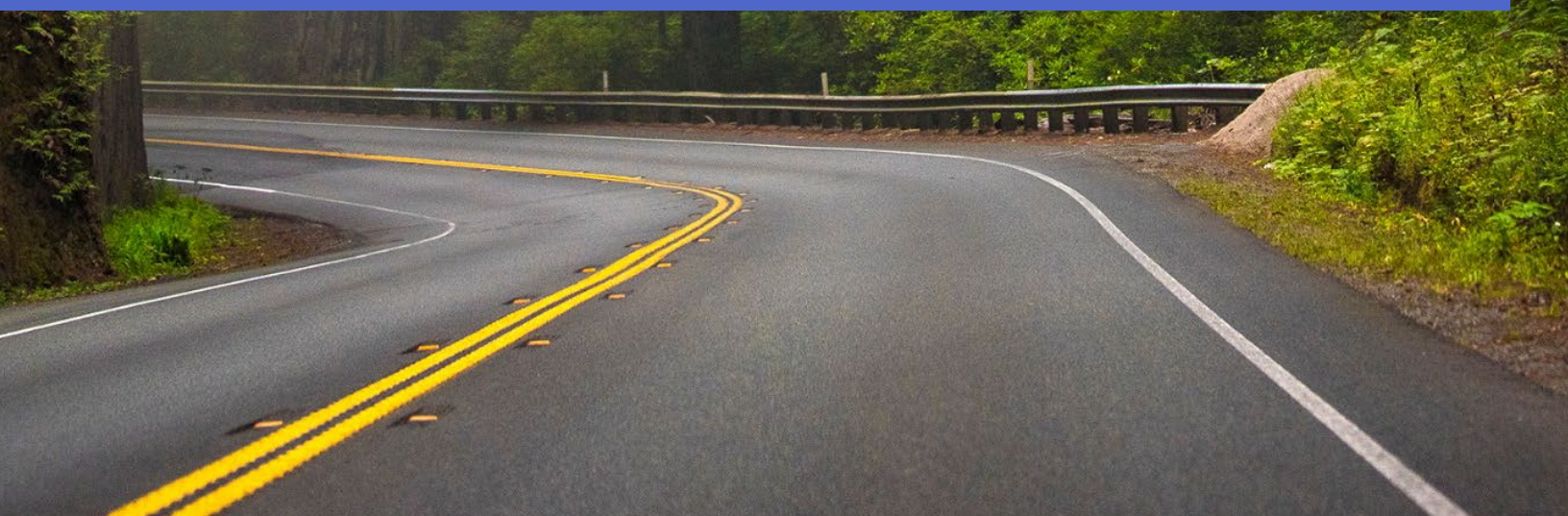
ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

2027-2029 STRATEGIC & BUSINESS PLAN

Orange County Employees Retirement System

2223 E. Wellington Avenue
Santa Ana, CA 92701



WHO WE ARE

Mission Statement

We provide secure retirement and disability benefits with the highest standards of excellence.

Vision Statement

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

Values

- Open and Transparent
- Commitment to Superior Service
- Engage and Dedicated Workforce
- Reliable and Accurate
- Secure and Sustainable

OCERS Promise

We are your retirement experts.

- We emphasize the importance of long-term financial security and stability in retirement. Our approach is centered around helping members prepare for and transition into retirement, providing ongoing support to adapt to their needs as their lives change.
- We are dedicated to continuously enhancing our knowledge and expertise in retirement planning, investment strategies, and financial management. Our team consists of knowledgeable professionals who stay abreast of industry trends and regulations to provide the best possible advice and solutions to our members.

We are a member-first organization.

- Our members' needs and goals are at the forefront of everything we do. We strive to deeply understand their unique circumstances and empower our members by providing them with the knowledge, tools, and resources they need to make informed financial decisions. We believe in fostering financial literacy and independence, enabling individuals to take control of their retirement journey.

We are your trusted partner.

- We recognize that trust is the foundation of any successful retirement services relationship. We are committed to building and maintaining trust by delivering on our promises and acting in our members' best interests at all times.

