ORS Vision'31
Quarterly Progress Report
First Quarter, FY2027

Reporting period: July 1 through August 31, 2026
Report date: September 8, 2026 Version: Final

CEO Summary

To: Boards of Administration of Federated City Employees' Retirement System and Police and Fire Department Retirement Plan

From: John Flynn, Chief Executive Officer

Date: September 8, 2026

Re: ORS Vision'31 Quarterly Progress Report: First Quarter, FY2027

This is the first quarterly progress report submitted under the structured reporting framework adopted alongside the FY2027 Annual Work Plan. Ten of this year's twenty active initiatives reported substantive activity this quarter; the remaining twelve, along with the seven ongoing commitments addressed in Appendix B, will be incorporated as initiative owners submit updates in future reports.

Initiative 1.2.2, the Asset-Liability Study, is Green as the Chief Investment Officer is coordinating the study with Meketa and Cheiron, and the Investment Committees and both boards are expected to discuss the resulting asset allocation implications at the September 2026 board meetings, consistent with the FY27 target.

A meaningful share of this quarter's effort went into building the infrastructure to support the Strategic Plan's governance and reporting. **Initiative 6.2.2**, Strategic Plan Governance and Reporting, is Green: an internal owner was assigned to each of the twenty active initiatives, the Quarterly Progress Report Template was completed, and a public Strategic Plan section launched on the ORS website, with parallel pages for the Police and Fire and Federated boards. This report itself is the next milestone in that effort and, once delivered to both boards, will be posted publicly.

The plan's foundational component, a structured effort to understand how members experience ORS, is underway and on track. **Initiative 2.4.1**, the Membership Voice Survey, is Green. Staff presented the survey design and finalized population segmentation for both boards in August. The target launch date is now mid-September to allow adequate time to finalize the construction survey. Findings analysis and the board presentation are now targeted for November. **Initiative 2.1.1**, CEM Benchmarking enrollment, is also Green: ORS received sole source approval for the CEM Benchmarking contract in late August, following a procurement process begun in June. Contracting itself is expected to take some time, since this is ORS's first contract involving these data and artificial intelligence governance terms. Between them, these two initiatives are establishing the baseline for what members say and how ORS compares to peers, which later member service and communications work will build on.

Initiative 4.1.2, Member Portal Improvements, is added to this report as an active FY2027 initiative ahead of its original position in the Work Plan. Building on the FY2026 work that brought MemberDirect into alignment with the PensionGold core product, Benefits identified three self-service functions within the core product. Status is Green, with staff and the vendor targeting a rollout in early 2027. Staff has a presentation planned for the September meeting.

Organizational capacity was the most active area of work this quarter, consistent with the FY2027 Work Plan. **Initiative 5.1.3**, the investment professional compensation study, was delivered to the Joint

Personnel Committee (JPC) and accepted by both boards in June. The Police and Fire Board approved presenting its recommendations to City Council, and the Federated Board declined a similar motion. Status is reported as **Yellow** because the path for this component of the initiative is uncertain at this point. The two recruitments under **Initiative 5.2.1**: the Deputy Chief Investment Officer search is Green, has drawn a strong candidate pool, and remains on track for an end-of-October close, while the Benefits Program Manager recruitment is **Yellow**, now in its second cycle, and is still facing challenges. Two capacity assessments also moved through JPC review on August 31. **Initiative 5.2.2**, establishing a dedicated communications function, is **Green** against its December 2026 target completion; this report corrects the December 2027 date carried in the FY2027 Annual Work Plan and the Vision'31 Action Plan. **Initiative 5.2.3**, assessing legal services capacity, is also **Green,** and the JPC is scheduled to continue the assessment discussion on November 17.

Initiative 6.3.2, the Joint Ad Hoc Budget Committee's review of cost allocation and budget policy, is **Green**. The Committee held a substantive working session on August 21 covering cost allocation methodology, the proposed budget policy update, and benchmarking evidence, and is scheduled to reconvene on September 21. Given the compressed timeline, the Committee intends to bring its recommendations directly to both boards, with an initial presentation targeted for November and final action targeted for December, consistent with the FY27 target completion already adopted.

