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

PERSONNEL COMMITTEE MEETING
Monday, August 31, 2026
9:30 A.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/82249035977** **Meeting ID: 822 4903 5977** **Passcode: 943704** 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: 822 4903 5977** **Passcode: 943704**
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 May 6, 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 PROPOSED 2027 STAFFING PLAN
Presentation by Steve Delaney, CEO, and Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: Approve and recommend that the Board of Retirement approve the following items related to the 2027 staffing plan to be presented at the October 19, 2026, Board meeting:

1. CREATE TWO (2) NEW REGULAR POSITIONS

- One (1) Investment Officer – Investments Department
- One (1) AI Automation Developer – Information Technology Department

2. FUND FIVE (5) PREVIOUSLY APPROVED LIMITED-TERM POSITIONS

- Two (2) Retirement Program Specialists – Member Services Department

- One (1) Senior Retirement Program Specialist – Member Services Department
- Two (2) Retirement Program Specialists – Employer Services & QA Department

3. CREATE ONE (1) NEW LIMITED-TERM POSITION

- One (1) Staff Assistant – Communications Department

4. CREATE ONE (1) NEW CAREER LADDER

- One (1) Senior Investment Officer – Investments Department (no impact to budgeted headcount)

In total, this request adds eight (8) positions and one (1) career ladder, increasing budgeted headcount from 150 to 158 positions. The total estimated annual personnel cost for this request is **$1,212,440.**

A-3 REVIEW OF THE INCENTIVE COMPENSATION PLAN CHANGES
Presentation by Molly Murphy, Chief Investments Officer, and Manuel D. Serpa, General Counsel, OCERS

Recommendation: Approve and recommend that the Board adopt the proposed clarifying amendments to the Incentive Compensation Plan, as reflected in the attached redline.

INFORMATION ITEMS

Each of the following informational items will be presented to the Committee for discussion.

I-1 UPDATE ON THE COUNTY'S CLASSIFICATION MAINTENANCE STUDY
Presentation by Cynthia Hockless, Director of Human Resources, OCERS, and Nicole Cove, Classification and Compensation Manager, County of Orange

I-2 UPDATE ON THE OCERS DIRECT COMPENSATION STUDY
Presentation by Cynthia Hockless, Director of Human Resources, OCERS

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Committee requests discussion.

R-1 EMPLOYER DATA PARTNERSHIP PROJECT UPDATE
Written Report

COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT

NOTICE OF NEXT MEETINGS

STRATEGIC PLANNING WORKSHOP
September 15 - 16, 2026
9:30 A.M.

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

DISABILITY COMMITTEE MEETING
September 21, 2026
8:30 A.M.

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

PERSONNEL COMMITTEE MEETING
October 7, 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
Wednesday, May 6, 2026
9:30 A.M.

MINUTES

OPEN SESSION

Chair Hilton called the meeting to order at 9:33 A.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Roger Hilton, Chair; Shawn Dewane, Vice Chair; Iriss Barriga, Board Member; Charles Packard, Board Member

Also Present: Steve Delaney, CEO; Brenda Shott, Deputy CEO; Manuel Serpa, General Counsel; Darren Dang, Chief Technology Officer; Cynthia Hockless, Director of Human Resources; Mark Adviento, Director of Member Services; Melissa Wozniuk, HR Analyst; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary; Nicole Cove, County of Orange

CONSENT AGENDA

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes April 9, 2026

Recommendation: Approve minutes.

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

The motion passed **unanimously**.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 TRIENNIAL REVIEW OF THE CEO PERFORMANCE EVALUATION POLICY

Presentation by Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: Adopt and recommend the Board adopt the revisions to the CEO Performance Evaluation Policy.

Ms. Hockless presented the triennial review of the CEO Performance Evaluation Policy and identified one administrative update reflecting a title change to the Strategic and Business Plan.

Chair Hilton suggested revising the opening sentence of the policy to replace the term “supervises” with “oversees” to more accurately reflect the Board’s role. Staff agreed to incorporate this change.

Following discussion, a **motion** was made by Ms. Barriga, **seconded** by Mr. Dewane, to approve staff’s recommendation to approve and recommend that the Board of Retirement adopt the revisions to the CEO Performance Evaluation Policy as discussed.

The motion passed **unanimously**.

A-3 CREATION OF SENIOR STAFF ATTORNEY (INVESTMENTS) CLASSIFICATION AND CAREER LADDER

Presentation by Manuel Serpa, General Counsel, OCERS

Recommendation: Approve the creation of a Senior Staff Attorney (Investments) classification and the establishment of a career ladder from the existing Staff Attorney (Investments) classification to the new Senior Staff Attorney (Investments) classification within the Legal Division.

Mr. Serpa presented a request to establish a new classification of Senior Staff Attorney (Investments) and to create a career ladder from the existing Staff Attorney (Investments) classification. He outlined several key considerations supporting the request, including demonstrated cost savings from reduced reliance on outside counsel, the operational value of in-house expertise, and the importance of retention and professional growth opportunities.

After discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Packard, to approve staff’s recommendation to create the Senior Staff Attorney (Investments) classification and establish a career ladder from the existing Staff Attorney (Investments) classification.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 UPDATE ON OUTREACH REGARDING EMPLOYER DATA

Presentation by William Tsao, Assistant CEO of External Operations, and Mark Adviento, Director of Member Services, OCERS

Mr. Adviento provided an update on efforts to improve employer data submissions through automation and enhanced data quality controls. Staff reported ongoing collaboration with employers and internal teams to implement new data-sharing methods and conduct training sessions on payroll exception reporting. An Employer Data Policy has been developed and is scheduled for consideration by the Governance Committee.

I-2 UPDATE ON THE COUNTY'S CLASSIFICATION MAINTENANCE STUDY PROCESS
Presentation by Cynthia Hockless, Director of Human Resources, OCERS, and Nicole Cove, Classification and Compensation Manager, County of Orange

Ms. Hockless provided an update on the County of Orange classification maintenance study, reporting that the market study phase has been completed and the project is moving into the recommendation and approval phase.

Nicole Cove, a representative from the County of Orange, confirmed that findings and recommendations are expected to be presented to County leadership in mid-May, followed by review with OCERS Senior Executive management. Due to the expanded scope of the study, the County staff anticipates bringing the item forward for Board of Supervisors' approval in September.