- We uphold the highest standards of honesty, transparency, and ethical conduct in all our interactions with members, employers, and partners.

We are invested in your future.

- We are prudent investors. We focus on creating return, managing risk and securing your income. We believe that long-term investment horizons and patient risk-taking is a profitable and safe formula for a successful retirement portfolio. We act in a fiduciary capacity, protecting assets, to ensure that members receive their earned benefits in retirement.

We are focused on excellence.

- We pursue excellence in all aspects of our business, from the quality of our services to the efficiency of our operations. We are committed to delivering exceptional value and results to our members, consistently exceeding their expectations.

- We embrace a culture of continuous learning and improvement. We actively seek feedback, monitor industry developments, and adapt our practices to stay at the forefront of retirement services, ensuring our members benefit from the latest advancements.

We are an inclusive workplace.

- We foster a collaborative and inclusive environment that encourages teamwork, open communication, and the sharing of ideas. We believe that collective intelligence and diverse perspectives lead to innovative solutions and superior outcomes for our members.

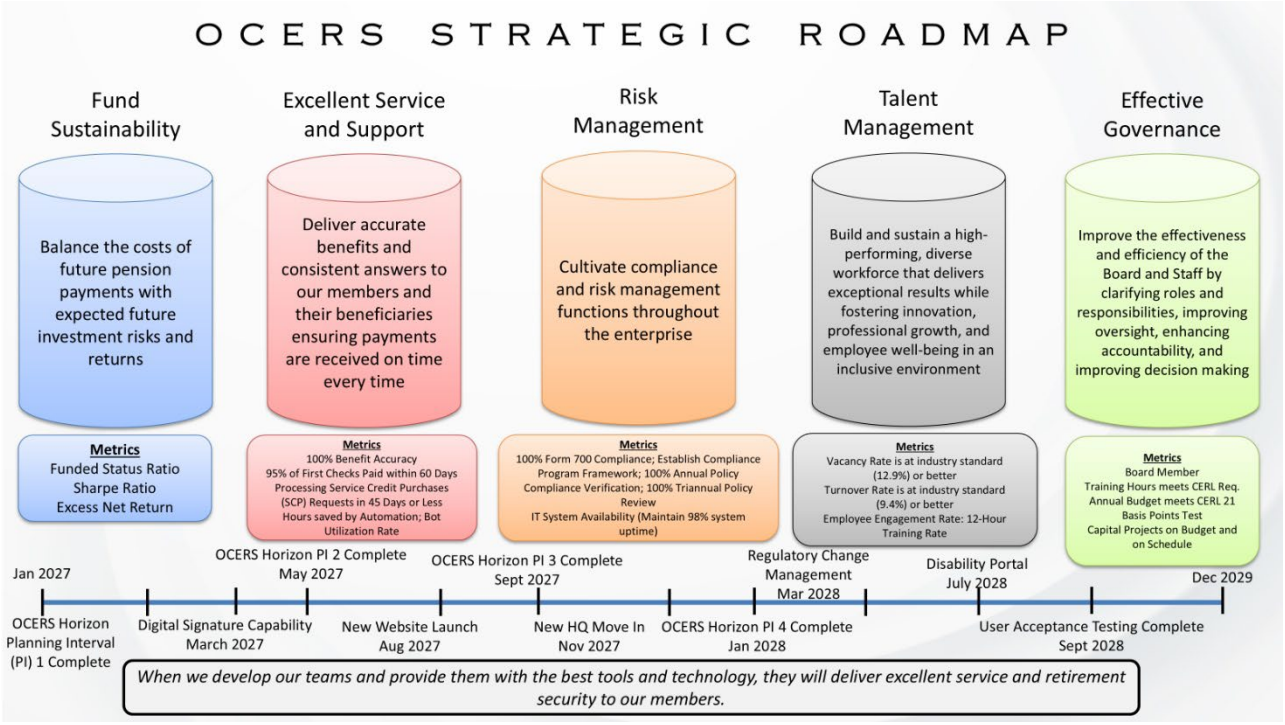
We are dedicated to serving the Orange County community.

