



2026-2028 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.

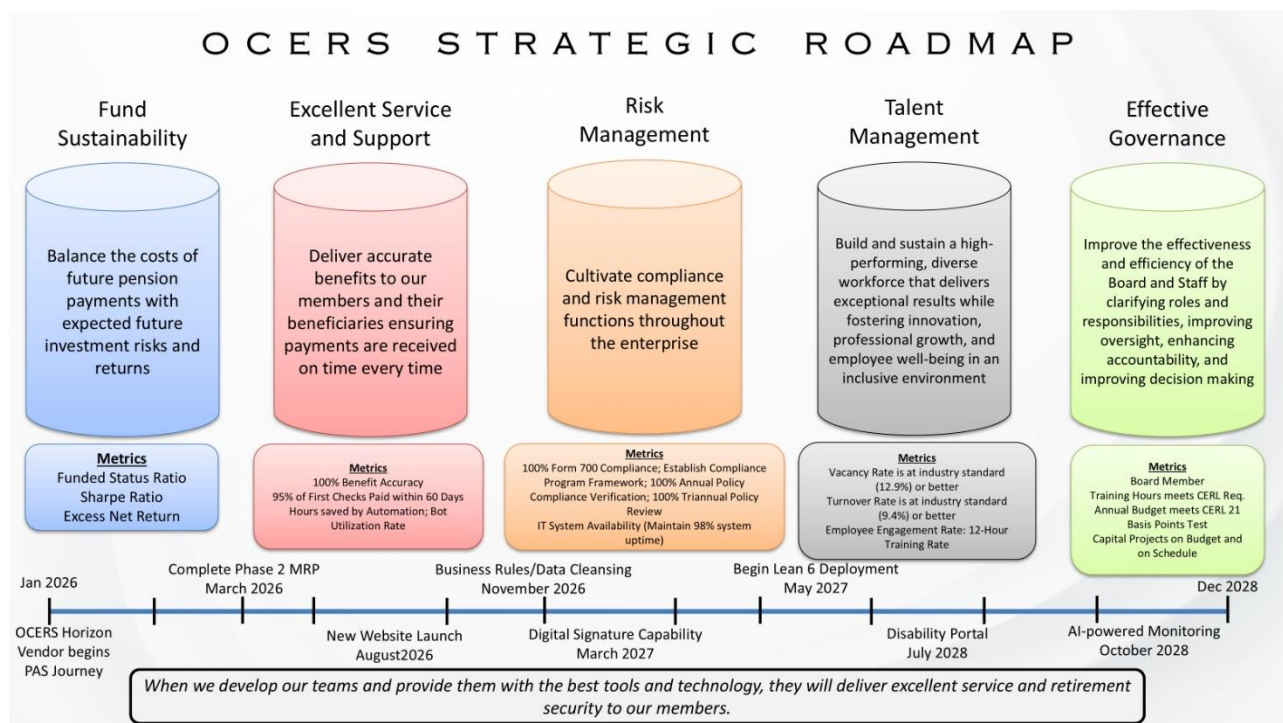
We are dedicated to serving the Orange County community.

- 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.

2026-2028 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 (PROJECTED 2026 COST: \$50,000) (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 (\$50,000 total) (ongoing: Investments)

- Automate the Due Diligence Entry process for Prospect Managers (2026: Investments)

Initiative 1B: Foster collaborative communication designed to keep stakeholders better informed as they make their 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 Microsoft Fabric and Power Suite to enhance data analytics and risk management functionality (2026 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)**

- Explore glidepath and asset allocation changes as OCERS approaches fully funded status, estimated for 2033

EXCELLENT SERVICE AND SUPPORT

DELIVER ACCURATE BENEFITS 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: Hours Saved by Automation (increase by 1% over the next year); Bot Utilization (increase by 1% over the next year)

Executive Lead - David Kim

OBJECTIVE 1: PROVIDE WORLD-CLASS SERVICE AND SUPPORT TO OUR EMPLOYERS, MEMBERS, AND PAYEES (PROJECTED 2026 COST: \$167,000) (MARY-JOY COBURN)

Initiative 1A: Deliver targeted education and engagement throughout the member lifecycle (\$42,000 total)

- Create targeted educational videos for each milestone group, hosted on the OCERS website (2026: Communications/Member Services)
- Create automated milestone communications (e.g., retirement eligibility, benefit changes) via targeted mailers, postcards, or digital outreach (2026: Communications)
- Implement member lifecycle journey mapping to optimize touchpoints (2026: Communications)
- Increase customer survey frequency and expand analytics to measure satisfaction (2026: Communications/Member Services)
- Establish a formal focus group to test and refine campaigns prior to launch (2026: Communications)