I-3 UPDATE ON THE OCERS DIRECT COMPENSATION STUDY
Presentation by Cynthia Hockless, Director of Human Resources, OCERS

Ms. Hockless provided an update on the OCERS direct compensation study, noting that six proposals were received in response to the Request for Proposals. Staff is currently evaluating submissions, with vendor interviews scheduled later in May and final selection anticipated in early June.

CHIEF EXECUTIVE OFFICER COMMENTS
CEO Delaney acknowledged the recent appointment of the Deputy CEO, Ms. Shott, and recognized the milestone with the Committee.

COMMITTEE/STAFF/COUNSEL COMMENTS
None.

ADJOURNMENT

Chair Hilton **ADJOURNED** the meeting at 10:14 A.M.

Submitted by:	Submitted by:	Approved by:
____________________	____________________	____________________
Cynthia Hockless Liaison	Steve Delaney Secretary to the Board	Roger Hilton Chair

Memorandum

DATE: August 31, 2026

TO: Members of the Personnel Committee

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **PROPOSED 2027 STAFFING PLAN**

Recommendation

Approve and recommend that the Board of Retirement approve the following items related to the 2027 Staffing Plan, to be presented at the October 19, 2026 Board meeting:

1. CREATE TWO (2) NEW REGULAR POSITIONS

- One (1) Investment Officer – Investments Department
- One (1) AI Automation Developer – Information Technology Department

2. FUND FIVE (5) PREVIOUSLY APPROVED LIMITED-TERM POSITIONS

- Two (2) Retirement Program Specialists – Member Services Department
- One (1) Senior Retirement Program Specialist – Member Services Department
- Two (2) Retirement Program Specialists – Employer Services & QA Department

3. CREATE ONE (1) NEW LIMITED-TERM POSITION

- One (1) Staff Assistant – Communications Department

4. CREATE ONE (1) NEW CAREER LADDER

- One (1) Senior Investment Officer – Investments Department (no impact to budgeted headcount)

In total, this request adds eight (8) positions and one (1) career ladder, increasing budgeted headcount from 150 to 158 positions. The total estimated annual personnel cost for this request is **$1,212,440.**

Background/Discussion

Each year, I partner with Department Heads to evaluate the staffing plan and identify the talent necessary to support OCERS operations. This year marks the third time I have implemented a more structured and rigorous process for the OCERS Leadership Team to submit requests for new positions or career ladders. Under this enhanced approach, all proposals must be presented and vetted internally before advancing to the Personnel Committee for consideration.

Due to initiatives in Investments and Information Technology, the Pension Administration System (PAS) implementation, and the redesign of the OCERS website, I am asking the Personnel Committee to approve the addition of eight (8) positions and one (1) new career ladder.

Below is a brief description of each request and its associated cost. A justification memo from the supervising manager is attached for each request.

1. CREATE TWO (2) NEW REGULAR POSITIONS

The Investments Department is requesting one new full-time Investment Officer (Private Equity) to support the growing workload associated with managing private equity relationships and evaluating co-investment opportunities. The position would help expand co-investments from 10% to 20% of the annual private equity pacing plan, increase due diligence capacity, reduce investment fees, and improve portfolio efficiency.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(1) Investment Officer	Investments	OCERS-Direct	$145,890 – $226,129	$289,090

The IT Department is requesting one new AI Automation Developer position to reflect the specialized discipline that Artificial Intelligence has become within Information Technology. While the existing IT Automation Developer title accurately described the role when it was established, responsibilities have since expanded to include advanced AI technologies, Large Language Models, AI agents, prompt engineering, Microsoft Copilot technologies, and enterprise AI governance. The proposed title better reflects current responsibilities, aligns with recognized industry terminology, and strengthens OCERS' ability to recruit and retain specialized AI talent in a competitive labor market, supporting the organization's long-term technology strategy and commitment to responsible AI innovation.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(1) AI Automation Developer	Information Technology	OCERS-Direct	$126,244 – $195,677	$249,489

2. FUND FIVE (5) PREVIOUSLY APPROVED LIMITED-TERM POSITIONS

This request funds five previously approved Limited-Term positions, split across two departments:

a. Member Services Department. The Member Services Department is adding three (3) positions: two (2) Retirement Program Specialists and one (1) Senior Retirement Program Specialist, to support member-facing retirement processing and provide additional senior-level oversight. Member Services continues to manage a high volume of retirement transactions while several subject matter experts remain dedicated to the PAS implementation. These previously approved Limited-Term positions provide the operational backfill needed to maintain service levels for members during this transition, while giving existing staff the opportunity to grow into higher-level roles.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(2) Retirement Program Specialist	Member Services	County Limited Term	$58,177.60 – $77,875.20	$210,882
(1) Senior Retirement Program Specialist	Member Services	County Limited Term	$66,227.20 – $88,566.40	$119,965

b. Employer Services & QA Department. The Employer Services & QA Department is requesting two (2) Retirement Program Specialist positions to support employer reporting and service credit purchase workload. As experienced staff are assigned to the Horizon project SME team, these positions will help maintain day-to-day employer reporting and Service Credit Purchase operations during the transition period.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(2) Retirement Program Specialist	Employer Services & QA	County Limited Term	$58,177.60 – $77,875.20	$210,882

3. CREATE ONE (1) NEW LIMITED-TERM POSITION

The Communications Department is requesting one Limited-Term Staff Assistant to help carry the workload of the OCERS website redesign and content migration. This is a substantial project, and much of it comes down to detailed, hands-on work: taking inventory of existing content, reviewing and updating it, reformatting it, and moving it over to the new site. Alongside that, someone needs to keep the project moving day to day by tracking milestones and deliverables, chasing approvals and deadlines, scheduling meetings, and following up on action items and stakeholder feedback.

The position would also support quality assurance and user acceptance testing, including the accessibility and ADA compliance review and any remediation that follows, and would assist with the department's ongoing communications work such as writing and editing, publications, email communications, presentations, social media, outreach, and member education. Without this help, we run real risk of publishing inaccurate or outdated content, falling short on accessibility, drifting from consistent branding, losing track of what has and has not been migrated, and missing deadlines. Just as important, it frees our higher-level Communications staff to focus where they add the most value: strategy, stakeholder engagement, decision-making, and final review.