- We are committed to making a positive impact on society and the communities we serve. We support initiatives that promote financial literacy, retirement education, and social welfare, contributing to the overall well-being of individuals and society.

2027-2029 STRATEGIC GOALS

1. Fund Sustainability
2. Excellent Service and Support
3. Risk Management
4. Talent Management
5. Effective Governance

STRATEGIC ROADMAP



FUND SUSTAINABILITY

BALANCE THE COST OF FUTURE PENSION PAYMENTS WITH EXPECTED FUTURE INVESTMENT RISKS AND RETURNS

Performance Metric: Funded Status Ratio greater than 100%
Performance Metric: Sharpe Ratio above the peer median
Performance Metric: Excess net return over Actuarial Expected Return
Executive Lead – Molly Murphy

OBJECTIVE 1: ACHIEVE FULLY FUNDED STATUS (DAVE BEESON)

Initiative 1A: Create contingency plans based upon different hypothetical scenarios that show impacts, potential risks, and other data that would enable us to proactively make/provide sound, financial decisions/recommendations to governance and stakeholders. (ongoing: Investments)

Initiative 1B: Foster collaborative communication designed to keep stakeholders better informed as they make their governance and operating decisions.

- Provide regular fund performance reports to stakeholders. (ongoing: Investments)

OBJECTIVE 2: ACHIEVE A RISK-ADJUSTED RETURN ABOVE THE PEER MEDIAN OVER A TRAILING 10-YEAR PERIOD (DAVE BEESON)

Initiative 2: Utilize consultants, custodians, technology solutions, and risk management tools with a special emphasis on AI capabilities to monitor and simulate portfolio risks to aid in the design and execution of risk-aware investment strategies. (ongoing: Investments)

- Explore opportunities for agentic AI uses to enhance investment operations and investment decisions. (2027 and beyond: Investments/Information Technology)

OBJECTIVE 3: ACHIEVE THE OCERS' ACTUARIAL EXPECTED RATE OF RETURN OVER A TRAILING 10-YEAR PERIOD (DAVE BEESON)

Initiative 3: Create and execute asset allocation models designed to achieve the actuarial expected return with a greater than 50% probability based on a 20-year investment horizon. (ongoing: Investments)

EXCELLENT SERVICE AND SUPPORT

DELIVER ACCURATE BENEFITS AND CONSISTENT ANSWERS TO OUR MEMBERS AND THEIR BENEFICIARIES ENSURING PAYMENTS ARE RECEIVED ON TIME EVERY TIME

Performance Metric: 100% Benefit Accuracy Rate

Performance Metric: 95% of First Checks Paid within 60 Days

Performance Metric: Processing Service Credit Purchase (SCP) Requests in 45 Days or Less

Performance Metric: Hours Saved by Automation (increase by 1% over the next year); Bot Utilization (increase by 1% over the next year)

Executive Lead – Will Tsao

OBJECTIVE 1: PROVIDE WORLD-CLASS SUPPORT DEFINED BY ACCURATE, TIMELY, AND EASY-TO-ACCESS CONSISTENT SERVICE TO HELP EMPLOYERS, MEMBERS, AND PAYEES RETIRE WITH CONFIDENCE AND MINIMAL AVOIDABLE EFFORT (JEFF LAMBERSON/MARY-JOY COBURN)

Initiative 1A: Deliver targeted education, outreach, and engagement throughout the member lifecycle by segmenting the member population based on career stage, service profile, communication preferences, and retirement readiness to tailor messaging, tools, and support to meet members where they are.

