ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

PERSONNEL COMMITTEE MEETING
Thursday, April 9, 2026
1:00 P.M.

Members of the Committee
Roger Hilton, Chair
Shawn Dewane, Vice Chair
Charles Packard
Iriss Barriga

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone (information below) from any location.

OCERS Zoom Meeting Video/Teleconference Information	
Join Using Zoom App (Video & Audio) **https://ocers.zoom.us/j/85906576808** **Meeting ID: 859 0657 6808** **Passcode: 152791** Go to https://www.zoom.us/download to download Zoom app before meeting. Go to https://zoom.us to connect online using any browser.	**Join by Telephone (Audio Only)** Dial by your location • +1 669 900 6833 US (San Jose) • +1 346 248 7799 US (Houston) • +1 253 215 8782 US (Tacoma) • +1 929 436 2866 US (New York) • +1 301 715 8592 US (Washington DC) • +1 312 626 6799 US (Chicago) **Meeting ID: 859 0657 6808** **Passcode: 152791**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee Meetings Page.	

AGENDA

This agenda contains a brief general description of each item to be considered. The Committee may take action on any item listed on this Agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the Agenda. The Committee may consider matters included on the agenda in any order, and not necessarily in the order listed.

OPEN SESSION

1. CALL MEETING TO ORDER AND ROLL CALL

2. BOARD MEMBER STATEMENT REGARDING PARTICIPATION VIA ZOOM (IF NECESSARY) (Government Code Section 54953(f))

3. PUBLIC COMMENTS

Members of the public who wish to provide comment during the meeting may do so by "raising your hand" in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. Members of the public who participate in the meeting from the OCERS Boardroom and who wish to provide comment during the meeting may do so from the podium located in the OCERS Boardroom. When addressing the Committee, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Committee; and (2) any matter appearing on the Consent Agenda.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Committee Member requests separate action on a specific item.

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes March 5, 2026

Recommendation: Approve minutes.

ACTION ITEMS

NOTE: Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Committee's discussion of the item. **Members of the public who wish to provide comment in connection with any matter listed in this agenda may do so by "raising your hand" in the Zoom app, or if joining by telephone, by pressing * 9, at the time the item is called. Persons attending the meeting in person and wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the Boardroom and deposit it in the Recording Secretary's box located near the back counter.**

A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

A-2 2026 CAREER LADDER – DEPUTY CHIEF EXECUTIVE OFFICER

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Approve and recommend that the Board of Retirement approve the following:

1. Establish a Deputy CEO position, creating a career ladder that provides enterprise-wide oversight of the Finance, Human Resources, and Operational Support Services departments, as well as direct supervisory authority over the Assistant CEO of External Operations, which includes the Member Services and Disability departments.

2. A salary range of $242,021 - $375,159 for the Deputy CEO classification, reflecting a total annual cost of $51,000 (salary and benefits) and an estimated 2026 budget impact of $34,000 (salary and benefits).

3. Authorize the CEO to appoint Brenda Shott as the Deputy CEO, effective May 1, 2026.

A-3 DEPUTY CEO CHARTER

Presentation by Manuel Serpa, General Counsel, OCERS

Recommendation: Approve and recommend that the Board adopt the Deputy CEO Charter, formalizing the role, authority, and responsibilities of the Deputy CEO position.

A-4 OFF-CYCLE REVIEW OF THE SUCCESSION POLICY

Presentation by Steve Delaney, Chief Executive Officer, and Manuel Serpa, General Counsel, OCERS

Recommendation: Approve and recommend that the Board adopt the revisions to the Succession Policy.

COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT

NOTICE OF NEXT MEETINGS

REGULAR BOARD MEETING
April 20, 2026
9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

INVESTMENT COMMITTEE MEETING
April 22, 2026
9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

PERSONNEL COMMITTEE MEETING
May 6, 2026
9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS' website: https://www.ocers.org/board-committee-meetings. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS' website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at adminsupport@ocers.org or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA

PERSONNEL COMMITTEE MEETING
Thursday, March 5, 2026
9:30 A.M.

MINUTES

OPEN SESSION

Chair Hilton called the meeting to order at 9:32 A.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Roger Hilton, Chair; Iriss Barriga, Board Member; Charles Packard (Zoom), Board Member

Also Present: Steve Delaney, CEO; Brenda Shott, Assistant CEO of Finance and Internal Operations; David Kim, Assistant CEO of External Operations; Manuel Serpa, General Counsel; Darren Dang, Chief Technology Officer; Cynthia Hockless, Director of Human Resources; Jennifer Reyes, Director of Finance; Mark Adviento, Director of Member Services; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary

CONSENT AGENDA

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes February 17, 2026

Recommendation: Approve minutes.

A **motion** was made by Mr. Packard, **seconded** by Ms. Barriga, to approve staff's recommendation to approve the minutes.

The motion passed subject to the following vote:

AYES	NAYS	ABSTAIN	ABSENT
Ms. Barriga			Mr. Dewane
Mr. Packard			
Mr. Hilton			

The motion passed **unanimously**.

Orange County Employees Retirement System
March 5, 2026
Personnel Committee Meeting - Minutes

ACTION ITEMS

A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

No items were trailed from the Consent Agenda.

A-2 2026 CAREER LADDER – DEPUTY CHIEF EXECUTIVE OFFICER

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Approve the creation of a career ladder for a Deputy Chief Executive Officer.

CEO Delaney discussed the possibility of creating a Deputy CEO career ladder position that would provide an advancement from either of the two current Assistant CEO positions. He was not asking for a third body, only a third position. Of those three positions, only two would be funded, the Deputy CEO position and whichever of the two Assistant CEO positions that was still filled.

Mr. Delaney related that several public pension systems have recently advanced their Deputy CEOs directly into the CEO position when it opened, rather than go through the time and expense of a national search. Mr. Kim's recent departure provides an opportunity to create a Deputy CEO position at OCERS, and move our only current Assistant CEO, Ms. Shott, directly into the Deputy position, providing the Board with the opportunity to observe her in action until Mr. Delaney's future retirement. At that time they would then have the option of advancing the Deputy CEO immediately or undertaking a national search.

The Committee discussed concerns regarding potential workload impacts on Ms. Shott, particularly during the ongoing new building project. Members emphasized the importance of avoiding overburdening key executives during a critical operational period.

Mr. Packard suggested that staff present workload mitigation strategies and timing options for implementation. Mr. Hilton and Ms. Barriga recommended bringing forth compensation comparisons and recommended salary ranges and maintaining a clear salary differential between the CEO and Deputy CEO.

After discussion, the Committee directed staff to return with the requested information at a subsequent Personnel Committee meeting prior to consideration by the full Board, tentatively targeted for April.

COMMITTEE MEMBER/CHIEF EXECUTIVE OFFICER/COUNSEL/STAFF COMMENTS
None.

ADJOURNMENT

Chair Hilton **ADJOURNED** the meeting at 10:09 A.M.

Submitted by: Submitted by: Approved by:

Orange County Employees Retirement System
March 5, 2026
Personnel Committee Meeting - Minutes

_____	_____	_____
Cynthia Hockless	Steve Delaney	Roger Hilton
Liaison	Secretary to the Board	Chair

Memorandum

DATE: April 9, 2026

TO: Members of the Personnel Committee

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **2026 CAREER LADDER – DEPUTY CHIEF EXECUTIVE OFFICER**

Recommendation

Approve and recommend that the Board of Retirement approve the following:

1. Establish a Deputy CEO position, creating a career ladder that provides enterprise-wide oversight of the Finance, Human Resources, and Operational Support Services departments, as well as direct supervisory authority over the Assistant CEO of External Operations, which includes the Member Services and Disability departments.

2. A salary range of $242,021 - $375,159 for the Deputy CEO classification, reflecting a total annual cost of $51,000 (salary and benefits) and an estimated 2026 budget impact of $34,000 (salary and benefits).

