



Board Governance Committee

Agenda Item 6b

November 18, 2019

Item Name: Board Workstream 5 Update: Insight Tool

Program: Board Governance

Item Type: Information

Executive Summary

This agenda item provides the Committee with an opportunity to discuss the development and implementation of the Board's Insight Tool. Management plans to focus phase one of the Tool's implementation on the following areas:

- Access to future board agenda materials as well as historical materials from Fiscal Year 2016/17 to present.
- The ability to create, edit, and save personal and secure annotations within board agenda materials.
- Enhanced search capabilities allowing the ability to locate information through combinations of various attributes such as keyword, date, committee, speaker, and item type.
- "Vital Signs" dashboards highlighting key information and analytics for the Finance and Administration, Investment, and Pension and Health Benefit committees.
- A library of materials and resources including educational content, board-related policies and governance items.

Strategic Plan

This agenda item supports the 2017-2022 Strategic Plan to reduce complexity across the enterprise and the objective to streamline operations to gain efficiencies, improve productivity, and reduce costs.

Background

The Insight Tool's functionality was initially demonstrated during the 2019 January and July Board Offsites. At the August 2019 Board meeting, the Board approved development of the Insight platform to provide easy-to-navigate access to board materials and to serve as a dashboard of "Vital Signs" to help Board members identify the essential information necessary for their oversight responsibilities.

Analysis

In October Management spoke with Board members on the following topics:

1. Advantages and disadvantages of the current technology platform Diligent
2. Features for Insight
3. Dashboard content for Insight

Advantages and Disadvantages of Diligent

Overall, the current platform offers a centralized location for monthly materials. Disadvantages of the current platform include lengthy download times for archived materials, navigation, and search capabilities.

Features for Insight

Proposed initial features for the Insight Tool include improvements to user experience, intuitive navigation, and enhanced search capabilities. Access to a minimum of three years of historical information will be available. Electronic notetaking will be improved as well, providing a wider range of annotating options and retention.

The platform is designed to be extensible, allowing the provision of regular future releases. While user feedback will be integral in detailing upcoming releases, planned future functionality includes user personalization capabilities, greater traceability between previous and upcoming agenda items, shareability of notes between board members and their delegate(s), and the automation of the travel request and expense process. Additionally, resource content as well as the “Vital Signs” offered will continue to grow and evolve to provide the most comprehensive and informative experience possible.

Dashboard Content for Insight

Current features for Insight include Pension Outlook, a modeling tool where board members can generate projected funded status and contribution results under various scenarios. Pension Outlook can model the funded status of the pension system as a whole or a specific non-pooled plan using baseline or alternative assumptions over 10, 20 or 30 years. In addition, projections of annual employer contribution requirements are provided for the desired period of specified non-pooled plans.

Most of phase one will focus on enhancements to reporting for the Finance and Administration Committee (FAC), Investment Committee (IC), and Pension and Health Benefits Committee (PHBC). For FAC, the Insight Tool will provide a quarterly view of budget-to-actual expenditures and a detailed breakdown of total positions for permanent, blanket, seasonal clerks, and student assistants, along with quarterly vacancy rates. The emphasis for IC content will focus on three topics: asset allocation, asset evolution, and risk metrics. This will include the dollar breakdown for asset classes, target policy weight and policy weight variance. Investment risk will incorporate predicted volatility, predicted tracking error, and liquidity. PHBC will include historical health rate trends including inflation rates and a comparison of national rates, healthcare costs such as pharmacy and hospital, and benchmarking.

Insight will be updated iteratively over the course of the 2019-20 fiscal year. An early release with core functionality will be made available to a pilot group by the end of 2019. Once the pilot group is satisfied with the platform, production use can be extended to all Board members. Insight will run in parallel with existing tools until functionality meets the Board's expectations.

This approach will provide Board members with early access to the Insight Tool, providing the opportunity to incorporate real user feedback to guide the development of future functionality.

Budget and Fiscal Impacts

There are currently no budget or fiscal impacts as the Board Insight tool is being administered under current resources.

Benefits and Risks

Insight will benefit Board members in their role, supporting activities prior to, during, and following meetings. Its web-based platform will assist in better automating and enhancing the authoring process, resulting in greater efficiencies and developing relationships between various board items and materials. The platform will also emphasize timely access to “Vital Signs”, a variety of real to near-real time reports on significant operational and strategic measures.

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