- Develop member lifecycle segments to better understand needs, behaviors, readiness levels, and preferred communication channels across active, deferred, retired, and payee populations. (2027: Communications/Member Services)
- Leverage formal focus groups, surveys, and feedback loops to test and refine campaigns prior to launch, ensuring outreach is relevant, accessible, and responsive to member needs. (2027: Communications)
- Increase member and stakeholder outreach through targeted education campaigns, revamped retirement seminars, proactive communications, and lifecycle-based engagement strategies. (2027: Communications/External Operations)
    - Provide “bite-size” engagement opportunities that address specific retirement-related topics, including pop-ups at

employer locations, webinars, and short videos, aligned to key member decision points.

Initiative 1B: Transform the digital experience by modernizing tools, increasing accessibility, and streamlining communication.

- Launch a new website to modernize online presence, enhance ADA compliance and support integration of "Benny" bot and remove outdated content. (2027: Communications/All)
    - Enhance website experience to be more user-friendly, organized, and easier to navigate popular areas such as service credit purchases, medical leave, and member portal changes.
- Implement digital signature capabilities for member, employer, and stakeholder forms to reduce incomplete submissions and make self-service easier. (2027: Member Services/Employer Services & Quality Assurance)
- Create an online Disability application capability. (2028: Disability)
- Explore the value of a mobile app for members to access and use their member portal. (2029: Communications/Member Services)

Initiative 1C: Build and sustain an integrated OCERS knowledge-driven ecosystem to improve service consistency.

- Connect the Legal Memo Tracker, External Operations Decision Log, Business Rules, and Master Repository into a single source of truth that enables staff to locate the applicable procedure, operational rule, prior decision, and legal authority from a common search experience. (2027 and beyond: External Operations/Information Technology/Legal)
- Establish a "One OCERS Answer" standard to ensure members, employers, and other stakeholders receive the same accurate information regardless of representative, communication channel, or point of contact. (2028: External Operations/All)
    - Explore the potential of an AI call center.
- Create a Quality Assurance Consistency Program to measure and report information consistency, repeat contacts, clarification requests, and knowledge gaps ensuring OCERS is uniform in our

communication with external stakeholders. (2028: External Operations)

OBJECTIVE 2: MODERNIZE PROCESSES AND TOOLS TO IMPROVE EFFICIENCY, ACCURACY, AND SERVICE DELIVERY (JEFF LAMBERSON/MARK ADVIENTO/NICOLE MCINTOSH)

Initiative 2A: Continue working collaboratively with all employers to ensure the defined payroll data requirements are being captured accurately and completely within the system to enable automated benefit calculations in the future. (ongoing: Employer Services & Quality Assurance)

- Continue to proactively leverage employer transmittal data exception reports to identify and address root causes of reporting errors, strengthen employer partnerships, and improve data quality. (2027 and beyond: Employer Services & Quality Assurance)

Initiative 2B: Continue implementation work for the next generation Pension Administration System (PAS).

- Finalize system design requirements to ensure the new PAS supports OCERS' business rules, benefit calculations, and service needs. (2027: Member Services/All)
- Complete system configuration and user acceptance testing to validate that V3locity performs accurately before Go-live. (2028: Member Services/All)
- Go-live with the new PAS and transition business processes to V3locity. (Q4 2028: Member Services)

Initiative 2C: Continue the investigation and implementation of Intelligent Automation opportunities to improve external operations.

- Continue testing, refining, and operationalizing AI tools to improve efficiency, support disability investigations, and assess whether AI can confidently review disability applications and supporting evidence and generate legally sound recommendations. (2027 and beyond: Information Technology/Disability)
- Apply the concepts developed through the 2026 Member Services Memorandum of Understanding (MOU) AI project to all MOUs used in calculating benefits for OCERS-covered employers. This initiative

will improve the accuracy and consistency of MOU rule interpretations and enable AI to perform Final Average Salary (FAS) calculations for human review, streamlining the preparation of benefit estimates and retirement calculations. (2027: Member Services)

Initiative 2D: Reinforce Continuous Improvement Culture.

