

FUNDAMENTALS

IMRF

RETIRED MEMBER EDITION

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New Executive Director Brian Collins joins IMRF

In December 2017, IMRF hired City of Memphis Chief Financial Officer and Director of Finance and Administration Brian Collins to succeed Louis Kosiba as the organization's Executive Director, beginning January 8, 2018.

Collins is IMRF's seventh Executive Director since it began operations in 1941.

"With a funded status near 97% and top quartile customer service, IMRF is a national leader in the public pension industry," Collins said. "I'm excited to partner with the Board and staff to continue to achieve our Vision of providing the

"I'm excited to partner with the Board and staff to continue to achieve our Vision of providing the highest quality retirement services to our members, their beneficiaries, and employers."

—Brian Collins, IMRF's new Executive Director

highest quality retirement services to our members, their beneficiaries, and employers."

The journey so far

As Memphis' Chief Financial Officer, Collins reported directly to the mayor and was responsible for all financial functions of the city. He has deep knowledge of public pensions, having played a key role in the improved financial condition of the city's pension plan in recent years. He is also a former adjunct professor and member of the graduate faculty at the University of Memphis Department of Finance, Insurance, and Real Estate.

Before joining the city in 2012, Collins spent more than 20 years in banking at First Horizon



Brian Collins
IMRF Executive Director

National Corp., Citigroup, and J.P. Morgan, and a decade working in commercial litigation in Chicago.

"I was born at 95th and Western on the South Side of Chicago and grew up in the western suburbs, so it's great to be returning to the Chicago area," Collins said.

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IMRF earns ILPEX Gold Award

Illinois Performance Excellence (ILPEX), the recognition program of the Illinois Manufacturing Extension Center (IMEC), is honoring IMRF with its 2017 Gold Award for Achievement of Excellence—the program’s highest distinction.



Recognition Program

Designed to help for-profit and non-profit bodies with expertise development, **Illinois Performance Excellence (ILPEX)** is a full-service training and assessment program with a goal of improving Illinois organizations.

Established in 1994, the ILPEX Recognition Program is Illinois’ **Baldrige Performance Excellence Program** affiliate. The program recognizes companies that achieve elements of business excellence in leadership, strategy, customers, measurement, workforce, operations, and results.

Learn more about ILPEX at www.ilpex.org.

Ranking from bronze to gold, this distinguished, independent, statewide award program recognizes organizations in various industries, at different levels. This is IMRF’s first Gold Award. IMRF joins Community Consolidated School District 15 in Palatine as the only public-sector entities in Illinois to have ever received the Gold Award.

“What a tremendous honor for the entire organization—for the IMRF Board of Trustees and the entire staff,” Executive Director Brian Collins said. “It really reflects our hard work and our commitment to achieving our mission, our vision, and our values.”

Making excellence a priority

“With three previous awards, IMRF is a prime example of an organization that is dedicated to continuous improvement and enterprise excellence,” said Ben Krupowicz, Executive Director of ILPEX. “From the executive director’s office to the call centers to the field representatives, their teams have collectively moved from Bronze to Gold status in eight years. Their commitment to being the best in Illinois is notable, measurable, and worthy of recognition. IMRF’s people-focused approach to serving its constituents is good news for people in every county in Illinois and that’s worth celebrating.”

IMRF and other award recipients will receive their official accolades at the Awards for Excellence Ceremony on February 22, 2018. The evening is “a celebration of organization-wide dedication to performance improvement and demonstrates the true distinction of excellence,” according to ILPEX.

“This award is not attributable to any one person; it’s an organization-wide recognition,” said IMRF Executive Director Brian Collins. “However, it’s not about the award, it’s about the journey. I’m proud to say that this award illustrates what we’re doing for our members along the way. In fact, the true recipients of this award are the members and retirees of IMRF who benefit from the dedication from each and every staff member who works to make IMRF a world-class organization.” ■

Our Journey of Excellence: It's about serving you better

IMRF's ILPEX Gold Award is a significant milestone on our never-ending journey of fulfilling our promise to provide the highest quality retirement services to you, our members.

IMRF's Mission and Vision (shown at right) set a high standard. But how do we know we're on the right path for meeting that standard? IMRF's Journey of Excellence program answers that question.

"The Journey of Excellence helps provide the structure so that we can successfully achieve our mission and vision: to provide a very high level of service at a reasonable cost to all of our stakeholders," said Deputy Executive Director Dan Duquette.