A Limited-Term position is the right fit here. It gives us focused, cost-effective staffing for a defined project need without committing ourselves to a permanent position.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(1) Staff Assistant	Communications	County Limited Term	$56,264.00 – $75,420.80	$102,056

4. CREATE ONE (1) NEW CAREER LADDER

The Investments Department is requesting one career ladder for FY27. The rationale for the career ladder includes: 1) organizational maturity; 2) skills needs of the organization; 3) skills growth of the individual; and 4) succession planning. The OCERS investment program continues to grow in assets and complexity. The request for the Senior Investment Officer career ladder responds to OCERS' need for subject matter expertise in private equity and co-investments, and to the individual growth of the OCERS Investment Officer to step into a role with more responsibility. The position will assist with succession planning across the entire hierarchy of the Investments Team.

Current Position	Career Ladder Position	Department	Position Type	Current Salary & Benefits	Proposed Salary & Benefits	Annual Budget Impact
Investment Officer	Senior Investment Officer	Investments	OCERS-Direct	$362,935	$393,012	$30,077

Career ladders offer a strategic approach to retaining top talent at OCERS without increasing overall headcount. They allow current employees to advance into higher-level roles with expanded responsibilities, supporting organizational growth and individual career development. This request will result in no addition to headcount.

Conclusion

The 2027 Staffing Plan reflects a deliberate, business-driven approach to positioning OCERS for the work ahead. Each request in this memo originated with a Department Head, was vetted through the Leadership Team's internal review process, and is supported by a written justification and current organizational chart. Collectively, these requests address three organizational priorities: sustaining member service levels through the multi-year Pension Administration System implementation, building internal capability in investments and emerging technology, and retaining the specialized talent OCERS has already developed.

Attachments

A. Proposed 2027 Staffing Plan – Presentation and Org Charts
B. Justification Memo – Investments Department
C. Justification Memo – Information Technology Department
D. Justification Memo – External Ops 2026
E. Justification Memo – External Ops 2025 1
F. Justification Memo – External Ops 2025 2
G. Justification Memo – Communications Department

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

PERSONNEL COMMITTEE · AUGUST 31, 2026

Proposed 2027 Staffing Plan

New Positions · Limited-Term Positions · Career Ladder

PRESENTED BY
Steve Delaney
Chief Executive Officer

PRESENTED BY
Cynthia Hockless
Director of Human Resources

1

BASELINE · EFFECTIVE AUGUST 10, 2026

Where We Stand Today

Every seat accounted for — 150 budgeted, 140 filled, 10 vacant.

POSITION LEDGER · HOW THE 150 IS BUILT

POSITION TYPE	BUDGETED	FILLED	VACANT
BUDGETED HEADCOUNT	**150**	**140**	**10**
Regular positions	133	130	3
Limited-term positions	25	17 10 external · 7 internal	8 7 external · 1 internal
Less: same people counted twice 8 limited-term seats are held by employees who already fill a regular position	(8)	(7)	(1)

WHY IT NETS TO 150

Eight limited-term seats belong to employees who already hold a regular seat. Counting them twice would overstate headcount.

158 authorized – 8 duplicates = 150

THE 1 INTERNAL VACANCY

The 25th limited-term seat — a Senior Retirement Program Specialist — is vacant, but only current OCERS employees may apply. (internal promotion)

Whoever wins it already fills a regular seat, so it doesn't add anyone. That is the (1) on the line above.

6.67%	9	13	11	7.86%
VACANCY RATE	NEW HIRES	PROMOTIONS	SEPARATIONS	YTD TURNOVER

2

PROPOSED 2027 STAFFING PLAN

Recommendation

REQUEST 1

2 Regular Positions

- Investment Officer
- AI Automation Developer

Adds 2 positions

REQUEST 2A

5 Limited-Term

- Retirement Program Spec. ×4

Plus 1 Sr. Retirement Program Spec.

Approved 2025 · never funded

REQUEST 2B

New Limited-Term

- Communications Staff Assistant

The only new limited-term ask

Needs new authority

REQUEST 3

1 Career Ladder

- Sr. Investment Officer

Adds 0 positions

+8	+1	150 → 158	$1,212,440
POSITIONS ADDED	CAREER LADDER	BUDGETED HEADCOUNT	TOTAL ANNUAL COST

3

REQUEST 1

New Positions

Two new regular positions — one in Investments, one in Information Technology.

THE TWO POSITIONS

- **Investment Officer**
- **AI Automation Developer**

REQUEST 1 · NEW REGULAR POSITIONS

The Need — Investment Officer

Investment Officer

46

ACTIVE GP RELATIONSHIPS

Managed by three people today (2 Investment Officers + 1 Analyst)

4

WEEKS TO CLOSE

The clock on a co-investment

5

DEAL REVIEWS AT ONCE

Expected to grow as investment pipeline expands

The current relationship load and volume of co-investment activity exceeds the capacity of the current team.

What Changes — Investment Officer

Investment Officer

CO-INVESTMENT SHARE OF PE PACING	CO-INVESTMENTS REVIEWED	TYPICAL CHECK SIZE
TODAY 10% → **20%**	TODAY 30 → **50+**	TODAY $10M → **$20M**

An additional Investment Officer enables OCERS to expand further into valuable co-investments.

Why It Pays Off — Investment Officer

Investment Officer

47.1%
Co-investment Net IRR since inception

4.9x
Co-investment Net TVPI

+400bps
Potential return enhancement from no fee, no carry co-investments

~5 yrs
To distribution, vs. 10+ for funds

$ **Annual budget impact $289,090 · fully loaded salary and benefits**

Current Demand Already Exceeds Capacity

IT Manager – (working title: AI Automation Developer)

Bots

PRODUCTION AUTOMATIONS

Already operating and requiring monitoring, support, and continuous improvement.

AI

ACTIVE AI DEVELOPMENT

MOU analysis, FAS calculation and Board Buddy are moving AI from concept towards business use.

PAS + Fabric

MODERNIZATION

Building the data and automation foundation, bridging manual processes during V3locity.

Demand continues to grow, with additional automation opportunities already queued while V3locity, Fabric and AI initiatives expand.

What +1 Position Changes — More Capacity to Deliver

IT Manager – (working title: AI Automation Developer)

STAFFING INVESTMENT

+1 Headcount

→

Add one AI Automation Developer, increasing the team from two to three dedicated developers.

DELIVERY CAPACITY

3 Developers

→

Increased capacity to run production support and advance new automation and AI work in parallel.

BROADER ROADMAP

Bots + PAS + AI

→

Expands capacity for automation, data modernization, V3locity integration, AI agents, analytics and intelligent business processing.

One additional position creates the capacity to sustain today's automations while building the capabilities required for the future.

9

What OCERS Gains — Scale Today, Build for Tomorrow

IT Manager – (working title: AI Automation Developer)

OPERATIONAL VALUE

Scale Delivery →

Increase automation throughput, reduce manual work and accelerate "bridging the gap" improvements before V3locity.