- Continue to implement Lean Six Sigma methodology (Simplification) across all departments. (2027 and beyond: Enterprise Project Management Office)
- Build on our commitment to delivering a white-glove member experience and further strengthen staff capabilities and upskilling to provide accurate information, consistent guidance, and exceptional, empathetic service through targeted training, coaching, knowledge resources, and continuous learning opportunities. (2027 and beyond: External Operations/Human Resources)

RISK MANAGEMENT

CULTIVATE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS THROUGHOUT THE ENTERPRISE

Performance Metric: 100% Form 700 Compliance
Performance Metric: 100% Annual Policy Compliance Verification
Performance Metric: 100% Triennial Policy Review
Performance Metric: IT System Availability (Maintain 98% system uptime)
Performance Metric: 100% of scheduled quarterly risk review meetings completed annually
Performance Metric: 100% completion of the annual Business Continuity / Disaster Recovery (BC/DR) tabletop exercise
Executive Lead – Manuel Serpa/Darren Dang

OBJECTIVE 1: REDUCE RISK BY IDENTIFYING GAPS THROUGH COMPLIANCE MONITORING (MANUEL SERPA)

Initiative 1A: Continue building an agency-wide Compliance Program that reflects industry frameworks and best practices.

- Expand Compliance program mandate into Investments with the start of in-house trading. (2028: Compliance)

Initiative 1B: Develop Risk Management Performance Metrics.

- Maintain compliance training programs for all staff. (ongoing: Compliance/LOD)
- Establish a regulatory change management process. (2028: Compliance)

OBJECTIVE 2: PROVIDE WELL-GOVERNED TECHNOLOGY SERVICES AND CAPABILITIES THAT SUPPORT THE AGENCY'S ADMINISTRATIVE AND OPERATIONAL NEEDS (JENNY SADOSKI)

Initiative 2A: Modernize and optimize technology capabilities to improve operational efficiency, scalability, and service delivery.

- Identify, prioritize, and implement appropriate AI, intelligent automation, and RPA opportunities across OCERS that improve

operational efficiency, accuracy, and service delivery. (2027: Information Technology)

- Implement AI-enabled knowledge and productivity capabilities across OCES that improve staff access to authoritative information, training resources, procedures, and job-specific guidance. (2027: Information Technology/All)

Initiative 2B: Establish organizational capabilities to manage AI and agentic technologies throughout their operational lifecycle.

- Establish enterprise capabilities for the deployment, inventory, administration, monitoring, and lifecycle management of AI agents and other agentic technologies. (2027: Information Technology)
- Establish capabilities to forecast, monitor, allocate, and control consumption-based costs associated with AI and other usage-based technology services. (2027: Information Technology)
- Procurement of a contracts management system. (2027: Operation Support Services/IT)

Initiative 2C: Establish enterprise data management capabilities to improve the governance, quality, accessibility, and effective use of OCERS data.

- Develop the technology, processes, and organizational capabilities necessary to ensure OCERS data accurate, trusted, appropriately governed, and available to support operational decision-making, modernization initiatives, and AI-enabled services. (2028: Information Technology)

OBJECTIVE 3: STRENGTHEN CYBERSECURITY RISK MANAGEMENT TO PROTECT OCERS' INFORMATION, TECHNOLOGY, AND SERVICES (MATT EAKIN)

Initiative 3A: Mature Third-Party Technology Risk Management.

- Establish and mature a technology-focused Third-Party Risk Management program to identify, assess, monitor, and manage risks associated with third-party technology products and services. (2027: Information Security)

Initiative 3B: Strengthen Governance of Emerging Technologies.

- Establish security governance and control requirements for AI agents and other autonomous technologies, including identity access, data permissions, approved capabilities, monitoring, and lifecycle oversight. (2027: Information Security)

Initiative 3C: Strengthen Digital Fraud Prevention.

- Evaluate enhanced fraud detection and prevention capabilities as part of the new PAS implementation and implement supplemental controls as warranted based on identity risks and system capabilities. (2029: Information Security)

OBJECTIVE 4: PROVIDE A SAFE AND SECURE WORKSPACE AND PUBLIC SERVICE FACILITY (BRENDA SHOTT)

Initiative 4: Design and build a replacement OCERS headquarters facility. (November 2027 Move-in Date).

