementation Status
D1: Improve the long-term sustainability of the Retirement Fund.	D1.1: Strive to ensure the long-term sustainability of the Retirement Fund by achieving the highest level of investment performance compatible with risk tolerance and prudent investment practices utilizing a highly capable and diversified external network of global investment consultants.	<ul style="list-style-type: none"> • <i>Ongoing.</i> ICWG updating Finance Department Procedures (FDPs) and Selection of Investment Manager policies. Careful consideration is given to investment selection including, without limitation, PRIM offerings.
	D1.2: Adhere to the designated asset allocation developed through actuarial studies while striving to meet or exceed the target rate of return.	<ul style="list-style-type: none"> • <i>Complete.</i> IPS updated to account for new asset allocation targets effective 7/1/2020.
D2: Enhance financial reporting, accountability, and transparency.	D2.1: Maintain effective internal controls over financial reporting and working with the auditor (KPMG) produce an Annual Comprehensive Financial Report (ACFR) compliant with the Government Accounting Standards Board (GASB) for the annual Independent Auditor's Report.	<ul style="list-style-type: none"> • <i>Ongoing.</i> State Street Bank's eCFM Platform – Adopted and implemented State Street Bank's eCFM platform (Electronic Cash Flow Module) - Rollout -2/1/2020. eCFM is a State Street application that provides the Retirement Fund with the ability to electronically provide State Street Bank with authorization for the transfer of funds and foreign exchange transactions. eCFM provides a number of security features through user entitlements, an option for dual approval, industry standard encryption protocols and user authentication requirements. • <i>Complete.</i> KPMG completed 2020 audit of the Retirement Fund. • <i>In progress.</i> Implement KPMG recommendations from 2020 audit.
	D2.2: Strive to receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting annually.	<ul style="list-style-type: none"> • <i>Complete.</i> 2019 ACFR submitted to GFOA for consideration of Certificate of Achievement for Excellence in Financial Reporting. • <i>Complete.</i> GFOA certificates achieved for fiscal years 2016, 2017, 2018, and 2019.
	D2.3: Make ACFRs and monthly, quarterly, one-, three-, five-, and ten-year investment returns publicly available via the Retirement Fund's website.	<ul style="list-style-type: none"> • <i>Ongoing.</i> This information is continuously posted on the Fund's website as it become available.
	D2.4: Evaluate and, as needed, implement technology to improve financial reporting abilities.	<ul style="list-style-type: none"> • <i>Ongoing.</i>
D3: Regularly convene Investment Compliance Working Group	D3.1: ICWG to review and continuously improve Finance Department policies and procedures including, without limitation, the Investment	<ul style="list-style-type: none"> • <i>Complete.</i> ICWG meetings held (via telephone conference) on 3/5/2020 and 4/24/2020 to discuss required IPS revisions based on new asset allocation targets approved by the Retirement Board in

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<p>(“ICWG”) meetings to review and improve Finance Department procedures.</p>	<p>Policy Statement (IPS) to reduce risks and ensure internal and third-party compliance.</p>	<p>February 2020 and effective in July 2020. IPS revisions approved by Board at July 2020 Board meeting.</p> <ul style="list-style-type: none"> • <i>Ongoing.</i> ICWG sub-committee drafting revisions to Selection of Investment Managers and Finance Department Procedures. ICWG meeting scheduled for September 2021.
	<p>D3.2: ICWG to conduct internal (Retirement Fund) reviews and coordinate external agreed upon procedures audits of IPS and other Finance department policies and procedures to determine compliance, feasibility and effectiveness of controls.</p>	<ul style="list-style-type: none"> • <i>Planning.</i>