SUSTAINABILITY

Protect Capacity →

Reduce single-resource constraints, strengthen internal expertise and keep production support from slowing new delivery.

FUTURE CAPABILITY

AI-Ready Organization →

Build department knowledge agents, AI analytics on Fabric, and more intelligent end-to-end business processing.

Requested action: approve one (1) IT Manager position, working title AI Automation Developer.

Budget impact: $249,489, including salary and benefits.

REQUEST 2A + 2B

Limited-Term Request

REQUEST 2A · APPROVED, NOT YET FUNDED

Five of the Six Are Already Approved

Only one needs new authority

APPROVED IN 2025 · NEVER FUNDED

NEW

5 NO NEW AUTHORITY · FUNDING ONLY

Previously approved · never funded · inside previous 30

1	**Sr. Retirement Program Specialist**	Member Services
2	**Retirement Program Specialists**	Member Services
2	**Retirement Program Specialists**	Employer Services & QA

1

THE ONLY NEW ASK

Staff Assistant

Communications

Requires new Board authority

12

REQUEST 2A · LIMITED-TERM POSITIONS

The Need — Member Services

Sr. Retirement Program Specialist ×1 · Retirement Program Specialist ×2

1,047

RETIREMENTS IN 2025

Processed by Member Services

782

RETIREMENTS, 2026 YTD

2026 retirement volume is tracking ahead of 2025 pace.

Experienced staff are moving to the Horizon SME team. The two Retirement Program Specialists cover core operations; the Senior Retirement Program Specialist provides training, coaching, and workload management.

Budget impact (salary and benefits): $119,965 for 1 Sr. Retirement Program Specialist; $210,882 for 2 Retirement Program Specialists.

REQUEST 2A · LIMITED-TERM POSITIONS

The Need — Employer Services & QA

Retirement Program Specialists ×2

SERVICE CREDIT PURCHASE

745	557	45
SCP REQUESTS	SCP REQUESTS, 2026 YTD	SCP BUSINESS-DAY GOAL
Received in 2025	Through July · ahead of last year	For member cost letters

EMPLOYER PAYROLL

22,400

ACTIVE MEMBERS

Across participating employers

One position supports Service Credit Purchase (SCP) operations and helps OCERS meet its 45-business-day goal for member cost notification letters; the second position supports Employer Payroll reporting and data quality initiatives. Both positions help maintain service levels while experienced staff serve on the Horizon SME team.

Total budget impact (salary and benefits): $210,882 for 2 Retirement Program Specialists.

REQUEST 2B · COMMUNICATIONS

The One New Limited-Term Position

APPROVED IN 2025

30

Standing Board authority

→

PROPOSED FOR 2027

31

A net increase of one

Staff Assistant

Communications

ADDITIONAL FUNDING

The Need — Communications

The website replacement is a temporary but significant workload surge.

New .gov domain launch

A full public website replacement on a new domain.

New technology tools

AI-ready content preparation and new platform tooling.

Mobile + Investments portal

Early mobile application work and an online interface for the Investments Team.

2028 ADA compliance

Accessibility remediation must be complete before the requirement takes effect.

WHAT THE POSITION COVERS

- **Content development and AI integration preparation**
- **ADA / accessibility compliance and remediation**
- **Project coordination and SME liaison**
- **Quality assurance, testing and project tracking**

Purpose: reduce implementation risk, protect current Communications service levels, and complete time-sensitive content and compliance work without adding permanent headcount.

The limited-term approach adds targeted capacity during the project window, then sunsets when the work is complete.

What the Role Does

Communications Staff Assistant · limited-term, sunsets at project close

30%	**Website content development** with AI integration & ADA compliance
20%	**Project coordination** with EPMO, and department liaison to SMEs
15%	**Quality assurance** testing & accessibility support
15%	**Writing and editing** content development
10%	**Digital media** publications & communications support
10%	**Project tracking** research and administrative support

Bars are scaled to the largest task. Percentages describe how the limited-term assignment is expected to be allocated.

Proposed Timeline

Goal: use FY27 limited-term support to prepare, launch and stabilise the new public website before the 2028 ADA / accessibility requirements take effect.

FY27 Q1	FY27 Q2	FY27 Q3	FY27 Q4	FY28 Q1
Start + Discovery	**Content Cleanup**	**Build + QA**	**Launch Readiness**	**Touch Ups**
▪ Onboard assistant ▪ Inventory pages, PDFs, images, links ▪ Build tracking log	▪ Prioritise high-traffic content ▪ Rewrite / update pages ▪ Coordinate SME review	▪ Support migration ▪ Accessibility checks ▪ Test navigation and links	▪ Final content sign-off ▪ Launch communications ▪ Post-launch issue tracking	▪ Testing and modifications as needed

FY28 transition: stabilise the site, close remaining accessibility items, document workflows, and transition ongoing maintenance back to base staffing.

SALARY	FRINGE BENEFITS	PROPOSED BUDGETED SALARY + FRINGE
$65,842	**$36,213**	**$102,056**

18

REQUEST 3

Career Ladder

Promote one person on staff. Add no positions.

Sr. Investment Officer

REQUEST 3 · CAREER LADDER

Internal Promotion

INVESTMENTS

FROM

Investment Officer

→

TO

Sr. Investment Officer

+$30,077 annual impact

Budgeted headcount does not change. This is a promotion of someone on staff.

20

Sr. Investment Officer: Why This Ladder, Why Now

Sr. Investment Officer

Organizational maturity

A bigger, more complex program needs deeper senior expertise.

Skills need

Dedicated expertise in private equity and co-investments.

Individual growth

Recognizes readiness for more responsibility.

Succession planning

Builds bench strength across the Investments Team.

CURRENT SALARY & FRINGE	PROPOSED SALARY & FRINGE	ANNUAL IMPACT
$362,935	$393,012	+$30,077

150 → 158 Budgeted Positions

How the three requests move budgeted headcount.

POSITION TYPE	2026	NEW	2027
BUDGETED HEADCOUNT	**150**	**+8**	**158**
Regular positions	133	+2	135
Limited-term positions	25	+6	31
Less: filled or earmarked internally	(8)	—	(8)

150	**2026 budgeted positions**
+2	New regular positions (2)
+5	Limited-term inside the 30
+1	Limited-term above the 30
+0	Career ladder (1)
158	**2027 projected positions**

Net change +8 positions. The career ladder is excluded — a promotion does not add a position.