Anticipated Board Agenda Items

The following items are expected to reach both boards next quarter as action items or as dedicated presentations. Timing is an estimate and may change.

Initiative	Initiative	Item and Type of Board Engagement
1.2.2	Asset-Liability Study	Discussion of asset-liability study findings and resulting asset allocation implications with the Investment Committees and both boards. September 2026 board meetings.
2.4.1	Membership Voice Survey	Membership Voice Survey findings for discussion with both boards. Target November 2026.
4.1.2	Member Portal Improvements	Staff presentation and discussion on the design and implementation plan for a Member Self-Service rollout. September 2026 board meeting.
5.2.3	Legal Services Assessment	Legal Services Assessment, final written analysis for presentation to both boards. Target December 2026.
6.3.2	Budget Policy Review	Initial presentation on Joint Ad Hoc Budget Committee findings and recommendations. Target November 2026 for board discussion and December 2026 for approval.

Respectfully submitted,

John Flynn

John Flynn
Chief Executive Officer

Quick Reference: Active Initiatives

The Vision'31 Action Plan comprises 35 initiatives. This report tracks the 20 initiatives adopted as active in the FY2027 Annual Work Plan; the remaining eight begin in later fiscal years. Appendix B addresses the seven ongoing commitments adopted.

Theme 1: Financial Stability and Stewardship

No.	Initiative	State	Status	Target Start	Actual Start	Target Completion	Actual Completion
1.1.2	Adopt a formal funding policy covering amortization and actuarial assumption governance	Not Started	N/A	FY27		FY27	
1.2.2	Conduct an asset-liability study to inform long-term asset allocation	In Progress	Green	FY27	May '25	FY27	
1.3.1	Maintain investment risk reporting and expand annual compliance reporting to include investment operations	Not Started	N/A	FY27		FY28	
1.3.2	Develop a strategic risk register covering the most significant risks to plan sustainability and board authority	Not Started	N/A	FY27		FY28	

Theme 2: Member-Centered Service and Excellence

No.	Initiative	State	Status	Target Start	Actual Start	Target Completion	Actual Completion
2.1.1	Enroll in CEM Benchmarking and establish baseline service delivery metrics	In Progress	Green	FY27	Jun '26	FY28	
2.4.1	Conduct a membership voice survey for both Fed and PF across all member career and retirement stages	In Progress	Green	FY27 Q1	Jul '26	FY27	

Theme 3: Transparent, Proactive Communication and Engagement

No.	Initiative	State	Status	Target Start	Actual Start	Target Completion	Actual Completion
3.1.1	Define the goals, metrics, and management structure for the ORS communications program	Not Started	N/A	FY27		FY27	

Theme 4: Technology Enablement, Innovation, and Cybersecurity

No.	Initiative	State	Status	Target Start	Actual Start	Target Completion	Actual Completion
4.1.1	Assess member portal capabilities and develop a prioritized modernization roadmap	Not Started	N/A	FY27		FY27	
4.1.2	Member portal improvements	In Progress	Green	FY27	Mar '26	FY28	
4.2.1	Map manually intensive internal processes and identify candidates for redesign and automation	Not Started	N/A	FY27		FY29 and beyond	
4.3.1	Establish a formal cybersecurity service agreement with City ITD	Not Started	N/A	FY27		FY28	
4.3.2	Enhance business continuity and disaster recovery capabilities with annual board participation	Not Started	N/A	FY27		FY28	

