

Strategic Plan 2023-2027



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Introduction

I am proud to present the Denver Employees Retirement Plan's (DERP) Strategic Plan 2023-2027.

At DERP we believe our highest priority is helping our members build, plan, and live a secure retirement future. Our Strategic Plan 2023-2027 reaffirms our commitment to our members and solidifies our vision. It also serves as a roadmap for the future and continues to build on the strong foundation we have established over the past five decades. While we have a lot to be proud of, we also recognize we need to ask ourselves, what's next? What do we need to do to continue to support our members throughout their retirement journey?

The strategic plan process provided the DERP Retirement Board, Advisory Committee, and the Executive Leadership Team the opportunity to look to both the past and the future and included the following activities:

- Analyzing sentiment from the retirement board and advisory committee.
- Conducting a comprehensive assessment of our internal and external operating environment, including strengths, weaknesses, opportunities, and threats.
- Developing a 10-year future vision of success.
- Identifying significant priorities and critical themes that require a strategic response from the executive leadership team, including the progress of the items from our previous strategic plan.
- Engaging in discussions on issues vital to our continued long-term viability.

These activities—along with thoughtful and inclusive collaboration—helped us create a strategic framework and set the following three goals to support our members and take us into the future.

- Ensure long-term financial health
- Evolve education and service
- Uphold DERP's leadership position

The goals balance our high-performance expectations today with our continued aspirations for tomorrow. The goals do not stand alone, nor does one hold more importance than the other. They are interconnected, are stronger because of that connection, and are our foundation.

I am deeply grateful for Mosaic Governance Advisors, LLC for leading us through our strategic planning process, and to all who contributed ideas, thoughts, and critiques throughout the process. I am excited about the possibilities ahead as we come together to bring our Strategic Plan 2023-2027 to life.

Respectfully,



Heather K. Darlington, CPA
Executive Director

Mission

To provide promised retirement benefits and exceptional support and service to our members through prudent investment and administration.

Vision

To remain financially secure, to exceed evolving service expectations, and to be recognized as best in class among public retirement systems.

Values

In fulfilling our mission and vision, we will:

- Demonstrate sound leadership in governing and managing the DERP Pension Benefit.
- Cultivate accountability to each other and to all who rely on us by taking responsibility for our decisions and actions.
- Maintain the transparency required and expected of a public retirement plan.
- Communicate clearly, and engage proactively, with all audiences within our operating community.
- Operate with integrity and professionalism in our business practices.
- Approach issues in a timely and strategic manner, consistent with fiduciary standards of conduct.
- Passionately deliver on our mission to all members.
- Foster teamwork and collaboration by respecting diversity and different points of view.
- Strive for innovation and improvement through the pursuit of continuous learning.

DERP Priorities

As part of the strategic planning process, we scanned our internal and external operating environments. Strengths, weaknesses, opportunities, and threats on the immediate and near-term horizon were identified. Among the factors identified and discussed, we believe seven significant and interconnected priorities will most impact DERP, our operations, and our membership and, therefore, deserve a focused response.

The priorities are summarized in the illustration below and are addressed in the strategic goals on the following pages.



Strategic Goals

Our approach to addressing the issues and priorities on the immediate and near-term horizon requires a committed focus to advancing the following three areas:

Goal 1 - Ensure Long-Term Financial Health

Goal 2 - Evolve Education and Service

Goal 3 - Uphold DERP's Leadership Position

Further information on how we intend to make progress towards these goals in the coming five years and what success will look like under the future vision is delineated on the following pages.

Goal 1 - Ensure Long-Term Financial Health

Objectives

- A. Inform sponsors about the impacts of key funding decisions.
- B. Continue to implement DERP's plan to improve the funded position.
- C. Address aspects of plan design that impact the plan's long-term value.
- D. Proactively evaluate and address issues that may arise from a changing political landscape.

What will success look like?

Our approach to delivering on these objectives will be successful if meaningful progress toward the following aspirations is realized.

1. The DERP Pension Benefit is on a strong trend line to full funding.
2. DERP advocates for equitable DERP Pension Benefit costs across all membership tiers.
3. DERP's fiduciary responsibilities dictate the construction of its investment portfolio, including the use of environmental, social, and governance – or ESG – characteristics.
4. DERP achieves top quartile returns with an eye to the long-term.
5. DERP is successful and sustainable across market cycles.
6. DERP's actuary and investment consultants are key partners in helping DERP chart a sustainable path forward.

Key actions to be taken each year to further this goal are defined through DERP's Annual Action Plan set by the executive director.

Goal 2 - Evolve Education and Service

Objectives

- A. Clarify the role of DERP in the City and County of Denver's vision for providing retirement benefits and security to employees.
- B. Continue to implement the branding and strategic communications plan.
- C. Align DERP's education and service offering to member preferences and life stage.
- D. Streamline and integrate communications with the City and County of Denver.

What will success look like?

Our approach to delivering on these objectives will be successful if meaningful progress toward the following aspirations is realized.

1. DERP members, retirees, and beneficiaries understand and appreciate their DERP Pension Benefit and DERP Plus Benefits and see them as valuable and important.
2. DERP communicates about the importance and value of the DERP Pension Benefit and DERP Plus Benefits in ways that are transparent, easy to understand and accessible to all members, regardless of age or years of service.
3. DERP retired members and their beneficiaries trust and rely on DERP staff for friendly and dependable service and a lifetime DERP Pension Benefit that contributes to their financial security.
4. DERP membership tiers are perceived as valuable among stakeholders.
5. DERP's role within the City and County of Denver's vision for addressing overall employee retirement health and security is clear.

Key actions to be taken each year to further this goal are defined through DERP's Annual Action Plan set by the executive director.

Goal 3 - Uphold DERP's Leadership Position

Objectives

- A. Ensure the continuity in high-quality personnel to DERP's oversight and operations.
- B. Expand and deepen relationships among key stakeholders.

What will success look like?

Our approach to delivering on these objectives will be successful if meaningful progress toward the following aspirations is realized.

1. DERP sets the highest standard for retirement administration and education.
2. DERP's Pension Benefit and DERP Plus Benefits are sought-after recruitment and retention tools.
3. DERP's stakeholder relationships are healthy and productive.
4. DERP's Executive Leadership Team fosters and maintains strong relationships with the Mayor's Office and city council members to help seamlessly navigate transitions.
5. DERP is viewed within the City and County of Denver's ecosystem as a valuable business partner and problem-solver.
6. DERP's Retirement Board and Advisory Committee's competence, professionalism, and partnership with the Executive Leadership Team are integral to the organization's success.
7. DERP's strong professional staff are passionate about their career choice to serve the DERP mission.
8. DERP's staff succession planning efforts mitigate key person risk and maintain its collaborative, collegial culture.
9. DERP is an employer of choice.
10. DERP leads by example within the pension industry.

Key actions to be taken each year to further this goal are defined through DERP's Annual Action Plan set by the executive director.

Conclusion

The coming years reflect a pivotal time in our journey as a pension administrator. In committing to this five-year strategic plan, we are formalizing a plan that is set upon a firm foundation. This plan will guide us in our operations for the next decade and beyond. The Strategic Plan 2023-2027 reflects a prudent response to the issues on the immediate and near-term horizon.



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