TALENT MANAGEMENT

BUILD AND SUSTAIN A HIGH-PERFORMING, DIVERSE WORKFORCE THAT DELIVERS EXCEPTIONAL RESULTS WHILE FOSTERING INNOVATION, PROFESSIONAL GROWTH, AND EMPLOYEE WELL-BEING IN AN INCLUSIVE ENVIRONMENT

Performance Metric: Vacancy Rate is at industry standard (12.9%) or lower
Performance Metric: Turnover Rate is at industry standard (9.4%) or lower
Performance Metric: Employee Engagement Rate: 12-Hours of Training Annually
Executive Lead – Steve Delaney

OBJECTIVE 1: RECRUIT AND RETAIN A DIVERSE HIGH-PERFORMING WORKFORCE TO MEET ORGANIZATIONAL PRIORITIES THAT ADVANCE WORFORCE READINESS AND STRATEGIC ALIGNMENT (CYNTHIA HOCKLESS)

Initiative 1A: Align Job Descriptions with OCERS specific duties.

- Continuing with the OCERS Direct Compensation study. (2027 and beyond: Human Resources)

Initiative 1B: Create and implement talent development programs to assist in succession planning. (2027: Executive/All)

- Continue to support cross-functional teams for coverage of Pension Administration System work. (2027 and beyond: Human Resources)
- Expand the OCERS mentorship program pairing senior and junior staff. (2027: Human Resources)

OBJECTIVE 2: SUPPORT CONTINUOUS GROWTH AND SKILL DEVELOPMENT FOR ALL TEAM MEMBERS (DENA GUNSOLLEY)

Initiative 2: Develop a workforce prepared for technological advancement by equipping individuals with the knowledge, tools, and adaptability needed to succeed in a technology-driven future.

- Launch a foundational training program covering AI concepts, Microsoft Copilot tools, process automation use cases, ethical considerations, and OCERS-specific applications. (2027 and beyond: Human Resources/Information Technology)

- Provide scenario-based exercises showing how AI and Copilot can streamline work, enhance member service, and improve decision-making. (2027 and beyond: Human Resources/Information Technology)

EFFECTIVE GOVERNANCE

IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE BOARD AND STAFF BY CLARIFYING ROLES AND RESPONSIBILITIES, IMPROVING OVERSIGHT, ENHANCING ACCOUNTABILITY, AND IMPROVING DECISION MAKING

Performance Metric: Board Member Training Hours Meets CERL Requirements (24 hours every 2 years)
Performance Metric: Annual Budget meets CERL 21 Basis Point Test
Performance Metric: Capital Projects on Budget and on Schedule
Executive Lead – Manuel Serpa

OBJECTIVE 1: EMPLOY A GOVERNANCE STRUCTURE THAT SUPPORTS A DYNAMIC SYSTEM (MANUEL SERPA)

OBJECTIVE 2: STAY WITHIN THE STATUTORY LIMIT OF THE CERL 21 BASIS POINTS TEST (STEVE DELANEY)