Theme 5: Organizational Capacity, Talent, and Succession

No.	Initiative	State	Status	Target Start	Actual Start	Target Completion	Actual Completion
5.1.1	Identify critical positions and establish a formal succession planning framework with board reporting	Not Started	N/A	FY27		FY27	
5.1.3	Complete the investment professional compensation study and establish ongoing compensation benchmarking	In Progress	Yellow	FY26	Mar ' 25	FY27	
5.1.4	Track workforce retention and deliver an annual comparison against City and peer system benchmarks	Not Started	N/A	FY27		FY28	
5.2.1a	Recruit and integrate the Benefits Program Manager position approved in the FY2027 budget	In Progress	Yellow	FY26	Jan '26	FY27	
5.2.1b	Recruit and integrate the Deputy Chief Investment Officer position approved in the FY2027 budget	In Progress	Green	FY26	Jul '25	FY27	
5.2.2	Establish a dedicated communications function for ORS	In Progress	Green	FY27	Jul '26	December 2026	

No.	Initiative	State	Status	Target Start	Actual Start	Target Completion	Actual Completion
5.2.3	Assess legal services capacity and evaluate outsourced versus insourced operating models	In Progress	Green	FY27	Jul '26	December 2027	

Theme 6: Strong Governance and Effective Board Dynamics

No.	Initiative	State	Status	Target Start	Actual Start	Target Completion	Actual Completion
6.2.2	Establish a strategic plan governance, reporting, and accountability mechanism linking quarterly board reporting to annual CEO and CIO performance evaluation	In Progress	Green	FY27	Jul '26	Ongoing	
6.3.1	Review and strengthen the joint committee structure supporting governance across both Fed and PF	Not Started	N/A	FY27		FY28	
6.3.2	Establish a joint ad hoc committee to review budget cost allocation between funds and update the budget policy	In Progress	Green	FY27	Jun '26	FY27	

Initiative Detail

Entries are organized by strategic theme, consistent with the Quick Reference Matrix.

Theme 1: Financial Stability and Stewardship

1.1.2 | Adopt a formal funding policy covering amortization and actuarial assumption governance

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY27

Not started.

1.2.2 | Conduct an asset-liability study to inform long-term asset allocation

State: In Progress **Status:** Green
Target Start: FY27 **Target Completion:** FY27

The Asset-Liability study is progressing, with the Chief Investment Officer coordinating timing with Meketa and Cheiron. The initiative should be considered complete once the Investment Committees and both boards have discussed the study's findings and any resulting asset allocation implications, anticipated in September 2026 for both plans. Going forward, Asset-Liability studies are recommended on a recurring cycle of approximately three to five years as best practice, and we anticipate adopting that cadence.

1.3.1 | Maintain investment risk reporting and expand annual compliance reporting to include investment operations

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY28

Not started.

1.3.2 | Develop a strategic risk register covering the most significant risks to plan sustainability and board authority

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY28

Not started.

Theme 2: Member-Centered Service and Excellence

2.1.1 | Enroll in CEM Benchmarking and establish baseline service delivery metrics

State: In Progress **Status:** Green
Target Start: FY27 **Target Completion: FY28**

ORS has engaged with CEM Benchmarking representatives over the past year to discuss the benchmarking process and cost, most recently during the FY2027 budget process to confirm costs, which were included in the FY2027 budget request.

ORS also discussed CEM Benchmarking with the Joint Ad Hoc Budget Committee to explore how the benchmarking data may inform the budget policy review and update, with a follow-up discussion scheduled. Separately, the Deputy Director worked with Accounting to process a sole source procurement request through the boards' defined procurement policy process, beginning in June 2026, and received sole source approval two weeks ago. Contracting is expected to begin shortly. Because this is ORS's first contract with CEM, the process is expected to take some time to work through data and artificial intelligence governance contracting terms with CEM.

2.4.1 | Conduct a membership voice survey for both Fed and PF across all member career and retirement stages

State: In Progress **Status:** Green
Target Start: FY27 Q1 **Target Completion:** FY27

Staff presented the survey design and finalized population segmentation, covering 16,418 members across both funds, to both boards in August, with no trustee feedback requiring changes. Survey preparation is underway. The launch date has moved by up to two weeks from the original internal working target, an adjustment to allow adequate time to finalize survey construction; this remains within the initiative's FY27 target completion and does not affect the adopted timeline. The board findings presentation is now targeted for November rather than October, to preserve adequate analysis time after field close. The active member segmentation threshold shown to the boards in August remains unresolved and will be addressed when findings are presented.