3. Authorize the CEO to appoint Brenda Shott as the Deputy CEO, effective May 1, 2026.

Background and Rationale

OCERS is approaching a significant leadership transition period in 2029, when five of the Board's ten seats are expected to turn over, along with my own anticipated departure as CEO. At present, OCERS has no formally identified internal successor, which places the organization at risk of having to conduct a costly and disruptive national executive search at the worst possible time.

Two recent developments have created a timely opportunity to proactively address this risk:

1. My anticipated retirement in 2029 coincides with substantial Board turnover.

2. The recent departure of the Assistant CEO of External Operations created an opening to reassess and strengthen OCERS' executive leadership structure.

Across the public pension sector, several peer systems have successfully addressed similar challenges by establishing a Deputy Director/Deputy CEO model that allows boards to evaluate internal talent over time rather than relying on external recruitment under pressure.

Notably:

- **Texas Municipal Retirement System (TMRS)** promoted its Deputy Director to Executive Director without conducting a national search.
- **Los Angeles County Employees Retirement Association (LACERA)** advanced its Deputy Director directly to Executive Director following the CEO's departure, having already observed performance in the role.

These examples demonstrate the value of investing in internal leadership development while preserving future Board discretion.

Memorandum

Career Ladder Concept

The proposed Deputy CEO is a career ladder position, not a new hire. Career ladders are an established OCERS talent management strategy aligned with the Strategic and Business Plan goal to recruit, retain, and inspire a high-performing workforce.

Key features of this career ladder include:

- No increase in authorized headcount.
- When an Assistant CEO advances to Deputy CEO, the vacated Assistant CEO position will remain unfilled and unbudgeted.
- The career ladder provides a structured opportunity for expanded responsibility, organizational exposure, and leadership development without committing the Board to a future CEO appointment.

Proposed Organizational Structure and Workload Considerations

To provide the Committee with flexibility, staff presents two organizational structure options in the attached presentation. Each option maintains the Deputy CEO as second-in-command and differs only in the placement of certain functional areas. Both options are designed to allow the Committee to select the structure that best balances executive workload and operational effectiveness; however, Option 2 reflects my preferred approach.

Under both options:

- The Deputy CEO reports directly to the Chief Executive Officer and serves as second-in-command.
- The Deputy CEO assumes executive oversight of Member Services, the largest division at OCERS, representing approximately 50% of agency staff.
- The Deputy CEO provides executive direction to the Assistant CEO of External Operations once that position is filled.
- The Deputy CEO represents OCERS with internal and external stakeholders and acts as CEO in my absence.

Option 1 – Deputy CEO-Centered Internal Operations Model

Under this option the Deputy CEO provides direct executive oversight of:

- Finance
- Human Resources
- Contracts and Operations Support Services
- **Communications**
- **Enterprise Project Management Office (EPMO)**

This option consolidates the majority of internal operational functions under the Deputy CEO, providing the broadest enterprise-wide leadership exposure.

Memorandum

Option 2 – CEO-Retained Communications and EPMO - RECOMMENDED

Under this option the Deputy CEO provides direct executive oversight of:

- Finance
- Human Resources
- Contracts and Operations Support Services

Communications and **EPMO** remain under the direct oversight of the CEO.

This option reduces the immediate scope of the Deputy CEO's portfolio while retaining core internal operations responsibilities.

Workload Mitigation and Timing

During Committee discussion, members appropriately raised concerns regarding potential workload impacts on Ms. Brenda Shott, particularly during the critical period associated with the new building project. Staff and Committee members emphasized the importance of avoiding overburdening key executives during this operationally intensive phase.

In response, staff proposes the following mitigation strategies and safeguards:

- Phased implementation of expanded duties, allowing selected responsibilities to transition over time rather than immediately upon promotion.
- Retention of project-specific operational support within existing management teams to ensure continuity and prevent executive overload.
- Ongoing workload monitoring by the CEO, with adjustments made as needed during the building project lifecycle.

These measures are intended to ensure that the organization benefits from expanded executive capacity without compromising operational effectiveness during a critical period.

Candidate

Based on tenure, performance, and institutional knowledge, it is my intent to advance Brenda Shott, Assistant CEO of Internal Operations, into this career ladder opportunity. This promotion would build upon her existing leadership responsibilities while deliberately managing the pace and scope of added duties.

Compensation, Internal Equity, and Salary Differentials

At the request of Committee members, staff conducted a compensation review of six peer retirement systems, focusing on Deputy CEO/Chief Operating Officer roles. The analysis confirms that these positions are commonly aligned with General Counsel salary ranges, reflecting comparable organizational responsibility and enterprise-wide impact.

Based on this benchmarking analysis, staff recommends setting the Deputy CEO salary range equal to the existing OCERS General Counsel range:

Memorandum

- **$242,021 – $375,159**

This approach:

- Maintains internal equity across the Senior executive team.
- Preserves a clear and appropriate salary differential between the CEO and Deputy CEO, **maintaining the 10% separation and avoiding compensation compression.**
- Positions the Deputy CEO role clearly above the Assistant CEO tier while remaining meaningfully below the CEO salary set by the Board.

If approved, the Assistant CEO of Internal Operations position would move from its current range of **$209,445 – $324,637** to the proposed Deputy CEO range noted above.

Budget Impact

- Annual salary and benefits increase: approximately **$51,000**
- 2026 budget impact: approximately **$34,000**, assuming a **May 1, 2026**, effective date (eight months)
- Additional headcount: None

This represents a modest and controlled cost relative to the strategic value of improved succession planning, leadership continuity, and risk mitigation.

Conclusion

Creating a career ladder from Assistant CEO, Internal Operations to Deputy CEO:

- Strengthens executive succession planning ahead of the 2029 transition period.
- Follows a proven model used successfully by peer retirement systems.
- Addresses Committee concerns by incorporating workload mitigation strategies and implementation flexibility.
- Maintains clear compensation structure, internal equity, and appropriate CEO–Deputy CEO salary separation.
- Achieves these objectives with minimal budget impact and no increase in headcount.

For these reasons, staff recommends that the Personnel Committee approve and recommend that the Board of Retirement approve the following:

1. Establish a Deputy CEO position, creating a career ladder that provides enterprise-wide oversight of the Finance, Human Resources, and Operational Support Services departments, as well as direct supervisory

Memorandum

authority over the Assistant CEO of External Operations, which includes the Member Services and Disability departments.

2. A salary range of $242,021 - $375,159 for the Deputy CEO classification, reflecting a total annual cost of $51,000 (salary and benefits) and an estimated 2026 budget impact of $34,000 (salary and benefits).

3. Authorize the CEO to appoint Brenda Shott as the Deputy CEO, effective May 1, 2026.

Attachment:

- **Article:** Segal Future Pension Plan Leadership Requires Succession Planning

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Segal

Articles | March 10, 2026

Future Pension Plan Leadership Requires Succession Planning

By Karen Chavez

As the stewards of retirement security for millions of people, pension leaders carry a profound responsibility. Yet many of these leaders are approaching retirement themselves, raising a critical question: who will lead next?

Succession planning is the answer. It isn't only an HR exercise; it's a strategic imperative that ensures continuity, preserves institutional knowledge and safeguards the mission of pension plans.

Succession planning is not a luxury, it's a necessity. For pension leaders, ensuring continuity of leadership and institutional knowledge is critical to maintaining trust, stability and long-term success. Yet, many organizations struggle to define what succession planning truly is — and what it is not.

Succession planning defined

Succession planning is a strategic, proactive process designed to identify and develop future leaders at all levels of an organization. It's about preparing for transitions before they happen, ensuring that key roles can be filled seamlessly when the time comes.