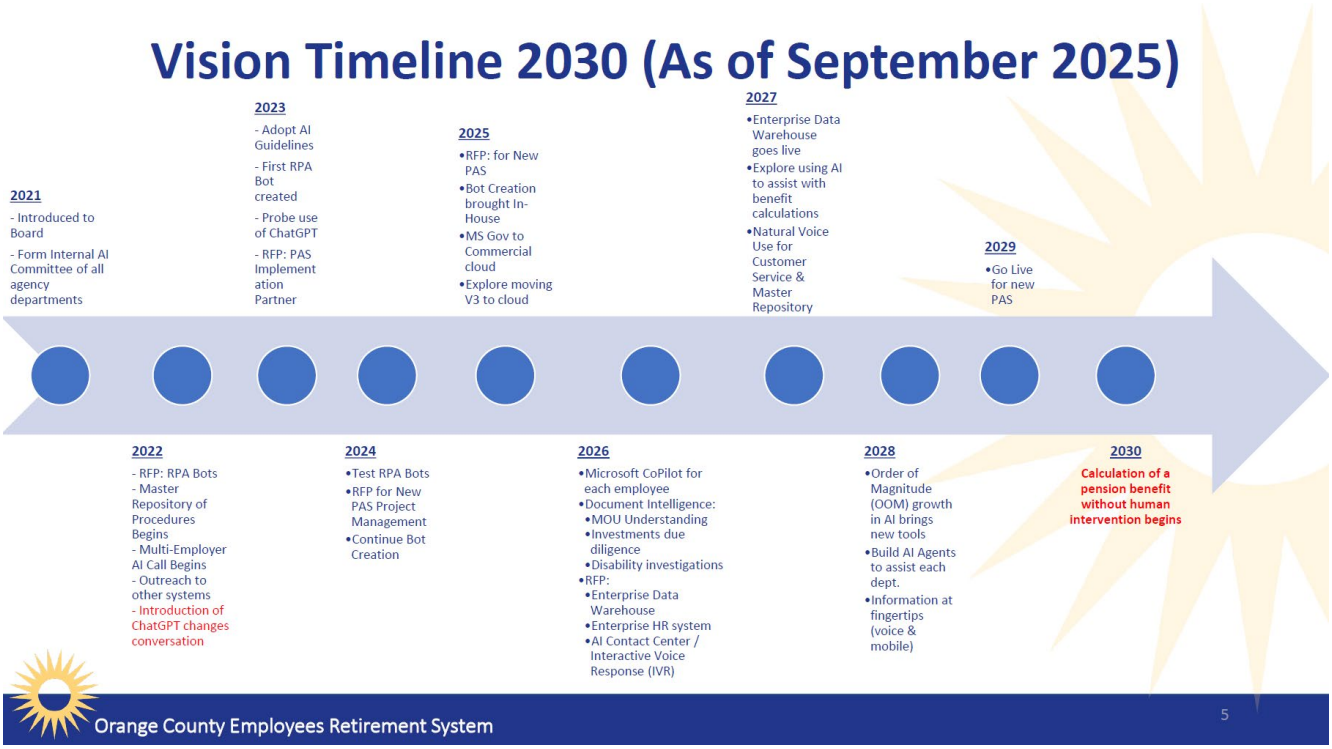
Initiative 2: Continue to monitor and report the basis point test through the budget process. (ongoing: Finance/Executive)

OBJECTIVE 3: DELIVER STRATEGIC PROJECTS ON TIME, WITHIN BUDGET, AND WITH MEASURABLE BUSINESS VALUE THROUGH MATURE PROJECT MANAGEMENT CAPABILITIES (DIANE THAI)

Initiative 3: Create a systematic resource capacity framework that prevents critical resource overcommitment and demonstrates ROI or value while transforming OCERS project management practices through a structured EPMO Playbook approach. (2027 and beyond: Enterprise Project Management Office)

- Develop and institutionalize an enterprise EPMO operating model that integrates resource capacity planning, project intake and prioritization, standardized delivery methodologies, modern project management tools, portfolio visibility, benefits realization, change management, and a Project Management Center of Excellence to improve execution, prevent resource overcommitment, and demonstrate measurable business value. (2027 and beyond: Enterprise Project Management Office)

VISION 2030



Vision 2030 is a forward-looking plan guiding OCERS over the remaining years of this decade, ensuring we continue delivering exceptional retirement services while adapting to the evolving needs of our members and environment. The initiative focuses on three strategic pillars:

1. **Enhanced Member Services:** Prioritizing members through improved accessibility, personalized support, and seamless service delivery.
2. **Technology Modernization:** Investing in advanced technologies to streamline operations, boost efficiency, and equip our staff with the tools for 100% accurate decision-making and reducing administrative cost.
3. **Organizational Excellence:** Cultivating a culture of continuous improvement, professional development, and strong governance to uphold the highest standards of integrity and accountability.

Vision 2030 reflects our commitment to building a resilient, future ready OCERS.


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