ANNUAL BUDGET IMPACT

What It Costs

REQ	Position	Division	Positions	Salary	Fringe	Annual Total
1	**Investment Officer**	Investments	1	$186,510	$102,579	**$289,089**
1	**IT Manager**	Information Technology	1	$160,961	$88,528	**$249,489**
2A	**Sr. Retirement Program Specialist**	Member Services	1	$77,397	$42,568	**$119,965**
2A	**Retirement Program Specialist**	Member Services	2	$136,052	$74,830	**$210,882**
2A	**Retirement Program Specialist**	Employer Services & QA	2	$136,052	$74,830	**$210,882**
2B	**Staff Assistant**	Communications	1	$65,842	$36,214	**$102,056**
	Eight new positions		8	**$762,814**	**$419,549**	**$1,182,363**
3	**Sr. Investment Officer career ladder**	Investments	0	$20,951	$9,126	**+$30,077**
	TOTAL ANNUAL COST		8	**$783,765**	**$428,675**	**$1,212,440**

Salary shown at range median. Eight positions add headcount; the career ladder does not. Subtotals may not sum exactly due to rounding.

NOTE:
Figures presented exclude the anticipated 3% Union salary adjustment. Within Member Services/Employer Services & QA, salaries are under review and are subject to revision pending Board of Supervisors approval.

Recommendation

It is recommended that the Personnel Committee approve the following and forward it to the Board for approval on October 19, 2026, with the annual budget.

	Recommended action	Position(s)	Headcount
1	**Add TWO — new regular positions**	Investment Officer · AI Automation Developer	+2
2A	**Fund FIVE — approved, never funded**	Retirement Program Spec. ×4 · Sr. Retirement Program Spec. ×1	+5
2B	**Add ONE — the only new limited-term ask**	Communications Staff Assistant	+1
3	**Promote ONE — career ladder**	Sr. Investment Officer	0

+8
POSITIONS ADDED

150 → 158
BUDGETED HEADCOUNT

$1,212,440
TOTAL ANNUAL COST · ALL 8 COSTED

24

Thank you

Questions?

Proposed 2027 Staffing Plan · Personnel Committee · August 31, 2026

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PROPOSED 2027 STAFFING PLAN

Appendix

Supporting detail, Communications material and the proposed organization charts.

LIMITED-TERM PROGRAM

CAREER LADDERS

COMMUNICATIONS

PROPOSED ORGANIZATION CHARTS

APPENDIX A · STANDING BOARD AUTHORITY

The Original 30 Positions

Two Board actions in 2025 established 30 limited-term positions for the PAS implementation (OCERS Horizon).

APRIL 21, 2025 — 22

PAS implementation

Retirement Program Specialist	Member Services	8
Senior Retirement Program Specialist	Member Services	4
Accounting Technician	Member Services	5
Member Services Supervisor	Member Services	3
Member Services Manager	Member Services	1
Disability Retirement Investigator	Disability	1

JULY 21, 2025 — 8

OCERS Horizon

Retirement Program Specialist	Disability	1
Accounting Technician	Member Services	2
Retirement Benefits Technician	Member Services	1
Accountant Auditor	Finance	1
Business Systems Analyst	IT	1
Data Analyst	IT	1
AI Automation Engineer	IT	1

Total standing Board authority · 30 limited-term positions

APPENDIX B · CROSSWALK DETAIL

Approved but Never Established

Five (5) net positions of approved authority were never established — the headroom the 2027 request draws on.

Classification	Department	Approved	Est. 2026	Variance	Status
Accounting Technician	Member Services	7	3	−4	Never established — largest unused authority
Member Services Supervisor	Member Services	3	2	−1	One position never established
Senior Retirement Program Specialist	Member Services	4	3	−1	Drawn down by the 2027 request
Disability Retirement Investigator	Disability	1	2	+1	Second position funded from vacancy savings
All other classifications	Various	15	15	—	Established as approved
TOTAL BOARD-APPROVED AUTHORITY		30	25	−5	

Member Services Supervisor is established under the Retirement Benefits Program Supervisor title. · The approved AI Automation Engineer is established as IT Applications Developer I under a separately approved downfill.

APPENDIX C · CAREER LADDERS

The Value of Career Ladders

- A new higher-level position must be budgeted at its full cost; a career ladder budgets only the difference in salary.

HOW A LADDER WORKS

88.5%

retention rate among employees promoted through career ladders over the past decade

Analyst → **Senior Analyst**

Career ladder progression: Analyst to Senior Analyst

Ladders elevate proven staff into higher-level roles while budgeted position count stays flat.

> **Example:** **A tenured Analyst at the top of their salary range advances to Senior Analyst. Only the salary and benefit differential is funded, and the budgeted position count stays the same.**

APPENDIX C • CAREER LADDERS

Six Reasons Career Ladders Work

Proven retention

88.5% retention rate among employees promoted through career ladders over the past decade

Succession planning

Builds bench strength and preserves institutional knowledge across departments

Cost-effective advancement

Only the incremental salary and benefit difference is funded, not a full new position

No headcount growth

Ladders elevate existing staff into higher-level roles; budgeted position count stays flat

Retention risk mitigation

Creates a path forward for high performers who have reached the top of their salary range

Reduced contractor reliance

Develops internal capability for long-term scalability and cost savings

APPENDIX C · CAREER LADDERS

All 28 Approved Career Ladders

28 approved · 23 second rungs filled · **89.2% retention** among employees promoted through a ladder **(only 3 separations)**

Investments (9)

Investment Analyst → **Sr. Investment Analyst** ×4

Investment Officer → **Sr. Investment Officer** ×2

Sr. Investment Analyst → **Investment Officer**

Director of Investments → **Managing Director** ×2

Human Resources (5)

HR Staff Assistant → **Staff Specialist** ×2

HR Staff Specialist → **Staff Analyst** ×2

Staff Analyst → **Sr. Staff Analyst**

Finance (4)

Accounting Technician → **Accountant Auditor I** ×2

Accountant Auditor II → **Sr. Accountant Auditor**

Sr. Accountant Auditor → **Finance Analyst**

Legal (3)

Paralegal → **Legal Analyst**

Staff Attorney → **Deputy General Counsel**

Staff Attorney → **Sr. Staff Attorney (Investments)**

Executive (3)

Assistant CEO → **Deputy CEO**

Project Assistant → **Project Specialist**

Project Specialist → **Project Analyst**

Information Security (2)

Information Security Manager → **Sr. Information Security Manager**

Director of Information Security → **Chief Information Security Officer**

Disability (1)

Disability Retirement Investigator → **Disability Analyst**

Internal Audit (1)

Internal Auditor → **Sr. Internal Auditor**

APPENDIX F · COMMUNICATIONS

Communications — Current Work Volume

What the department already carries, before the website replacement.