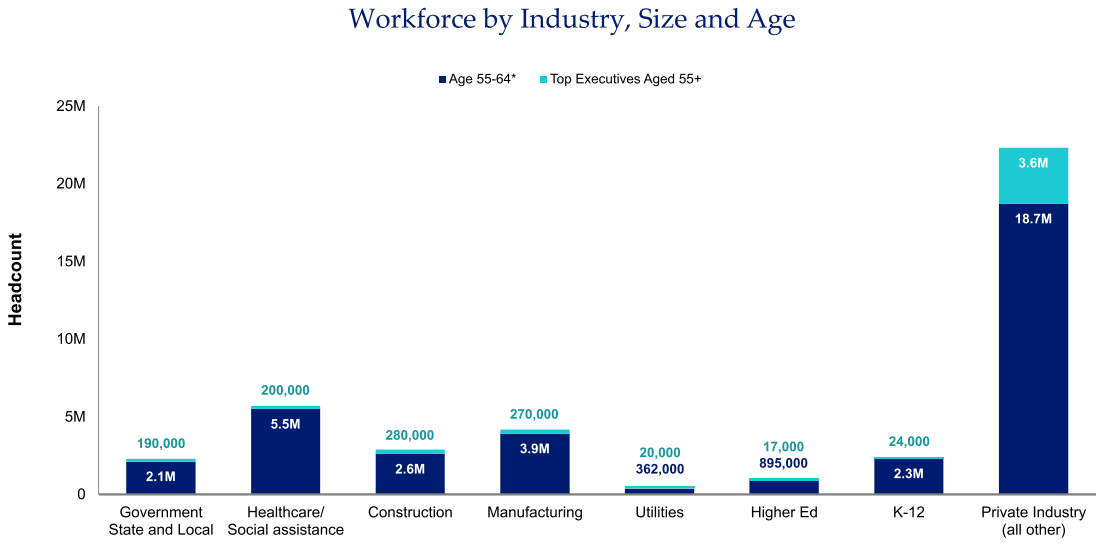
It involves more than naming a successor or creating a list of potential candidates. It's not a single event, but rather an ongoing process that necessitates leadership support to ensure its effectiveness.

Effective succession planning is ongoing, inclusive and integrated into broader employee development and company advancement strategies. Succession planning helps prepare employees to compete during the hiring process. When done well, these efforts demonstrate respect to employees, investing in their growth and signaling their importance in the success of the organization.

The need for succession planning

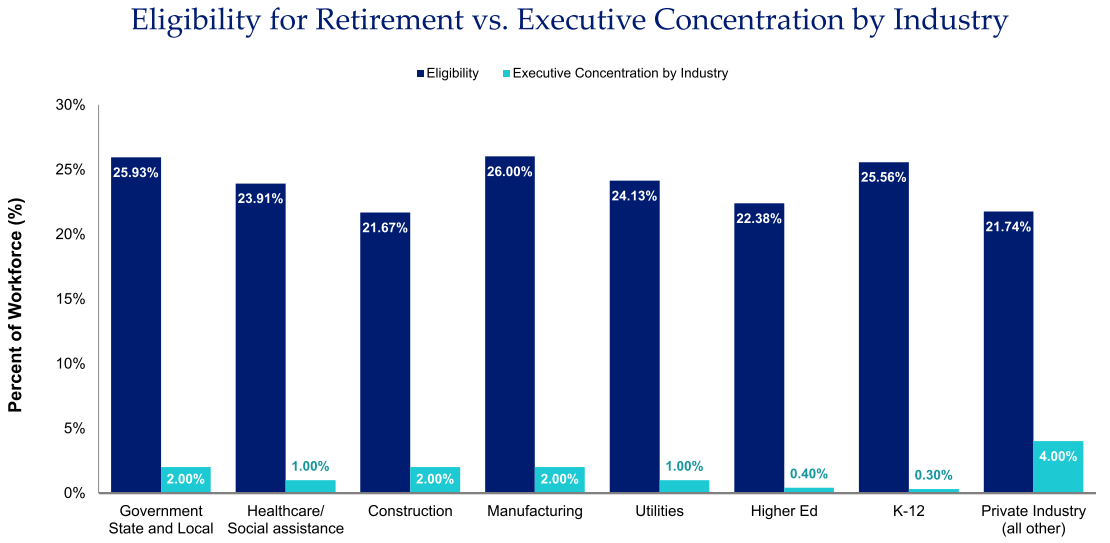
According to the U.S. Bureau of Labor Statistics, in 2024 the total workforce consisted of approximately 161 million individuals employed across various industries, with around 38 million aged between 55 and 64 years. The Society for Human Resource Management reports 10,000 baby boomers reach the age of 65 every day. Many of these individuals hold leadership or specialized positions and are expected to retire within five years.

The MissionSquare Research Institute's 2025 State and Local Workforce Report includes similar results from a survey anticipating a major retirement wave occurring within the public sector over the next few years. This prediction isn't new; for years, a "silver tsunami" has been foretold as baby boomers became retirement eligible.



Source: U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Household Data: Annual Averages: Table 18b. Employed persons by detailed industry and age.

When looking at top executives age 55 or older across all industries shown in the graph, more than 4.6 million positions could become available over the next 10 years.



Source: U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Household Data: Annual Averages: Table 18b. Employed persons by detailed industry and age.

Why succession planning matters for pension plans

Pensions are designed to provide retirement income security. They influence labor markets, savings behavior and capital management. Their economic impacts extend to government budgets, household spending and investments. Leaders of pension plans are responsible for managing billions of dollars in assets, navigating intricate regulations and upholding substantial accountability to their stakeholders including retirees, employees, trustees and taxpayers. It's a big job with a lot on the line.

As pension leaders retire, it elevates the risk of leaving complex and vital economic systems to inexperienced leaders. Continuity of leadership is critical for pension plans due to the complexity, fiduciary responsibility and long-term impact the plans have on financial security for millions of people. Implementing a deliberate plan to address these challenges before an emergency or vacancy fosters stability and trust among stakeholders and staff. It also ensures continuity in strategic initiatives.

New pension leaders must be prepared to handle these management responsibilities:

- **Fiduciary and regulatory complexity.** Pensions operate under strict compliance frameworks: ERISA for corporate and multiemployer plans, trust law for fund offices and legislative mandates for public systems. Leaders must have deep knowledge of governance, investment regulations and risk management, which takes years to develop.
- **Long-term financial stewardship.** Decisions made by pension leaders affect decades of retirement benefits. Succession planning must ensure continuity in investment strategy, actuarial forecasting and funding policies to avoid jeopardizing promised benefits.
- **Stakeholder relationship accountability.** Pension oversight involves multiple stakeholders; boards, regulators, unions and participants. Building trust and credibility is critical, and successors need time to cultivate these relationships. Public systems face additional scrutiny from taxpayers and legislators.
- **Specialized skill sets.** Future leaders require familiarity in areas like actuarial science and portfolio management and sustainability considerations. These skills are not easily transferable from other industries, making talent development and knowledge transfer essential.
- **Extended development timelines.** Pension leadership positions often require years of preparation due to the complexity of the plans and the need for institutional knowledge. This makes early identification of potential successors and structured development programs vital.

The High Cost of Not Planning for Succession

Inaction is not neutral; it carries measurable costs that compound over time, making proactive succession planning a business imperative. Failing to implement a succession plan exposes pensions to significant financial, operational and reputational risks. Without a clear strategy for leadership continuity, organizations face issues that can jeopardize fiduciary responsibilities and lead to costly regulatory penalties.

Pension plans that don't undertake succession planning may experience:

- Loss of critical knowledge
- Delayed decision-making
- Reduced morale
- Increased recruitment costs
- Operational disruptions
- Compliance failures

The benefits of succession planning

Implementing a succession plan delivers measurable advantages that strengthen organizational resilience and performance.

By ensuring leadership continuity, pension plans avoid operational disruptions and maintain fiduciary integrity. Succession planning preserves institutional knowledge and critical stakeholder relationships, while proactively developing a talent pipeline equipped with technical, strategic and relationship skills. This approach reduces recruitment costs, mitigates compliance risks and fosters employee engagement by signaling clear career pathways. Moreover, a well-executed plan sustains strategic initiatives, enhances adaptability to regulatory and market changes and reinforces stakeholder confidence.

In short, taking action through succession planning is a strategic investment in organizational stability and long-term success.