Initiative 1B: Transform the digital member experience by modernizing tools, increasing accessibility, and streamlining communication (\$125,000 total)

- Launch a new website to modernize online presence, enhance ADA compliance and support integration of “Benny” bot and remove outdated content (2026: Communications/All)
 - Build dedicated web pages for members at key points in their careers: New, Five Years In, Mid-Career, and Retirement-Eligible

- Implement digital signature capability (2027: Member Services)
- Create an online Disability application capability (2028: Disability)

OBJECTIVE 2: ACHIEVE OPERATIONAL EXCELLENCE THROUGH PROCESS INNOVATIONS (PROJECTED 2026 COST: TBD) (JEFF LAMBERSON/MARK ADVIENTO/NICOLE MCINTOSH)

Initiative 2A: Work with all employers to define the payroll data requirements, considering their payroll system abilities in order to enable automated benefit calculations in the future (2026: Member Services)

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

- Complete Phase 2 of master repository for procedures and business process documents (\$43,200 total) (2026: Enterprise Project Management Office)
- Start implementation of OCERS Horizon solution PAS (cost TBD) (2026: Member Services/All)
- Continue Business Rules workstream and Data Cleansing/Migration workstream (cost TBD) (2026: Member Services / Information Technology)

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

- Explore the usage of biometric proof-of-life application (i.e.: United Nation) (2026: Member Services)
- Explore the usage of biometric access of member data via the Member portal (2026: Member Services)
- Continue testing and refining 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 by the end of 2026 (2026 and beyond: Information Technology/All)

Initiative 2D: Reinforce Continuous Improvement Culture

- Begin to implement Lean Six Sigma methodology across all departments (2027: Enterprise Project Management Office)

RISK MANAGEMENT

CULTIVATE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS THROUGHOUT THE ENTERPRISE

Performance Metric: 100% Form 700 Compliance

~~Performance Metric: Establish Compliance Program Framework (achieve 100% in next 2 years)~~

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 Recover (BC/DR) tabletop exercise

Executive Lead - Manuel Serpa/Darren Dang

OBJECTIVE 1: REDUCE RISK BY IDENTIFYING GAPS THROUGH COMPLIANCE MONITORING (IVAN CAO)

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

- Develop new enterprise risk register utilizing updated Sharepoint database (2026: Compliance)
- 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)
- Enhance third-party vendor risk assessment and monitoring (ongoing: InfoSec)
- Establish a regulatory change management process (2028: Compliance)

Initiative 1C: Develop Fraud Prevention and Detection

- Enhance controls around the Death Audit process (2026 and beyond: Member Services)
- Explore use of Artificial Intelligence (AI) and Machine Learning (ML) to detect fraudulent transactions in the Member Self Service Portal (2026: Information Security/Information Technology/Member Services)
- Implement AI-powered transaction monitoring for suspicious activity for our Employers, Members, and Payees (2028: Information Security/Information Technology/Member Services)

OBJECTIVE 2: PROVIDE INFORMATION SYSTEMS THAT SUPPORT THE AGENCY'S ADMINISTRATIVE AND OPERATIONAL NEEDS (PROJECTED 2026 COST: \$750,000) (MATT EAKIN AND JENNY SADOSKI)

Initiative 2: Modernize IT Infrastructure and achieve Cybersecurity excellence

- Plan and implement Cloud Migration (2026: Information Technology)
- Pursue a cloud-based local proof of concept; hybrid architecture that works between OCERS on-premise environment and the cloud (2026: Information Technology)
- Data migration to the cloud; move OCERS resources and utilize Fabric and Data Warehouse (2026: Information Technology)
- Implement Microsoft 365 Azure; includes Copilot, Fabric, Teams premium upgrade to enhance data analytics and risk management functionality (2025/2026: Information Technology)
- Continue to investigate AI automation, RPA opportunities, evaluate tools and solutions (ongoing: Information Technology)
- Explore utilizing natural language technology and tools to assist Staff with training and answer questions related to various job tasks (2027: Information Technology)

OBJECTIVE 3: PROVIDE A SAFE AND SECURE WORKSPACE AND PUBLIC SERVICE FACILITY (PROJECTED 2026 COST: TBD) (BRENDA SHOTT)

Initiative 3A: Design and build a replacement OCERS headquarters facility (2026 and beyond: All).