PENDING TASKS — CURRENT WORK VOLUME

- Existing website management
- Educational videos and informational brochures
- Newsletters — At Your Service, OCERS Today
- Financial publications — OBTN, ACFR
- Forms and letter composition
- Pre-retirement seminars and outreach management
- Branding and template design — Classic, Townhall, America 250
- As-needed support to all departments

UPCOMING

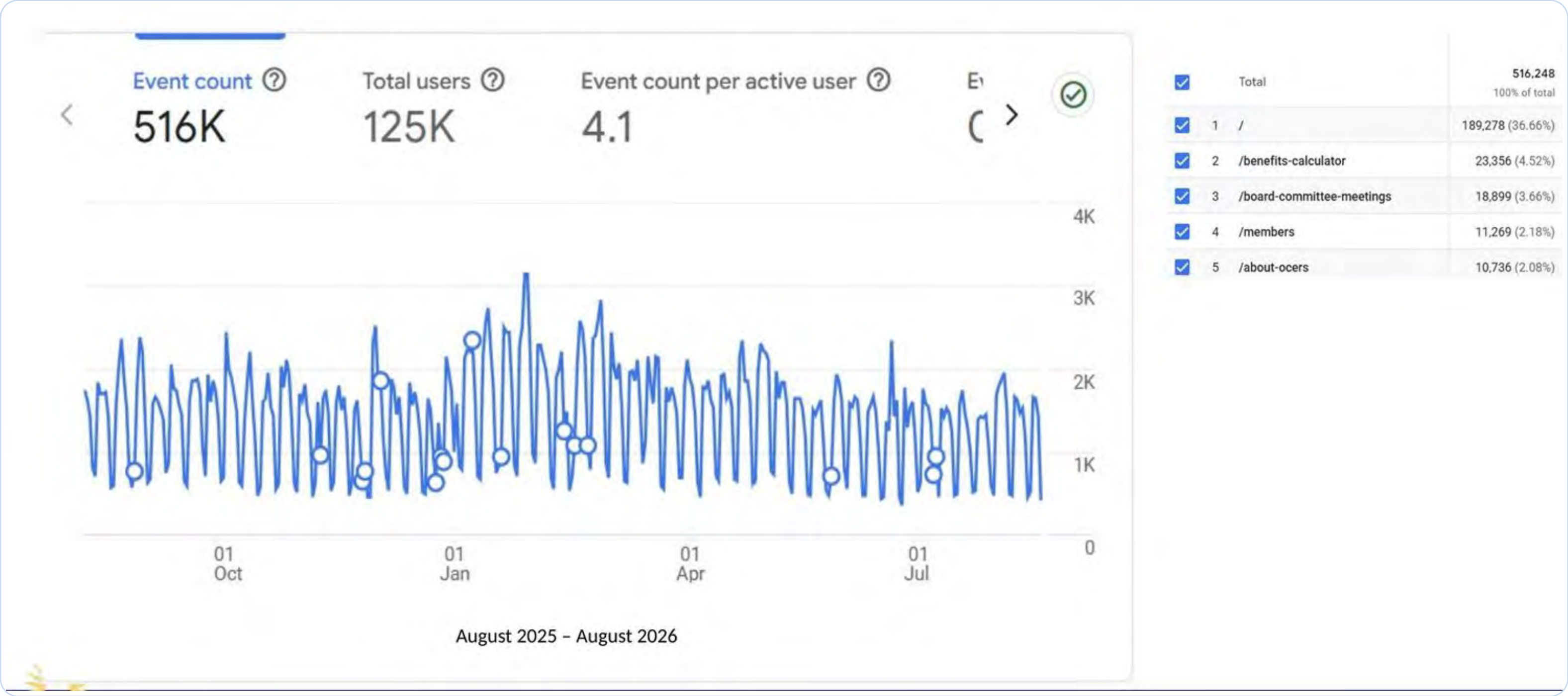
- Launch of the new domain and website
- New Pension Administration System
- New OCERS headquarters

Three major initiatives land in the same window as the website replacement, against the standing workload on the left.

APPENDIX G · COMMUNICATIONS

Website Traffic

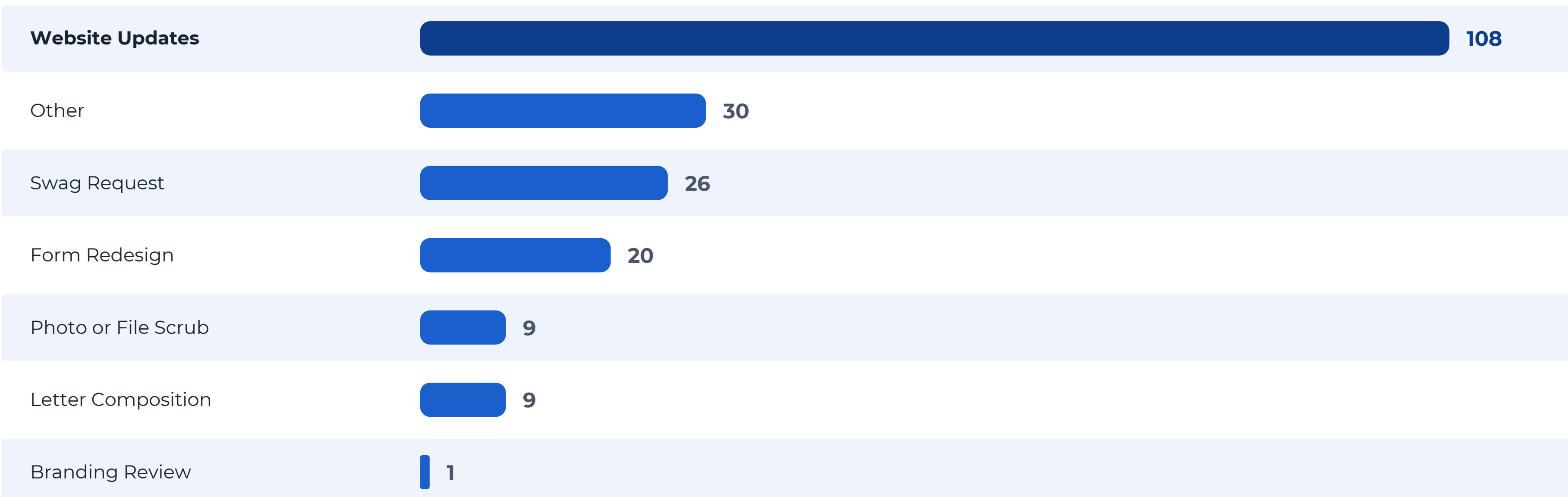
August 2025 – August 2026 · 516K events, 125K total users



APPENDIX H · COMMUNICATIONS

Hive Requests by Category

2026 request volume — 203 requests logged, 108 of them website updates.