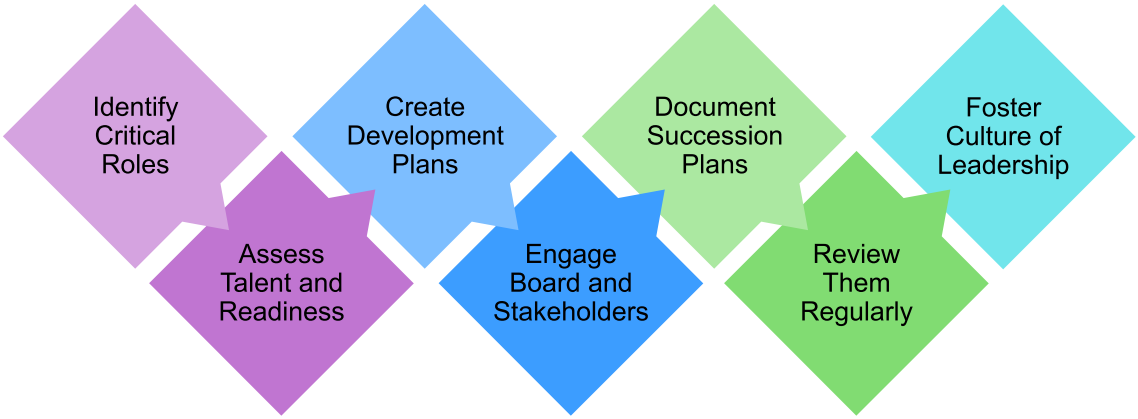
Here are five ways succession planning helps organizations:

1. **Ensure leadership continuity during change.** Organizations are facing unprecedented changes, such as restructuring, digital modernization or mergers, which may involve shifts in strategy and operations. Succession planning ensures that critical leadership roles remain filled with capable individuals who can steer the organization through these transitions while minimizing disruption.
2. **Preserve institutional knowledge.** Succession planning helps retain and transfer institutional knowledge, which is vital for implementing change effectively and maintaining compliance, governance and stakeholder trust.
3. **Build agility and talent pipelines.** Succession planning aligns employee development with transformation goals by identifying future leaders early and equipping them with the competencies needed for the evolving business model.
4. **Mitigate risk.** Without succession planning, leadership gaps can lead to delayed decisions, operational instability and reputational damage. Proactive planning reduces these risks and supports smoother execution of transformation initiatives.
5. **Facilitate cultural alignment.** Succession planning requires engagement from boards, executives and employees. When succession planning is integrated into transformation strategies, it reinforces a culture of leadership and adaptability, making change less disruptive.

Key considerations for succession planning

Succession planning may sound easy, but it can be difficult to know where to start.

Focus first on identifying the critical roles that are essential to operational stability and long-term strategies, such as executive leadership and specialized positions. Then assess the talent and readiness of your current staff for leadership potential and skill gaps. Next, strengthen your future bench by creating intentional development plans — through training, mentoring and stretch assignments — and ensure alignment by engaging your board and key stakeholders throughout the process. To maintain momentum and accountability, document your succession plans, review them regularly and keep them responsive to organizational changes. Above all, foster a culture where leadership is encouraged at every level, building a resilient pipeline that secures your organization's future.



Ten succession planning pitfalls and how to avoid them

While succession planning is essential, it can fail if common pitfalls are not addressed. Plans often falter due to lack of executive buy-in, outdated strategies and insufficient development programs that leave identified successors unprepared. Focusing solely on top leadership roles can create gaps in critical positions and hinder organizational growth. Additionally, poor communication and short-term thinking undermine employee trust and strategic alignment.

1. **Lack of executive buy-in.** Without leadership support, plans fail to gain traction.
2. **Overlooking key roles.** Focusing only on top executives while ignoring critical operational positions may leave gaps.
3. **Failure to update plans.** Static succession plans become obsolete as business needs and workforce demographics change.
4. **Insufficient development programs.** Identifying successors without providing training, exposure to diverse experiences and mentorship leads to readiness gaps and can stifle innovation.
5. **Over-reliance on internal candidates.** Limiting the pool can result in skill shortages and missed opportunities.
6. **Poor communication.** Lack of transparency creates uncertainty and disengagement among employees.
7. **Short-term focus.** Avoid planning only for immediate needs instead of long-term organizational strategy.
8. **Neglecting cultural fit.** Advancing technically skilled employees who do not demonstrate leadership abilities or alignment with organizational culture may lead to operational challenges.
9. **Failure to measure progress.** The absence of metrics or accountability to monitor readiness and effectiveness can impede both new hire success and overall organizational performance.
10. **Incomplete or unused plans.** Having an unfinished or unused succession plan can only deliver partial results at its best.

To avoid these pitfalls, organizations should secure leadership commitment, regularly review and update succession plans, and implement robust training and mentorship programs. Expanding candidate pools beyond internal talent and establishing clear metrics for progress ensures that succession planning remains dynamic, inclusive and effective in meeting both immediate and future organizational needs.

Succession planning doesn’t have to be perfect to be powerful

The most important step is to start. Whether you’re building a succession plan from the ground up or refining an existing approach, progress begins with intention.

This page is for informational purposes only and does not constitute legal, tax or investment advice. You are encouraged to discuss the issues raised here with your legal, tax and other advisors before determining how the issues apply to your specific situations.

OCERS

Deputy Chief Executive Officer

Career Ladder Proposal

Personnel Committee | April 2026

Steve Delaney, Chief Executive Officer

THE ASK

Approve the Career Ladder

Assistant CEO

Internal Operations

Current Role

NEW

Deputy CEO

New Career Ladder Position

Brenda Shott

Candidate

May 1, 2026

Timing

~$34K

2026 Total Cost
(Salary and Benefits)

2

WHY NOW?

Big changes are coming in 2029

5
of 10
Board seats up for renewal

1
CEO
Anticipated departure

0
today
Identified successor

Without a plan, OCERS faces an expensive national search at the worst time.

3

DRIVING FACTORS

This creates a window of opportunity

CEO Delaney likely retires in 2029

5 of 10 Board terms end that same year

Asst. CEO Kim has left OCERS

This is the right moment to restructure leadership

4

OTHERS RECENTLY DID IT SUCCESSFULLY

Two peer retirement systems used this exact approach

TMRS

Texas Municipal Retirement System

Deputy Director → Executive Director

No national search needed

LACERA

LA County Employees Retirement Assn.

Deputy Director → Executive Director

Board saw him in action first

Both avoided costly national searches by investing in internal leaders

5

WHAT IS A CAREER LADDER?