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 better

Performance Metric: Turnover Rate is at industry standard (9.4%) or better

Performance Metric: Employee Engagement Rate 12-Hour Training Rate

Executive Lead - Steve Delaney

OBJECTIVE 1: RECRUIT AND RETAIN A DIVERSE HIGH-PERFORMING WORKFORCE TO MEET ORGANIZATIONAL PRIORITIES THAT ADVANCE WORKFORCE READINESS AND STRATEGIC ALIGNMENT (PROJECTED 2026 COST: \$80,000)
(CYNTHIA HOCKLESS)

Initiative 1A: Align Job Descriptions with OCERS specific duties (\$80,000)

- Oversee compensation study for County job classifications (Partnership with County of Orange) (2026: Human Resources)
- Conduct an OCERS Direct Compensation study (per policy) (2026: Human Resources)

Initiative 1B: Create and implement talent development programs to assist in succession planning (2026: Executive/All)

- Create a shadowing program (2026: Human Resources)
- Continue to support cross-functional teams for coverage of Pension Administration System work (2026 and beyond: Human Resources)
- Expand the OCERS mentorship program pairing senior and junior staff (2026: Human Resources)

OBJECTIVE 2: SUPPORT CONTINUOUS GROWTH AND SKILL DEVELOPMENT FOR ALL TEAM MEMBERS (PROJECTED 2026 COST: TBD)
(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~~ **Continue** a foundational training program covering AI concepts, Microsoft Copilot tools, process automation use cases, ethical considerations, and OCERS-specific applications (2026 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 (2026 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 (IVAN CAO)

Initiative 1: Continue development of a governance structure for **use of** Artificial Intelligence (2026 and beyond: Executive)

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

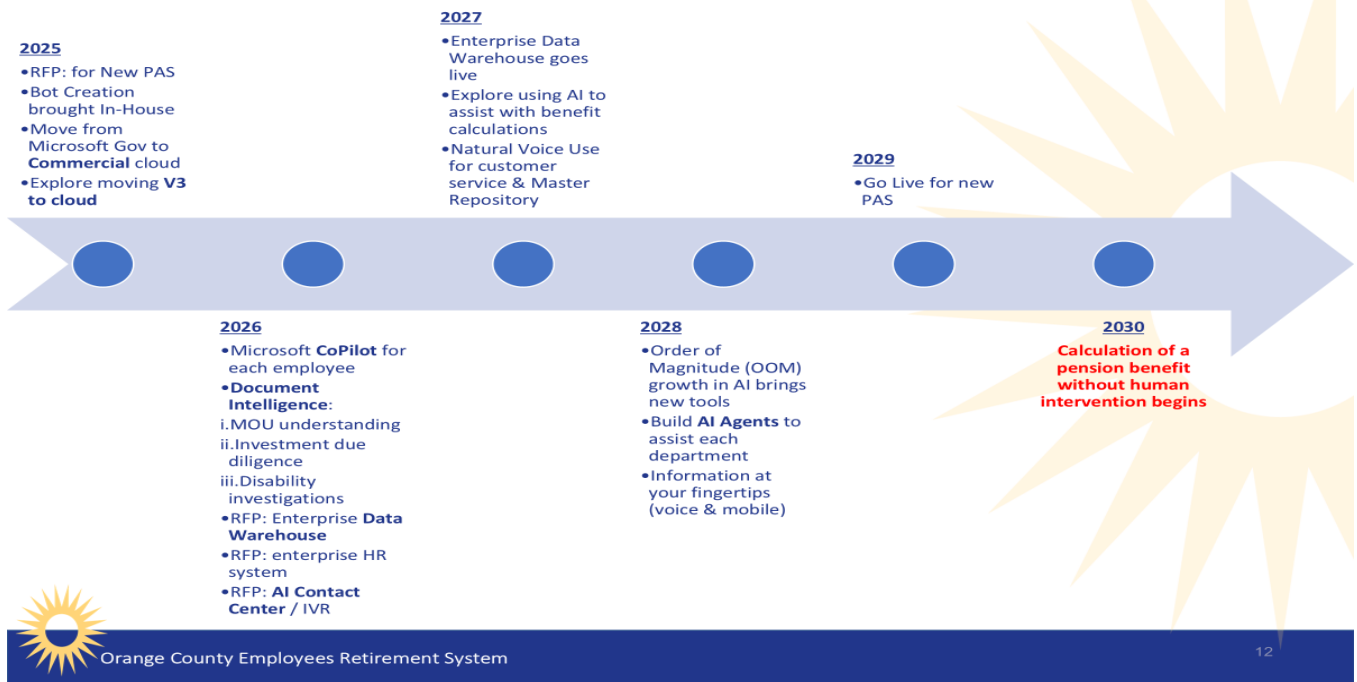
Initiative 2: Continue to monitor and report the basis point test through the budget process (ongoing: Finance/Executive)

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

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 EP MO Playbook approach (2026 and beyond: Enterprise Project Management Office)

VISION 2030

Vision 2030 Timeline (July 2025)



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 accurate decision-making.
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.