As departments grow, requests for website updates, forms, videos and additional resources have increased.

APPENDIX I · COMMUNICATIONS

Communications Work Samples

Publications, member collateral and campaign material produced in-house.

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APPENDIX J · COMMUNICATIONS

Communications Work Samples

Member-facing brochures and plan summaries produced in-house.

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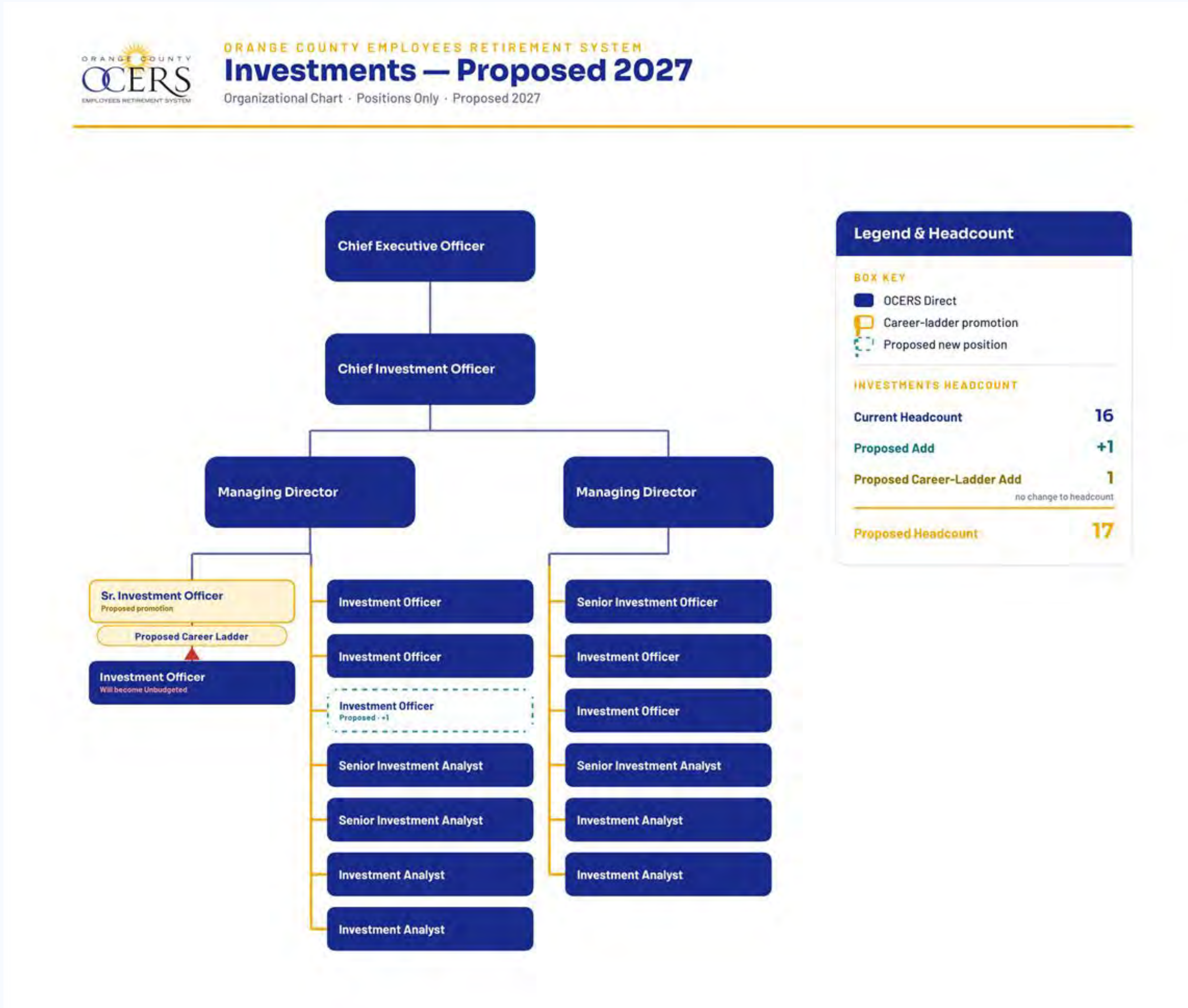
APPENDIX K · INVESTMENTS ORG CHART