A promotion path — not a new hire

Asst. CEO Internal Ops
Current Position
OR
Asst. CEO External Ops

→

Deputy CEO
New Position

→

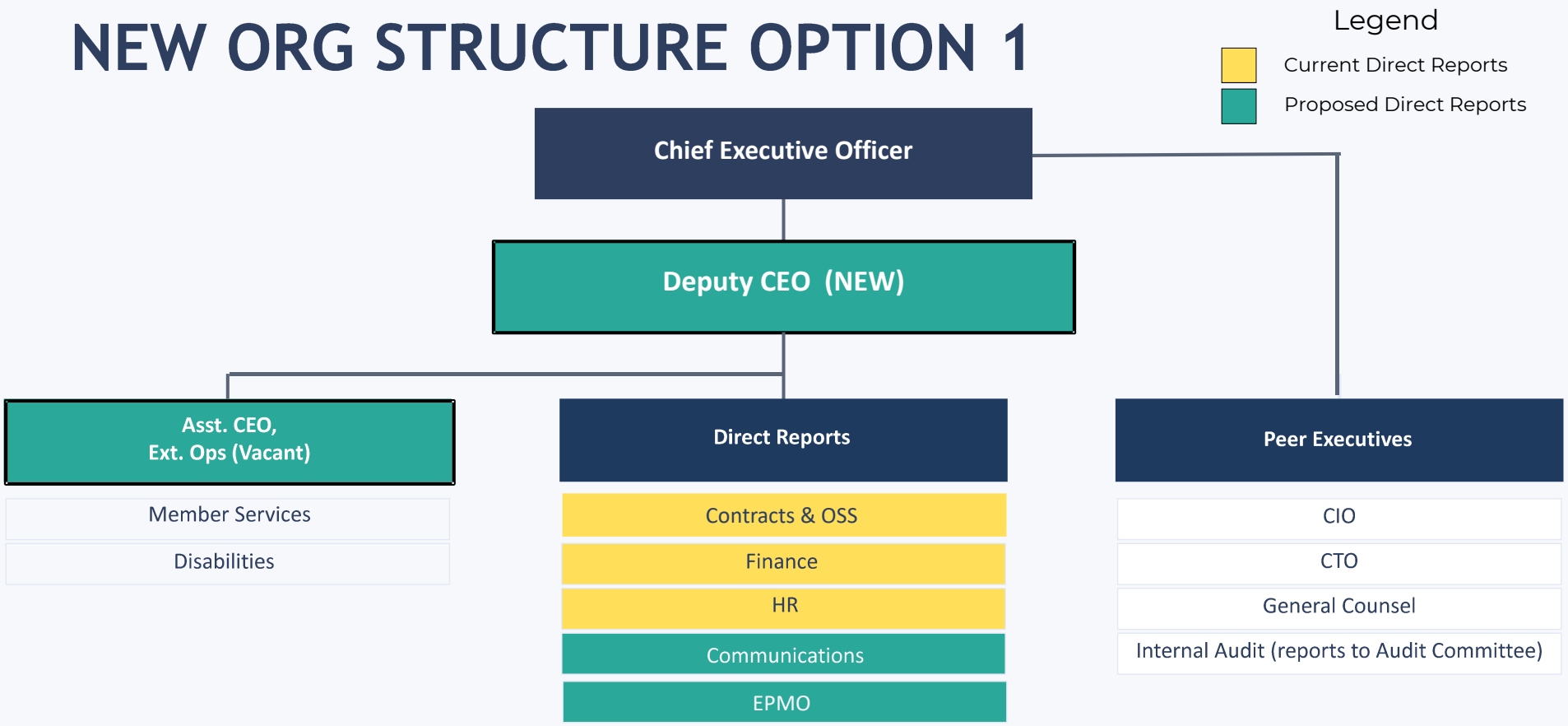
CEO
Future Path (possible retirement)

- **No increase in headcount**
- **Vacated position goes unbudgeted**
- **Part of OCERS Strategic Plan**

The Deputy CEO career ladder will benefit the organization in the future, allowing either Asst. CEO to follow this path.

6

NEW ORG STRUCTURE OPTION 1

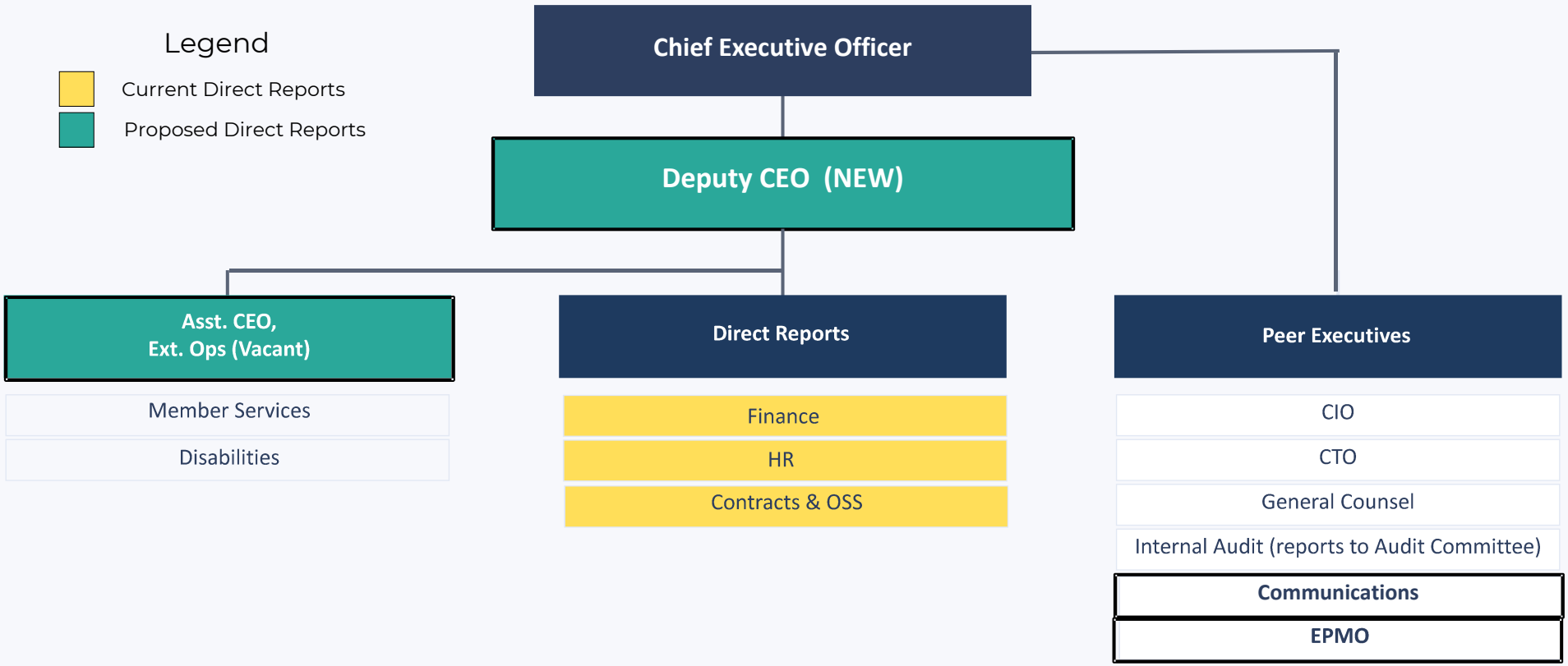


Deputy CEO gains oversight of Member Services — the largest division (~50% of all staff), as well as Communications and EPMO who currently report to CEO

7

NEW ORG STRUCTURE OPTION 2

Recommended



Communications and EPMO remain under the CEO

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Roles & Duties Summary

Chief Executive Officer

CURRENT

Asst. CEO, Finance & Ops

NEW

Deputy CEO

Chief Executive Officer

BOARD-LEVEL

Governance & Board

- Secretary to the Board — manages meetings & agendas
- Implements Board governance policies & by-laws
- Oversees litigation, legal matters & General Counsel

Investments

- Oversees the CIO
- Recommends investment policy to the Investment Committee
- Oversees portfolio rebalancing & manager transitions

Technology & Oversight

- Oversees the CTO for IT & Information Security
- Oversees Internal Audit (reports to Audit Committee)
- Oversees the EPMO

Enterprise Leadership

- Sets strategic direction; approves Operating Budget
- Official spokesperson with Board Chair
- Oversees Deputy CEO and all senior executives, as well as the Communications department

Asst. CEO, Finance & Internal Operations

CURRENT

Finance & Accounting

- Direct the Annual Comprehensive Financial Report; coordinate annual audit
- Implement internal controls to safeguard assets, ensure reliable financial reporting
- Oversee and ensure proper accounting for the collection, deposit, and distribution of funds
- Ensure delivery of actuarial valuation & triennial experience study

Human Resources

- Directs HR policies, procedures, recruitment & retention
- Oversees compensation analysis & employee relations
- Manages performance, training & talent development

Operational Support

- Ensures adequate facilities & equipment
- Manages property, leases, security & surplus disposition
- Identifies and mitigates financial & enterprise risks

Contracts & Budget

- Oversee the administration of the procurement and contracting functions
- Approve the solicitation and negotiations of contracts for Finance, HR, and Operations Support Services
- Direct the development and monitoring of the administrative & investment budgets