Theme 3: Transparent, Proactive Communication and Engagement

3.1.1 | Define the goals, metrics, and management structure for the ORS communications program

State: Not Started **Status:** N/A

Target Start: FY27 **Target Completion:** FY27

Not started.

Theme 4: Technology Enablement, Innovation, and Cybersecurity

4.1.1 | Assess member portal capabilities and develop a prioritized modernization roadmap

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY27

Not started.

4.1.2 | Implement prioritized portal improvements based on the modernization roadmap

State: In Progress **Status:** Green
Target Start: FY27 **Target Completion:** FY28

This initiative is added to active FY2027 reporting ahead of its position in the adopted Work Plan and the sequencing described in the Vision'31 Action Plan, which places implementation after completion of the Initiative 4.1.1 modernization roadmap. Following the FY2026 effort that brought the MemberDirect portal into alignment with the core PensionGold product, Benefits worked with LRS beginning in March 2026 to identify self-service functions available within the core product that require minimal custom design, and identified three such functions as near-term candidates. Design sessions with LRS are underway, and staff and the vendor are targeting a rollout in early calendar year 2027. Staff will present the current state of this work, including the design approach and rollout plan, to both boards at the September 2026 meeting. The broader modernization roadmap under Initiative 4.1.1, informed by the Initiative 2.4.1 membership survey and peer system benchmarking, continues separately and is not affected by this accelerated work.

4.2.1 | Map manually intensive internal processes and identify candidates for redesign and automation

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY29 and beyond

Not started.

4.3.1 | Establish a formal cybersecurity service agreement with City ITD

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY28

Not started.

4.3.2 | Enhance business continuity and disaster recovery capabilities with annual board participation

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY28

Not started.

Theme 5: Organizational Capacity, Talent, and Succession

5.1.1 | Identify critical positions and establish a formal succession planning framework with board reporting

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY27

Not started.

5.1.3 | Complete the investment professional compensation study and establish ongoing compensation benchmarking

State: In Progress **Status:** Yellow
Target Start: FY26 **Target Completion:** FY27

The investment professional compensation study, using data as of December 31, 2025, was delivered to the Joint Personnel Committee and subsequently delivered to and accepted by both boards in June 2026. The Police and Fire Board approved its board representative to present the study's recommendations to City Council. The Federated Board did not approve a similar motion. The Joint Personnel Committee functioned as the recommending body to both boards, consistent with each board's independent authority to act on committee recommendations separately, and no additional compensation recommendations were made beyond the study's findings. The study and its acceptance by both boards constitute the completed element of this initiative's success measures.

The two remaining elements of this initiative's adopted success measures, the ongoing compensation benchmarking methodology and the identification of non-compensation retention tools for highest risk roles, have not yet started.

5.1.4 | Track workforce retention and deliver an annual comparison against City and peer system benchmarks

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY28

Not started.

5.2.1a | Recruit and integrate the Benefits Program Manager position approved in the FY2027 budget

State: In Progress **Status:** Yellow
Target Start: FY26 **Target Completion:** FY27

In spring 2026, ORS attempted to fill this position as an overstrength ahead of budget approval for a permanent position. That recruitment drew few candidates, and the leading candidate ultimately withdrew while the FY2027 budget request, which would convert the position to permanent status, was still moving through approval.

Following board and City Council approval of the FY2027 budget in June 2026, effective July 1, 2026, ORS commenced recruitment for the permanent position. This recruitment is underway but is showing some challenges. Status is reported as Yellow, which does not yet represent a confirmed departure from the FY27 target completion, but is worth highlighting and monitoring.

5.2.1b | Recruit and integrate the Deputy Chief Investment Officer position approved in the FY2027 budget

State: In Progress **Status:** Green
Target Start: FY26 **Target Completion:** FY27

The Deputy Chief Investment Officer classification was established in the prior fiscal year, ahead of budget approval for the position itself. Following board and City Council approval of the FY2027 budget

in June 2026, effective July 1, 2026, ORS commenced recruitment and drew a large number of qualified candidates. Completion is targeted for the end of October 2026.