Embracing the program

Having adopted the Baldrige Criteria for Performance Excellence in order to improve its operations, IMRF submitted ILPEX Award applications in 2009 and again in 2012, receiving Bronze and Silver Awards respectively. However, IMRF senior leadership recognized that, to achieve higher levels of excellence, the organization would need to dive deeper.

"What we really needed to do was further embrace the spirit of the Baldrige Criteria," Duquette said.

In 2013, IMRF formalized its Journey of Excellence program,

"It's fact-based. It's not just a gut feeling. We can quantify what we're doing and how we're doing it."

—Kathy Goerd, Performance Excellence Manager

aimed at improving IMRF at all levels of the organization and being able to quantify its performance based on the Baldrige Criteria. In 2014, IMRF earned a second ILPEX Silver Award, and then a Gold Award for Achievement of Excellence in 2017.

What is Baldrige?

The Baldrige Foundation studies excellence in organizations across the globe and looks at what makes them successful. The criteria they developed identify areas that drive an organization's success: leadership, strategy, customers, measurement, workforce, operations, and results.

The ILPEX Recognition Program is Illinois' Baldrige Performance Excellence Program affiliate. When an organization like IMRF submits an application, ILPEX takes a closer look at the organization based on the Baldrige Criteria. What are they doing? What results are they getting? How do they respond to emerging opportunities and threats?

When its evaluation is complete, ILPEX provides the organization with a feedback report identifying strengths and opportunities for improvement.

Transformation

"Succeeding based on the Baldrige Criteria isn't about checking off items on a list," said IMRF Performance Excellence Manager Kathy Goerd. "It's about asking the right questions and having processes in place that allow the organization to adapt to

IMRF's Mission

To efficiently and impartially develop, implement, and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner.

IMRF's Vision

To provide the highest quality retirement services to our members, their beneficiaries and employers.

emerging conditions. An excellent organization knows change is a good thing. They embrace it, they're prepared for it, and they have processes in place to adapt quickly."

A key part of this is being able to make fact-based assessments of how well the organization is currently achieving its goals. For example, IMRF's 2009 ILPEX feedback report noted that IMRF regarded its employees as important stakeholders in its mission and asked if IMRF was measuring workforce engagement, a key driver of excellent service.

"The answer was no, we were not doing that—but we then researched how we should be doing that," Duquette said.

As a result, IMRF instituted an annual survey to gauge employee engagement and use the results to further improve.

A few of the many improvements IMRF implemented as a result of feedback from ILPEX include:

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IMRF Book Club—Feedback on Book #10

Ove grabs readers by the heartstrings

In Fredrik Backman's novel *A Man Called Ove*, an unexpected friendship forms between a curmudgeonly widower pushed into an early retirement and the chatty young neighbors who throw twists and turns into his carefully ordered life. As Ove reluctantly reaches out to those around him, he discovers that life's greatest rewards are often found in unexpected encounters. IMRF retirees laughed, cried, and related Ove's experiences to their own lives and people they have known. Below, we share a few of your reactions. ■

"*A Man Called Ove* was an intriguing and thoroughly enjoyable book. It seemed a little more complex than the synopsis given in the newsletter. He seemed to be a curmudgeon, but at his age should not have been. As the story develops, one lives it with him. I read tons of books, but this one stayed with me because of its ability to bring me to tears as well as laughter. I watched the movie they made of this book. It did not do justice to the range of emotions it evoked." *Nancy A.*

"Some retirees get called to do stuff they don't want to do but they do it anyway, and while they seem a bit cranky, they can be forgiven for that, as long as they keep helping others. We often do what we need to do whether we want to or not." *Angela O.*

"Ove, Ove, Ove. This book hit me from so many different angles. I have run the gamut on grief, losing my husband 36 years ago—I had two very young boys at the time so my emotions had to go on the back burner—but I will testify that grief never goes away. You just learn how to deal. As a friend told me back then, 'Life is going to change and go on with or without you.'

"I have a dear friend who lost her husband a year ago—sadly, she IS Ove. Her grief runs very deep. For both she and Ove, the 'fun' of life is no longer. Sometimes I believe she relishes the pain of grief—it helps keep her husband 'there,' close to her.

"And, as with Ove, it is with human, emotional involvement that she will find a new way, a new (necessary) reason to live... and Good Lord willing, have some small form of happiness again.

"Moral of the story? STAY INVOLVED! Keep in touch with your family; busy-schmizzy, make them take time to see you! If you don't have friends, find some! Connect with people. Clean your house! Lose the weight! Be grateful! Say yes!" *Jane T.*

"What a great book! When an author can make you laugh out loud one chapter and cry out loud the next it shows real talent.