Deputy CEO

NEW POSITION

Deputy Chief Executive Officer

- Acts as CEO in the CEO's absence with full authority
- Advises CEO on policy, strategy & organizational matters
- Leads enterprise-wide strategic initiatives

Operations & Administration

- Directly oversees Finance, HR & Ops Support Services
- Implements internal controls to safeguard OCERS assets
- All duties of the Existing Asst CEO, Finance and Internal Operations - per previous slide

NEW DUTIES

Member Services & Disability

- Oversees Member Services & benefit payment accuracy
- Oversees Disability Committee process & determinations
- Recommends member benefit policies to the Board

External Operations Oversight

- Direct line authority over Asst. CEO of External Operations
- Oversees retirement program for OC & employer plan sponsors
- Oversees external stakeholder relationships & communications

Comparing the Three Roles

DUTY AREA	CEO Board-Level	Asst. CEO Internal Ops Current	Deputy CEO New Position
			★ = *New duty for Deputy CEO*
Governance & Legal	Secretary to Board Oversees litigation & General Counsel	—	—
Investments	Oversees CIO Investment policy & portfolio	—	—
Finance & Accounting	—	Oversees financial reporting, financial audit, and the preparation of the actuarial valuation	Oversees financial reporting, financial audit, and the preparation of the actuarial valuation
HR & Talent	—	Oversees HR policies, compensation, and succession planning	Oversees HR policies, compensation, and succession planning
Operations & IT	Oversees CTO & EPMO Internal Audit	Oversees Ops Support Services: Facilities, Equipment, Contracts, and Risk Mitigation	Oversees Ops Support Services: Facilities, Equipment, Contracts, and Risk Mitigation
External Operations: Member Services & Disability	—	—	**Oversees Asst. CEO External Ops position: Includes employer plan sponsors, Benefits, Disability Committee, and policies** ★

Peer Comparison — Deputy CEO / COO

★ = OCERS Proposed Range

Rank	Comparator Agency	Position Title	Salary Minimum	Midpoint	Salary Maximum
★	**Orange County Employees Retirement System (OCERS)**	*Deputy CEO (Proposed Range)*	**$242,021**	**$308,590**	**$375,159**
	County of Orange	Chief Operations Officer	**$177,549**	**$257,151**	**$336,752**
1	San Diego City (SDCERS)	Deputy CEO	$127,548	$318,396	$509,244
2	CalPERS	Chief Operating Officer	$251,250	$335,000	$418,750
3	Los Angeles County (LACERA)	Deputy CEO	$222,181	$279,235	$336,288
4	Contra Costa County (CCCERA)	Deputy CEO	$246,180	$280,188	$314,196
5	San Diego County (SDCERA)	Chief Operating Officer	$158,038	$205,431	$252,824
6	Kern County (KCERA)	Chief Operations Officer	$180,169	$197,744	$215,318

Same Salary Range as General Counsel

*Note: The terms Deputy CEO and Chief Operations Officer are used interchangeably

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Peer Comparison — General Counsel

★ = OCERS Current GC Range (Benchmark)

Rank	Comparator Agency	Position Title	Salary Minimum	Midpoint	Salary Maximum
★	**Orange County Employees Retirement System (OCERS)**	*General Counsel*	**$242,021**	**$308,590**	**$375,159**
	County of Orange	County Counsel	*Salary Set by BOS		$377,436
1	San Diego City (SDCERS)	General Counsel	$127,548	$318,396	$509,244
2	CalPERS	General Counsel	$251,250	$335,000	$418,750
3	Los Angeles County (LACERA)	General Counsel	$238,845	$300,178	$361,510
4	Contra Costa County (CCCERA)	General Counsel	$271,404	$308,898	$346,392
5	San Diego County (SDCERA)	General Counsel	$176,696	$221,884	$267,072
6	Kern County (KCERA)	General Counsel	$211,774	$230,923	$250,071

Same Salary Range as COO/ Deputy Position

*The salary of the County of Orange General Counsel is set by the Board of Supervisors (BOS).

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Internal Equity

Effective January 1, 2026

Position Title	Salary Minimum	Midpoint	Salary Maximum
Chief Investment Officer	$347,477	$443,033	$538,589
CEO		Current Salary: $425,999	
General Counsel	$242,021	$308,599	$375,159
Managing Director (Investments)	$242,021	$308,599	$375,159
Deputy CEO ★	$242,021	$308,599	$375,159
Assistant CEO, Internal Ops	$209,445	$267,041	$324,637
Assistant CEO, External Ops	$209,445	$267,041	$324,637
Chief Technology Officer	$209,445	$267,041	$324,637

★ Proposed new position

CEO salary set by Board of Retirement

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CEO Salary Compression/Pay Compaction

Asst. CEO, Internal Ops

Current Position

2026 Salary

$324,637

vs. CEO

-31.23%

vs. CEO salary

$101,362 below CEO

Deputy CEO ★

Proposed New Position

Top of Range

$375,159

vs. CEO

-13.55%

vs. CEO salary

$50,840 below CEO

CEO

Salary Anchor

2026 Salary

$425,999

vs. CEO

Set by Board of Retirement

★ **Proposed position** · CEO salary set by Board of Retirement · Percentages calculated vs. CEO 2026 salary of $425,999.

Budget Impact

$34K

2026 Budget Impact
(8 months)

$51K

2027 Annual Budget Impact

0

Additional
Headcount

*2026 Total Proposed Salary + Benefits	*2027 Total Annual Proposed Salary + Benefits
$579,772	$596,857

**Assumes 10% salary increase upon start date of May 1, 2026.*

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Recommendation

Staff recommends that the Personnel Committee approve and recommend that the Board of Retirement approve the following:

1. Establish a Deputy CEO position, creating a career ladder that provides enterprise-wide oversight of the Finance, Human Resources, and Operational Support Services departments, as well as direct supervisory authority over the Assistant CEO of External Operations, which includes the Member Services and Disability departments.

2. A salary range of $242,021 – $375,159 for the Deputy CEO classification, reflecting a total annual cost of **$51,000** (salary and benefits) and an estimated 2026 budget impact of **$34,000** (salary and benefits).

3. Authorize the CEO to appoint **Brenda Shott** as the Deputy CEO, effective May 01, 2026.

Memorandum

DATE: April 9, 2026

TO: Members of the Personnel Committee

FROM: Manuel Serpa, General Counsel

SUBJECT: **DEPUTY CEO CHARTER**

Recommendation

Approve and recommend that the Board adopt the Deputy CEO Charter, formalizing the role, authority, and responsibilities of the Deputy CEO position.

Background

As OCERS continues to grow in organizational size and operational complexity, it is important to ensure that executive leadership roles are clearly defined, appropriately delegated, and aligned with Board policies and best practices.

The Deputy Chief Executive Officer (CEO) serves as the principal executive deputy to the Chief Executive Officer and provides enterprise-wide leadership across OCERS operations. Formal adoption of a Deputy CEO Charter establishes clear authority, reporting relationships, and accountability while supporting organizational continuity and effective executive oversight.

The proposed Charter reflects the Deputy CEO's role as the highest-ranking executive after the CEO and clarifies delegated authority consistent with applicable laws, Board policy, and OCERS' governance framework.

Proposed Charter Highlights

Responsibilities:
Provide enterprise-wide leadership over assigned operational and administrative functions; oversee and coordinate senior executives and departments reporting to the Deputy CEO; assist the CEO in implementing OCERS' Strategic Plan and Annual Business Plan; support organizational development, risk management, and operational efficiency initiatives.

Authority:
Serve as principal deputy to the CEO; act as CEO in the absence or unavailability of the CEO with full authority; authorize expenditures and execute contracts within Board-approved budgets and policies; approve and manage operational and administrative activities within delegated authority.

Operations & Oversight:
Oversee key departments including Human Resources, Finance, Operational Support Services, and the Assistant CEO of External Operations; provide leadership in talent management, internal controls, financial oversight, and enterprise risk management; support delivery of actuarial, financial reporting, and audit functions.