5.2.2 | Establish a dedicated communications function for ORS

State: In Progress **Status:** Green
Target Start: FY27 **Target Completion:** December 2026

Staff completed a formal benchmark of seven peer systems and finalized a Joint Personnel Committee memorandum recommending a Public Information Representative, Senior position reporting to the Deputy Director. The Committee reviewed the recommendation on August 31, 2026, with direction to incorporate the request into the FY2028 budget for the boards' consideration; that preparation will begin in late December 2026. This report corrects the initiative's target completion from December 2027 to December 2026; staff believes December 2027 was a typographical error carried through the FY2027 Annual Work Plan and the Vision'31 Action Plan.

5.2.3 | Assess legal services capacity and evaluate outsourced versus insourced operating models

State: In Progress **Status:** Green
Target Start: FY27 **Target Completion:** December 2027

This is the first quarterly report for this initiative, so no prior State or Status exists for comparison. Staff completed the reconciled cost and workload baseline for current legal service delivery, drawn from primary billing data, completed peer research across the locked peer group, and completed a Charter and Municipal Code analysis addressing the legal authority questions relevant to an internal legal services model. This analysis supported a written Legal Services Assessment memorandum, presented to the Joint Personnel Committee on August 31, 2026, for discussion and direction. The Committee is scheduled to take up the assessment again on November 17, 2026. This initiative's adopted December 2027 target completion is unchanged and on schedule. Unlike Initiative 5.2.2, this initiative is not complete until the budget request itself is delivered, which accounts for its later date. Independent legal review of open Charter and Municipal Code questions, along with quantification of latent legal demand and outsourced access costs, remain open.

Theme 6: Strong Governance and Effective Board Dynamics

6.2.2 | Establish a strategic plan governance, reporting, and accountability mechanism linking quarterly board reporting to annual CEO and CIO performance evaluation

State: In Progress **Status:** Green
Target Start: FY27 **Target Completion:** Ongoing

During the quarter, a single accountable owner was assigned to each of the twenty active FY2027 initiatives, establishing the accountability structure the reporting mechanism depends on. A public Strategic Plan section was launched on the ORS website, with parallel Core Values, Plan Documents, and Progress Reports pages for the Police and Fire and Federated boards, serving as the public repository for Vision'31 materials going forward. The Quarterly Progress Report Template was completed. Internal administrative infrastructure for initiative-level status tracking remains under development. Delivery of this report to both boards is the remaining milestone for the quarter.

6.3.1 | Review and strengthen the joint committee structure supporting governance across both Fed and PF

State: Not Started **Status:** N/A
Target Start: FY27 **Target Completion:** FY28

Not started.

6.3.2 | Establish a joint ad hoc committee to review budget cost allocation between funds and update the budget policy

State: In Progress **Status:** Green

Target Start: FY27 **Target Completion:** December 2026

The Joint Ad Hoc Budget Committee, comprising two trustees from each board, held a substantive working meeting on August 21, 2026, and reviewed analytical materials addressing cost allocation methodology, the proposed budget policy update, and benchmarking evidence. The Committee developed a list of action items for staff and is scheduled to reconvene on September 21, 2026. Given the compressed timeline, the Committee will proceed directly to both boards rather than through a Joint Governance Committee checkpoint.

Rebaselining and Work Plan Adjustments

In addition, Initiative 4.1.2 is added to active FY2027 reporting this quarter. This initiative was not among the 20 initiatives adopted as active under the FY2027 Annual Work Plan, and the Vision'31 Action Plan places its start behind completion of the Initiative 4.1.1 roadmap. Benefits and IT began design work with the pension administration system vendor in March 2026, ahead of that sequencing, to pursue self-service functions available within the core product with minimal custom design. It is included here for full transparency regarding FY2027 activity, and its adopted Target Completion of FY28 under the Action Plan is unchanged.