I enjoyed it so much and am suggesting it to friends. Thank you." *Lynda T.*

"I really enjoyed *A Man Called Ove*. I am a nurse and have seen and heard from people with broken hearts and no purpose. Ove's renewal of purpose due to unforeseen circumstances is comical but also proves he had feelings that were exhibited on his terms.

"Hopefully people who experience similar life events as "Ove" can defy the loneliness and find happiness before it is too late by rediscovering their purpose in life. Enjoy family, travel, volunteering, and most of all, retirement. We have earned it!" *Pam K.*



Would you like to see the
IMRF Book Club continue?

Please share your thoughts with us at bookclub@imrf.org

Improving your customer service experience

IMRF is dedicated to making your customer service experience a better one. After listening to feedback from members and employers, we identify opportunities for improvement and look into ways to implement solutions. Here are a few of the improvements that IMRF has recently made or is in the process of implementing:

- Over the past year, IMRF’s Call Center has brought down average hold times from about 2-1/2 minutes to less than 1-1/2 minutes! This allows you to reach a Member Services Representative more quickly when you call us at 1-800-ASK-IMRF (275-4673).
- Members can now conveniently upload documents such as birth certificates or marriage certificates to IMRF through their Member Access accounts. You no longer have to fax or mail them in separately.
- IMRF is working to launch a new, automated system of printing and mailing members’ pension estimates to minimize human error. ■

When does the bank deposit my pension if the first of the month falls on a weekend?

In April, July, September, and December of 2018, the first of the month will fall on a weekend. When that happens, your bank statement may not show a pension deposit for that month. Don’t worry—it was probably deposited at the end of the previous month.

The first of the month will fall on a weekend four times in 2018:

- **Sunday, April 1**
- **Sunday, July 1**
- **Saturday, September 1**
- **Saturday, December 1**

In these instances, your bank probably won’t deposit your monthly pension on the first of the month. Instead, they may deposit it on the previous Friday—the last Friday of the previous month.

“This results in two payments

being deposited for the previous month and none being deposited for the month the deposit is paying for,” said Member Services Supervisor Jennifer Ellison.

This worries some retirees when they look at their bank statements and don’t see their pension deposit recorded for that month.

If this happens, **don’t panic.** Before calling IMRF, **check your previous month’s bank statement.** It will almost certainly show a second pension deposit at the end of that month. ■

When the first of the month falls on...

Sunday, April 1

...banks will typically deposit your monthly pension on...

Friday, March 30

When the first of the month falls on...

Sunday, July 1

...banks will typically deposit your monthly pension on...

Friday, June 29

When the first of the month falls on...

Saturday, September 1

...banks will typically deposit your monthly pension on...

Friday, August 31

When the first of the month falls on...

Saturday, December 1

...banks will typically deposit your monthly pension on...

Friday, November 30

Note: Banks vary regarding when they post deposits during the day. For more information, contact your bank.

New Executive Director

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Collins holds a B.A. in Political Science and Economics from DePaul University, an M.B.A. in Finance and Accounting from The Ohio State University, and a J.D. from Loyola University of Chicago.

IMRF Executive Trustee Sue Stanish said that the Board was attracted to the depth and diversity of Collins' professional experience. "He has worked at the highest levels of both municipal

government and the private sector; he has a background in both finance and the law; he has experience successfully partnering with external stakeholders, including politicians and the media; and he knows public pensions," Stanish said. "Brian is ready to lead this organization to even higher levels of achievement."

Looking to the future

Collins said it was "a great honor" to join IMRF, an organization with

such a history of excellence, and that he hopes to earn the trust and respect of the membership.

"This is an outstanding organization, and my initial goal is to just keep the momentum going," Collins said. "To remain a leader in our industry, we always have to be looking for ways to improve, and I promise you we will do so when it comes to member and employer services and communication." ■

Journey of Excellence

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- A customer feedback program so it could better listen to its members and make improvements to their customer service experience.
- The Leadership Scorecard, which summarizes IMRF's progress towards achieving the goals established in its Strategic Plan.
- The IAPI (Identify, Analyze, Prioritize, Implement) process, a method that allows IMRF staff to solve problems and make decisions analytically.
- Benchmarking tools to measure IMRF's success in key result areas.

"It's fact-based. It's not just a gut feeling. We can quantify what we're doing and how we're doing it," Goerdts said.