Monitoring & Reporting:
Report significant actions taken under delegated authority to the CEO at least monthly; support timely and accurate reporting to the Board to enable effective oversight and fiduciary governance.

Memorandum

Review:
The Charter will be reviewed by the CEO at least every three (3) years and updated as necessary to remain current and appropriate.

The newly established Deputy CEO Charter includes sections that were previously part of the Assistant CEO, Finance and Internal Operations Charter and the CEO Charter.

Attachments

1. Deputy CEO Charter

Submitted by:

MS - Approved

Manuel Serpa
General Counsel

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Deputy CEO Charter

Introduction

1. In accordance with the Charter from the Orange County Employees Retirement System (OCERS) Board of Retirement (Board) to the Chief Executive Officer (CEO), the CEO hereby delegates to the Deputy Chief Executive Officer (Deputy CEO) the authority to make final decisions on all matters listed below. The Deputy CEO, serving as the highest-ranking executive after the CEO, provides enterprise-wide leadership throughout all OCERS operations. The actions taken by the Deputy CEO under this Charter must comply with applicable laws and Board policies. Unless the CEO has specifically required the Deputy CEO to act personally, the Deputy CEO may, at their discretion, sub-delegate any authority granted under this Charter.

Duties and Responsibilities

Reporting Relationships

2. The Deputy CEO reports directly to the CEO and has direct line authority over the following departments and positions:
   a. Human Resources Department;
   b. Finance Department;
   c. Operational Support Services Department; and
   d. Assistant Chief Executive Officer of External Operations.
3. The Deputy CEO exercises enterprise-wide coordination and strategic oversight through these reporting relationships and in collaboration with other senior executives. The Deputy CEO may have direct operational authority over other divisions or functions when acting as CEO under Section 4 of this Charter, or as specifically directed by the CEO.

General Authority

4. Serve as the principal deputy to the CEO;
5. Act as CEO in the absence, unavailability, or incapacity of the CEO, with full authority to exercise the powers and duties of the CEO during such periods;
6. Assist the CEO in providing leadership for the OCERS staff in implementing the programs necessary to achieve the mission, goals, and objectives established by the Board;
7. Oversee and coordinate the activities of senior executives and department heads reporting to the Deputy CEO, ensuring effective cross-functional collaboration and accountability;
8. Assist the CEO in the development and implementation of OCERS' Strategic Plan and Annual Business Plan, and lead execution of key enterprise-wide strategic initiatives as directed by the CEO;
9. Ensure that operations and initiatives within the Deputy CEO's areas of responsibility are aligned with the Board's policies, the Strategic Plan, and the Annual Business Plan;

10. Assist the CEO in developing and recommending the annual Operating Budget to the Board, and oversee the monitoring of administrative and investment budgets to ensure compliance with fiscal policies;
11. Authorize expenditures and transfer budgeted amounts within a category of expenditures (e.g., Salary and Benefits; Services and Supplies; Capital Projects) as necessary within the approved operating budget;
12. Identify, assess, and address financial and enterprise risks and, in coordination with the Compliance Department, recommend and take appropriate actions to mitigate or respond to them, which could include purchasing insurance, implementing mitigating controls, or avoiding the risk;
13. Provide leadership in organizational development, change management, and process improvement initiatives to enhance OCERS' operational efficiency and effectiveness;
14. In coordination with the CEO, represent OCERS and communicate the Board's policies and positions before outside parties and organizations, including participating employers, stakeholder groups, and industry organizations;
15. Maintain an effective working relationship with the County, other participating employers, and key stakeholders such as REAOC and member labor unions;
16. Advise the CEO on all matters relating to the operation of OCERS, including providing recommendations on policy, strategy, and organizational matters; and
17. Support the CEO in providing the Board with relevant, appropriate, and timely information to enable it to fulfill its oversight and fiduciary responsibilities.

Operations and Administration

18. Oversee the administration and coordination of all OCERS operational functions within the Deputy CEO's areas of responsibility, including finance, human resources, operational support services, and member services;
19. Oversee talent management enterprise-wide, including recruitment, hiring, development, training, labor relations, performance management, handling of confidential employee matters, succession planning, and the retention of staff;
20. Oversee the evaluation of compensation mechanisms and criteria, and the development of recommendations concerning compensation of personnel employed directly by OCERS;
21. Direct the development, review, revision, implementation, and execution of OCERS Human Resources policies and procedures;
22. Execute security measures that protect data, physical security, and the safety of employees, facilities, and assets;
23. Implement appropriate internal controls to safeguard the assets of OCERS, ensure financial statement reliability, promote operational efficiencies, and support compliance with Board policies and the CEO's directives;
24. Oversee the development and implementation of plans and policies that achieve program objectives and provide for efficient operations within the Deputy CEO's areas of responsibility;

25. Recommend to the Board, as necessary, policies to ensure timely, accurate, effective, and efficient administration of member benefits; and
26. Oversee the development and implementation of staff policies, procedures, and training to ensure effective and efficient administration of plan benefits while protecting fund assets.

Contract Authority

27. Approve the solicitation and negotiation of contracts and agreements for all contractors, vendors, consultants, and advisors necessary for the operations of OCERS within the resources and fiscal limits set by the Board and in accordance with the OCERS Procurement and Contracting Policy; and
28. Execute contractual agreements in accordance with the Procurement and Contracting Policy and authorize payments related to the administration of OCERS, consistent with the Operating Budget and OCERS' internal controls.

Finance and Actuarial Oversight

29. Oversee the development of the Annual Comprehensive Financial Report covering administration and investment operations and expenditures of the system for the preceding fiscal year in accordance with Generally Accepted Accounting Principles and recommended best practices by the Government Finance Officers Association;
30. Assist the Audit Committee in coordinating the annual financial audit and any internal audits that may be performed;
31. Oversee the delivery of the annual actuarial valuation and the triennial demographic and economic experience study in consultation with the actuary;
32. Account for and ensure appropriate collection, deposit, and distribution of funds as required; and
33. Authorize checks and electronic transfers drawn on the OCERS retirement fund in accordance with Government Code section 31590.

Monitoring and Reporting

34. Direct the monitoring and reporting of compliance with Board policies assigned to the Deputy CEO; and
35. Report to the CEO, on at least a monthly basis, all significant actions the Deputy CEO has taken under this delegation of authority.

Charter Review

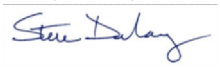
The CEO will review this Charter at least once every three (3) years and make any amendments as may be necessary to ensure the Charter remains relevant and appropriate.

OCERS Board Charter

Deputy CEO Charter

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.



Steve Delaney
Secretary of the Board

Date

Memorandum

DATE: April 9, 2026

TO: Members of the Personnel Committee

FROM: Steve Delaney, Chief Executive Officer, and Manuel Serpa, General Counsel

SUBJECT: **OFF-CYCLE REVIEW OF THE SUCCESSION POLICY**

Recommendation

Approve and recommend that the Board adopt the revisions to the Succession Policy.

Discussion

The Board of Retirement has established a review schedule requiring review of every charter and policy every three years. Pursuant to the board-approved review process, the Personnel Committee will first review certain charters and policies before presentation to the Board for approval. The Board adopted the Succession Policy on January 19, 2016, and it was last reviewed on October 20, 2025.

Staff is recommending off-cycle changes to the policy to address and accommodate the proposed Deputy Chief Executive Officer role, which is also being considered by the Committee.

Proposed Revisions

The proposed revisions include adding the Deputy CEO to section 4 as a position the Board will consider appointing as interim CEO in the event of a CEO leave of absence.

Section 9 of the policy, on how the Personnel Committee will proceed if a permanent change at the CEO position is required, was reordered so that a review of the Strategic and Business Plan and an assessment of OCERS needs are the first steps in the process. The requirement for a formal recruitment process was changed to an optional process, with the consideration of whether to promote the Deputy CEO to the CEO position added.

The proposed revisions are set forth in underlined/strikeout text in the attached copy of the Succession Policy. An unmarked version of the Policy is also attached for the Committee's ease of review.