One adopted target completion date changed this quarter. Initiative 5.2.2's target completion date was corrected from December 2027 to December 2026: staff believes December 2027 was an error carried through the FY2027 Annual Work Plan and the Vision'31 Action Plan, identified as staff prepared to bring the completed assessment to the Joint Personnel Committee.

Quarter Identified	Initiative	Target as Adopted	Revised Target	Basis for the Adjustment
Q1 FY2027	4.1.2	FY 2028	FY 2028	Not identified as part of the FY2027 Work Plan. Work has been accelerated, so it has been added.
Q1 FY2027	5.2.2	December 2027	December 2026	Staff believes the December 2027 date was a typo that carried through all the planning documents.

Appendix A: Status Rubric

Status is assessed against the internal milestones established by the initiative owner. Those milestones sit beneath the fiscal year targets adopted by both boards in the Annual Work Plan. A Status of Yellow or Red reports milestone slippage that places the adopted target at risk. It does not mean the adopted target has moved. Changes to an adopted target are discussed in the CEO Summary and tracked in the Rebaselining section.

Green: On Track

The initiative is proceeding as planned. Internal milestones are being met, and the committed deliverable remains achievable by the target date in the adopted work plan. No material change to scope or timeline has occurred. No board awareness or action is required beyond this report.

Yellow: At Risk

The initiative meets at least one of the following conditions: an internal milestone has slipped, a timeline adjustment has occurred within the same fiscal year as originally planned, a dependency or constraint is being actively managed, or a scope change is material enough to warrant board awareness. Progress continues. Board action is not required, and the boards are informed. Yellow items are addressed in the CEO Summary.

Red: Board Attention Required

The initiative meets at least one of the following conditions: a timeline shift moves the committed deliverable into a fiscal year later than planned, a dependency is broken or unavailable, progress has stalled, a scope change materially affects what will be delivered, or a condition requires formal board engagement to resolve. Red items are addressed in the CEO Summary and may require board attention before the next quarterly report.

State Designations

Not Started. The initiative has not been launched. Planning activity, including confirming the start quarter and developing internal milestones, occurs in this state. Green indicates the planned start date has not yet arrived. Yellow indicates the planned start date has passed without a defined launch path. Red indicates a significant delay with no resolution identified.

In Progress. The initiative has been launched, and work is active. The full rubric applies.

Completed. The deliverable committed to in the adopted work plan has been produced and, where the deliverable is owed to the boards, received by both boards. Green indicates delivery on time or ahead of schedule. Yellow indicates delivery within the same fiscal year as planned but later than the target date.

Appendix B: Ongoing Commitments

Standing organizational obligations adopted in the FY2027 Annual Work Plan.

No.	Theme	Ongoing Commitment
1.1.1	Financial Stability and Stewardship	Actuarial valuations and experience studies completed on schedule. Contribution rates communicated to the City on the budget calendar. Funded status updates with trend analysis delivered to both boards annually.
1.2.1	Financial Stability and Stewardship	Investment performance reported to each Investment Committee and both boards quarterly, with benchmarking against policy targets.
3.3.1	Transparent, Proactive Communication, and Engagement	Quarterly meetings with board chairs and Council liaisons maintained. Monthly CEO touchpoints with each liaison sustained. Incoming Council liaisons receive onboarding.
5.4.1	Organizational Capacity, Talent, and Succession	Regular CEO led staff engagement maintained. Actions taken in response to staff input are documented and communicated back to staff. Core values are integrated into staff discussions.
6.1.2	Strong Governance and Effective Board Dynamics	Quarterly educational session delivered at each board meeting. Topics are set by each board. Training required under the memorandum of understanding is completed annually.
6.2.1	Strong Governance and Effective Board Dynamics	Charters governing board and staff roles, delegations of authority, and decision rights are reviewed and updated.
6.4.1	Strong Governance and Effective Board Dynamics	Biennial legislative and regulatory updates are delivered to both boards. Time-sensitive developments are flagged within two weeks of identification.