



## Executive Update

February 29, 2024

Dear Employers,

I would like to take a moment to recap where I started and where we are today. In December 2020, the PMRS Board of Trustees asked me to provide executive direction for the agency. I joined PMRS amid an unprecedented pandemic, PMRS was faced with several challenges within operations and staffing, the modernization effort of our pension system was not going well, processing was overloaded, and there was a serious backlog of the annual financial reports. The investment plan was performing well, but our nation was facing economic uncertainty, as the world was dealing with supply chain disruptions, governments were deciding how to intervene, and the capital markets' future was not clear.

One of my first priorities was to create a set of principle values to help get our agency on track. These principals are called the five guiding principles which are:

1. Empowering Members,
2. Improving the Employer Experience,
3. Optimizing Investment Management,
4. Instilling an Innovative Mindset, and
5. Promoting Inclusiveness and Transparency.

Through the development of these principles, our agency created a new framework to begin the task of turning the agency around.

One of the most notable areas that needed improvement was in our personnel. With the challenges facing PMRS, staff burn-out and high turnover rates was a real issue. It was imperative to have experienced executives with real-world knowledge and experience to provide direction to our divisions and help grow our teams. Over the past few years, I have increased staff complement by 25%, completely rebuilt our executive team, and focused on promoting talent internally to retain institutional knowledge.

Another area that required attention was within our programs division. The programs division plays an essential role for our members, which means this area could not shut down during

P.O. Box 1165 | Harrisburg, PA 17108-1165

P: 1-800-622-7968 | 717-787-2065 | F: 717-783-8363

[www.pmrs.pa.gov](http://www.pmrs.pa.gov)

COVID. They help process retirements, educate members on their retirement plans, and answer questions.

Over the last three years, the client relations team has doubled and in 2023 they handled over 12,650 inquiries – that is a 15% increase from 2022.

To support the growth within processing, PMRS held two (2) multi-division week-long on-site training to expand proficiency, increase division-wide knowledge, and build on a collaborative team culture. The results have yielded several advancements including an automated benefit's summary, 1099's, and other reports.

Last year, PMRS was able to modernize its website. By moving to a new, secure website, PMRS eliminated a potential security breach and created a digital platform that will play a vital role in 2024 and beyond. Additionally, the new website ([www.pMrs.pa.gov](http://www.pMrs.pa.gov)) provides members with plan information, forms, and resources to help them make informed decisions when planning their future retirement.

By strengthening our governance within our board, PMRS was able to work closely with our board and investment managers to de-risk and further diversify our investment portfolio. PMRS continues to be 100% funded, placing us in the top tier of national pension plans.

Lastly, our accounting division has been working tirelessly to catch up on the financial reporting backlog and to keep current in financial reports. They have completed four years of financial reports in the past two years. The result: *Today, I am pleased to announce that PMRS is officially on a normal financial reporting cycle.*

Three years ago, I stepped in as a contractor to help fix what was once broken. With the commitment and hard work from a stellar team, we have achieved what I set out to do. In January, I officially accepted the position as Secretary / CEO of the agency. With this appointment by the Board of Trustees, I will continue to build on the previous three years of effort.

I am truly grateful for your continued patience and support since I came to PMRS. I look forward to transforming PMRS into an award-winning pension administration system that can best meet the retirement needs of our members.

Sincerely,

A handwritten signature in black ink that reads "Timothy A. Reese". The signature is written in a cursive style with a large, sweeping initial "T".

Timothy A. Reese  
Chief Executive Officer  
Pennsylvania Municipal Retirement System