Looking to the future

IMRF's recent impressive achievement does not mark the

end of its Journey of Excellence.

"The receipt of the Gold Award for ILPEX is only a milestone on our journey," Duquette said. "It's important, it's a validation that we're doing the right things, but it's only a milestone, not the destination."

IMRF's next step will be to apply for the Malcolm Baldrige National Quality Award, the highest award an American-based company can receive for quality excellence. Even if IMRF wins the national award, it will continue to apply for a Baldrige Award every 3-5 years. Every time IMRF applies for the award, it will get feedback on its processes and approaches, ensuring that the organization remains forward-looking.

Excellence, Goerdts observes, is not a static thing. Every two years, the criteria change to

address emerging challenges that organizations must face. Two new topics the criteria require applicants to address are social media and cybersecurity.

"Excellence is an ever-moving target," Goerdts said. "You don't reach excellence and stay there, because the criteria change, and you're constantly having to adapt."

She continued, "We dipped our toes in the water when we submitted our first application in 2009. We broadened that experience when we got our first feedback report and started working on the opportunities for improvement it uncovered. From there, to become an organization that truly embraces the culture of excellence, you really have to know more than where you've been and where you are now—you need the foresight to know where you're going." ■

Kuehne re-elected as Executive Trustee



Tom Kuehne
Executive Trustee

The IMRF Board of Trustees certified the results of the 2017 Board Election at its December meeting.

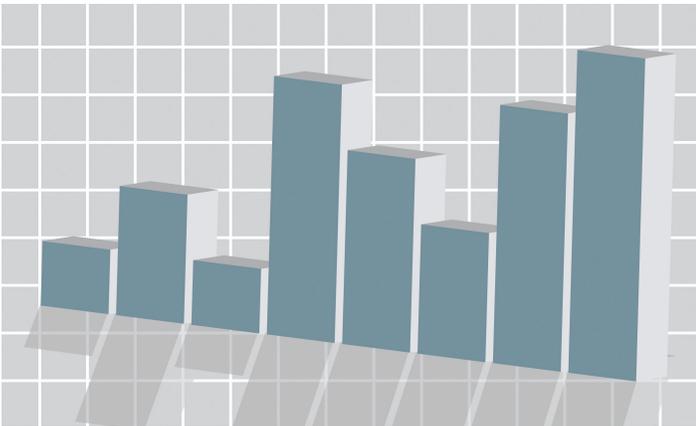
Executive Trustee Election

Tom Kuehne, Finance Director/Treasurer for the Village of Arlington Heights, was re-elected to the Board as Executive Trustee. His new term will run from January 1, 2018 through December 31, 2022. Kuehne has served on the Board since 2013.

2018 Board Officers

The Board also selected its 2018 officers:

- President: Natalie Copper (Employee Trustee)
- Vice President: David Miller (Executive Trustee)
- Secretary: Alex Wallace, Jr. (Employee Trustee) ■

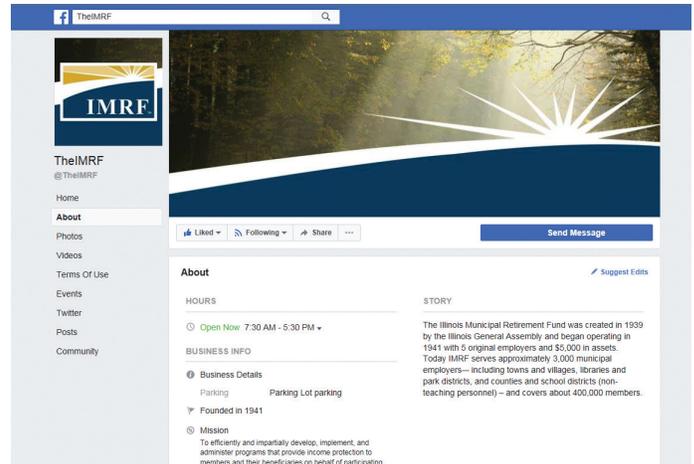


Update on IMRF's financials

IMRF has posted a new video in which Brian Collins, IMRF's new Executive Director, discusses IMRF's financial gains in 2017 and the organization's overall financial picture.

View this video on IMRF's website at:

www.imrf.org/2017financials





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Financial Corner

2017 investment return **15.7 PERCENT**

2017 investment income **\$5.6 BILLION**

Total assets in 2017 **\$41.1 BILLION**

After investment and administrative expenses. Numbers are preliminary and unaudited.