Attachments

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Submitted by:

MDS-Approved

Manuel D. Serpa
General Counsel

OCERS Board Policy

Succession Policy

Purpose

1. The OCERS Board of Retirement ("Board") established this Succession Policy to provide continuity in leadership and avoid extended and costly vacancies in key positions. While this policy provides specific steps designed to identify candidates for the Chief Executive Officer ("CEO") position that may become vacant, it also requires the establishment and maintenance of a talent and succession management program applicable to all levels of leadership. Succession planning will demonstrate to plan employers and members that OCERS is committed to the consistent delivery of excellent service.

Policy Statement

2. As part of good governance, OCERS must plan for a change – either planned or unplanned – in leadership, which is inevitable for all organizations. Succession planning is a risk mitigation strategy focused on developing and supporting a large, competent, and effective talent pool. The goal is to ensure the stability and accountability of the agency and sustain uninterrupted service levels to plan sponsors and members during periods of leadership transition. OCERS prioritizes leadership development to ensure internal candidates are strong contenders for key senior vacancies.

Policy Guidelines

Appointment of Interim CEO

3. In the event of a leave of absence (temporary or permanent) of the CEO, the Board will appoint an Interim CEO. The Interim CEO shall ensure that the organization continues to operate without disruption and that all OCERS' obligations and commitments, as defined in the CEO's charter, are addressed.
4. Within five (5) business days of a leave of absence, the Board shall appoint an Interim CEO from the recommended list of incumbent positions below or such other candidates as the Board may choose:
    a. Deputy CEO
    ~~a.~~b. Assistant CEO of Finance and Internal Operations
    ~~b.~~c. Assistant CEO of External Operations
    ~~c.~~d. Chief Investment Officer ("CIO")
    ~~d.~~e. General Counsel
    ~~e.~~f. External consultant (with experience as a CEO)
5. Board members are prohibited from seeking or accepting employment as the Interim CEO or as any member of OCERS direct staff while they are serving as a Trustee and for three years after they stop serving as a Trustee, unless granted an express waiver by the Board.
6. The person appointed as Interim CEO shall have the full authority for decision-making and independent action as the CEO. The Board shall determine if the Interim CEO is to be given a temporary salary increase while performing the duties of the CEO position.

OCERS Board Policy

Succession Policy

7. The Board Chair is responsible for monitoring the ~~work of the~~ Interim CEO's work.
8. Immediately upon transferring the responsibilities to the Interim CEO, the Board Chair will notify staff members of the delegation of authority. After the Interim CEO ~~has assumed~~assumes the role, the Board members and the Interim CEO shall communicate the temporary leadership structure to key external stakeholders as soon as practicable.

Leadership Transition

9. In the event that a permanent change in CEO leadership is required, the Personnel Committee shall:
    a. Review OCERS' Strategic and Business Plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities, and threats to identify priority issues that may need to be addressed during the transition process, and to identify attributes and characteristics that are important to consider in the selection of the next CEO.
    b. Consider the need for consulting assistance (e.g., transition management or executive search consultant) based on the circumstances of the transition.
    c. Consider whether the current Deputy CEO should be promoted to the CEO position on a permanent basis, or whether a recruitment and selection process should be conducted.
    ~~a. Consider the need for consulting assistance (i.e., transition management or executive search consultant) based on the circumstances of the transition.~~
    ~~b. Review OCERS' Strategic and Business Plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities, and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next CEO.~~
    ~~c. Establish a time frame and plan for the recruitment and selection process.~~
    d. Refer to the CEO's Charter for a sample job description and qualifications.
10. Should the Board decide to engage in a recruitment process to fill the CEO position, ~~It is the policy of the Board~~it will ~~to~~ develop a diverse pool of candidates and consider at least three final candidates for ~~its~~ the permanent CEO position. ~~OCERS shall implement a recruitment and selection process to include all qualified candidates.~~
11. The Board Chair/Vice-Chair shall communicate with key stakeholders regarding the actions taken by the Board in naming an interim successor and the committee's implementation of the Succession Policy provisions. OCERS shall maintain a current list of key stakeholders who must be contacted, such as plan sponsors and other entities or government agencies that should be made aware of the change in leadership.
12. The CEO may use this process as guidance for the succession of other key executives.
13. In the event that a Deputy CEO or an Assistant CEO position should become vacant, the CEO shall promptly inform the Board and, working with the Personnel Committee, will initiate a process to identify a replacement for the position~~Assistant CEO~~ as soon as practicable.

OCERS Board Policy

Succession Policy

Talent Management

14. The CEO will establish and maintain a talent management program designed to effectively manage the transition of senior leaders into executive roles, front-line leaders into senior leadership roles, and staff into leadership roles. The program will aim to source, spot, engage, develop, and retain the best talent. It will include a quarterly review and assessment of the risk of vacancy in senior leadership and the potential of current OCERS staff to become future leaders. The CEO will provide an annual report to the Board on the status of the talent management program.

Policy Review

15. The Governance Committee shall review this policy every three years, and the Board may amend it at any time.

Policy History

16. The Board adopted this policy on January 19, 2016. The policy was last revised on October 21, 2024, ~~and~~ October 20, 2025, and [date].~~.~~

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

	~~10/20/2025~~
Steve Delaney Secretary of the Board	Date

OCERS Board Policy

Succession Policy

Purpose

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Policy Statement

2. As part of good governance, OCERS must plan for a change – either planned or unplanned – in leadership, which is inevitable for all organizations. Succession planning is a risk mitigation strategy focused on developing and supporting a large, competent, and effective talent pool. The goal is to ensure the stability and accountability of the agency and sustain uninterrupted service levels to plan sponsors and members during periods of leadership transition. OCERS prioritizes leadership development to ensure internal candidates are strong contenders for key senior vacancies.

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    a. Deputy CEO
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    c. Assistant CEO of External Operations
    d. Chief Investment Officer ("CIO")
    e. General Counsel
    f. External consultant (with experience as a CEO)
5. Board members are prohibited from seeking or accepting employment as the Interim CEO or as any member of OCERS direct staff while they are serving as a Trustee and for three years after they stop serving as a Trustee, unless granted an express waiver by the Board.
6. The person appointed as Interim CEO shall have the full authority for decision-making and independent action as the CEO. The Board shall determine if the Interim CEO is to be given a temporary salary increase while performing the duties of the CEO position.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Succession Policy

7. The Board Chair is responsible for monitoring the Interim CEO's work.
8. Immediately upon transferring the responsibilities to the Interim CEO, the Board Chair will notify staff members of the delegation of authority. After the Interim CEO assumes the role, the Board members and the Interim CEO shall communicate the temporary leadership structure to key external stakeholders as soon as practicable.

Leadership Transition

9. In the event that a permanent change in CEO leadership is required, the Personnel Committee shall:
    a. Review OCERS' Strategic and Business Plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities, and threats to identify priority issues that may need to be addressed during the transition process, and to identify attributes and characteristics that are important to consider in the selection of the next CEO.
    b. Consider the need for consulting assistance (e.g., transition management or executive search consultant) based on the circumstances of the transition.
    c. Consider whether the current Deputy CEO should be promoted to the CEO position on a permanent basis, or whether a recruitment and selection process should be conducted.
    d. Refer to the CEO's Charter for a sample job description and qualifications.
10. Should the Board decide to engage in a recruitment process to fill the CEO position, it will develop a diverse pool of candidates and consider at least three final candidates for the permanent CEO position.
11. The Board Chair/Vice-Chair shall communicate with key stakeholders regarding the actions taken by the Board in naming an interim successor and the committee's implementation of the Succession Policy provisions. OCERS shall maintain a current list of key stakeholders who must be contacted, such as plan sponsors and other entities or government agencies that should be made aware of the change in leadership.
12. The CEO may use this process as guidance for the succession of other key executives.
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OCERS Board Policy

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Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

Steve Delaney
Secretary of the Board

Date