



SWOT Analysis Feedback

November 16, 2022

Background

- **Strategic planning – process aligning vision with goals and objectives; direction**
- **Other Uses – Agency Requirement, Budget Submission**
- **Strategic Plan Created by Trustees in 2006**
- **Review and Adjustment**

Emergent Themes

- **Communications**
- **Relationships**
- **Benefits**
- **Operational Integrity**



Thank You

NEXT STEPS

- **What does the Board want to do next with this information?**

SWOT ANALYSIS

Conducted October 19,2022

<p style="text-align: center;"><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Communication – from on-boarding to prep for board meetings, to board member open communication; stakeholders • Benefit Improvement Passage – marquee benefit; more flexibility less stress on the board because of BIA passage • Research and thoughtful approach; having broad information to base decisions on, making data driven decisions • Relationships – strong relationships between board members fosters open communication and ability to contact regarding board business, board has come together for common goal, strong relationships with supporting agencies DRS, OSA, WSIB • Reputation and Diversity in perspectives of the Board • Employer perspective and stable employer representation on the Board • Reputation with the Legislature and stakeholders • Funding Management • Administrative committee structure • Democratic/Republican balance on board • Stock market strength/gains • Board member longevity 	<p style="text-align: center;"><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> • Legislative/Political Risk – funding pressure • Communication – Need to look at meaningful ways to engage members with information • Complicated subject/content – learning curve to get up to speed • More longevity with employer Representatives - 6-year vs 3-year; employer vacancies • Control of agency staff compensation • Becoming complacent with work and policy • Not working together for the benefit of the members • Succession planning for board members • Medical insurance
<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Maintenance of relationships and open communication • Growth in knowledge – both base and trends with comparable plans • Communications – multi-generational considerations, improved communication methods, using a variety of tools • Comparative Analysis – what are other Boards and Plans doing • Growing Board Education and Experience • Employer representative stability • Medical benefits? • Staff Compensation Management Control – retention, maintain historical knowledge and expertise • Managing member expectations/understanding of plan, benefits, the Board and staff role/boundaries 	<p style="text-align: center;"><u>THREATS</u></p> <ul style="list-style-type: none"> • Inflation and stock market volatility; economy • Complacency – don’t get comfortable, need to be forward thinking about what’s next for members • Management of member expectations, must be realistic, expectations vs reality • Staff Compensation Management Control – retention, loss of key personnel • Turnover of employer representatives • Political agendas • Legislature abuse of pension plan • Failure to communicate with members adequately

PRIORITY GOALS	1. Enhance the benefits for the members.	2. Provide the stakeholders with a voice in plan governance.	3. Maintain the financial integrity of the plan.	4. Inform the stakeholders.
OBJECTIVES	<ol style="list-style-type: none"> 1. Add benefits that are affordable for stakeholders 2. Identify viable alternative revenue sources for benefit enhancements 	<ol style="list-style-type: none"> 1. Enhance communication media for the stakeholders 2. Maintain stakeholder confidence in the integrity of the plan 	<ol style="list-style-type: none"> 1. Maintain prudent financial policies 2. Identify additional funding mechanisms 3. Maintain the stability of contribution rates 	<ol style="list-style-type: none"> 1. Manage expectations 2. Increase member understanding of the balance between desired enhancements and fiscal realities 3. Increase member understanding of the benefits provided in LEOFF 2 Plan
TACTICS	<ul style="list-style-type: none"> • Propose legislation that improves the plan for the stakeholders • Compare plans from other states and relevant organizations • Obtain stakeholder input for needed changes in the plan • Research and monitor Federal pension and tax laws • Monitor benefits for workers injured in the line of duty • Assess, evaluate, modify, or revise existing benefits 	<ul style="list-style-type: none"> • Provide opportunities for member communication/feedback • Take a leadership role in making presentations to stakeholder groups • Solicit information about stakeholder priorities and issues • Make presentations at public hearings • Maintain a wide range of communication media such as Web site, newsletter, and conference outreach • Inform stakeholders about opportunities for communication/feedback 	<ul style="list-style-type: none"> • Adopt adequate contribution rates • Adopt financially sustainable budget for board operations • Adopt economic assumptions, actuarial tables and cost methodologies • Commission independent audits • Research other options for revenue • Identify best practices from other states and organizations • Consult with strategic partners regarding rate stability • Ensure the reliability of rate projections • Provide information on the fiscal reality of the plan • Promote Fiduciary education 	<ul style="list-style-type: none"> • Provide stakeholder access to understandable fiscal and policy analysis • Provide additional DRS LEOFF 2 seminars and workshops throughout the state • Develop simple and direct forms of communication to the members • Provide comparison information to best practices in other states • Provide the LEOFF Actuarial Valuation Report as a tool for members

MEASURES

Goal	Method of Measurement	Target
4	Seminars and workshops devoted to the priorities of the Board	Make a minimum of five presentations before stakeholders each year
1	Board proposals that are approved by the Legislature	100% approval rate
1 & 2	Research supporting proposals	Every proposal includes a research component
2 & 4	Comprehensive communication program with targets and schedule	
2 & 4	Feedback from the membership	Conduct outreach at 4 stakeholder conferences Conduct expectation interviews/surveys with Trustees
2 & 3	Independent audits: <ul style="list-style-type: none"> Board expenses Actuary's assumptions 	Audit Targets <ul style="list-style-type: none"> Board expenses—no findings Actuary's assumptions—performed on timely basis
3	Deviation from the expected long-term cost of the plan	Maintain deviation within 10% of long-term cost
3	Current and appropriate funding policies	Review, revise and adopt funding policies for LEOFF Plan 2
3	Funded ratio under actuarial standards	At least 100%
3	Actual performance vs. projections in key planning areas	Actual expenditures will not exceed projected expenditures
2 & 4	Newsletter	Minimum of two per year