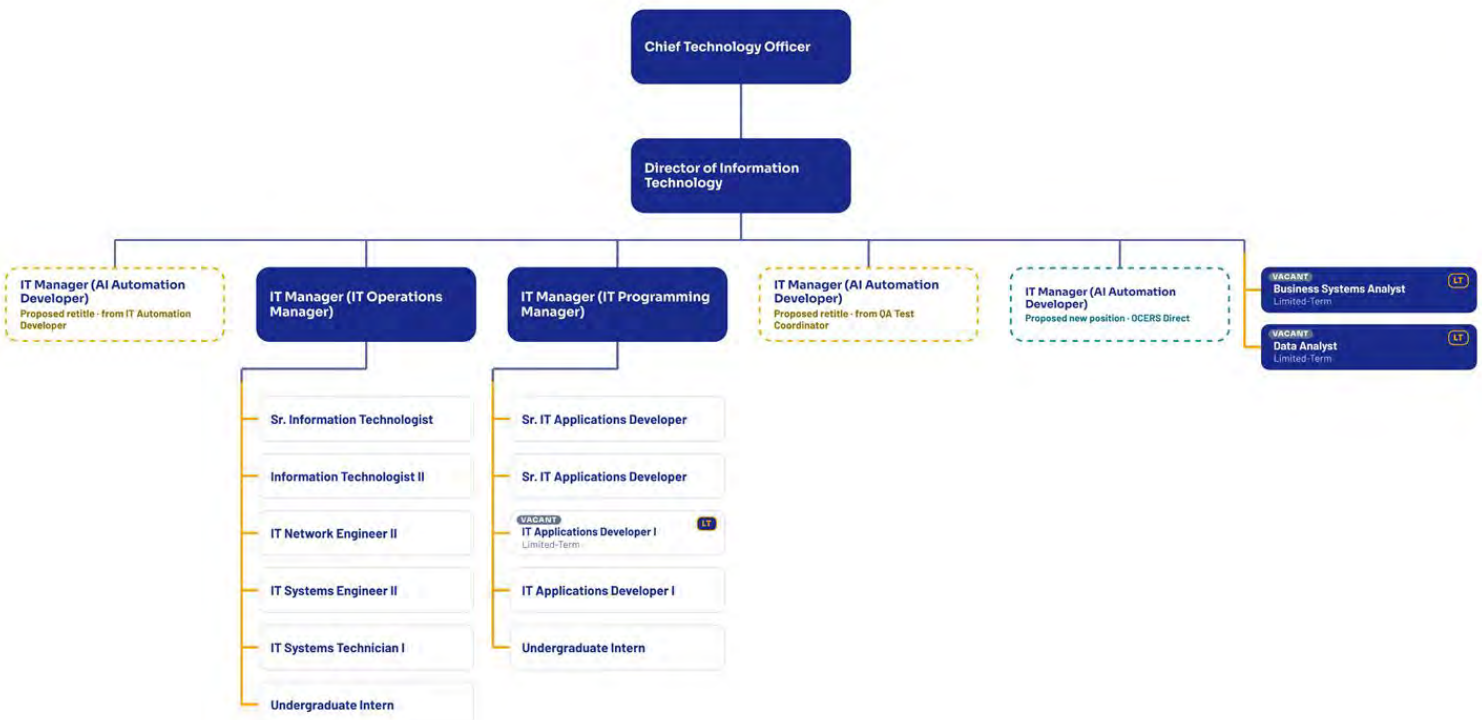


APPENDIX L · INFORMATION TECHNOLOGY ORG CHART

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

Information Technology — Proposed 2027

Organizational Chart · Positions Only · Proposed 2027



Legend & Headcount

BOX KEY

- OCERS Direct
- County
- Proposed new position
- Proposed retitle
- VAC Vacant position
- LT Limited-term employee

INFORMATION TECHNOLOGY HEADCOUNT

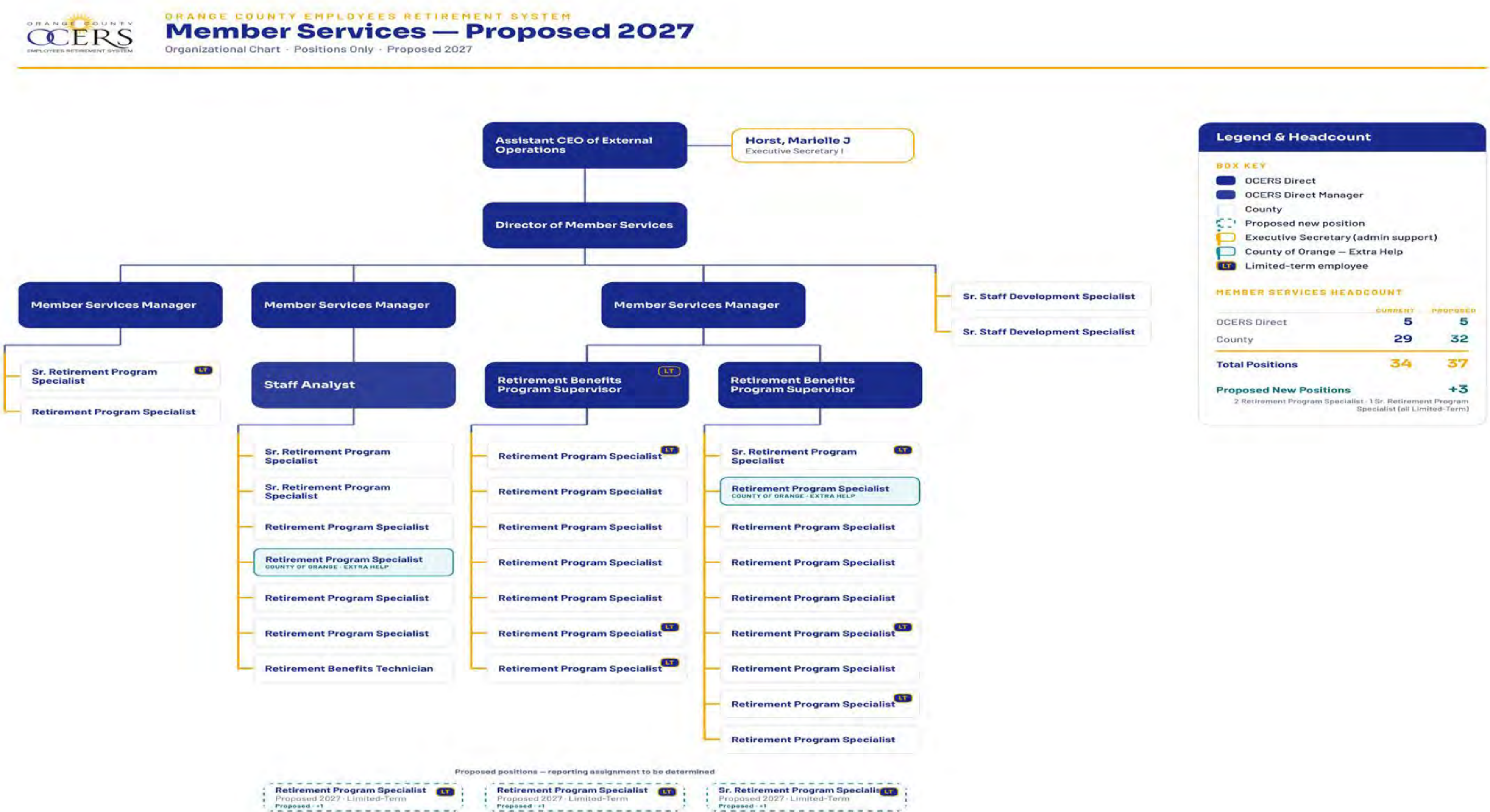
	CURRENT	PROPOSED
OCERS Direct	7	8
County	11	11
Total Positions	18	19

Vacant Positions 3
Data Analyst, Business Systems Analyst, IT Applications Developer I (LT)

Proposed New Position +1
IT Manager (AI Automation Developer), OCERS Direct

Proposed Retitle 2
no change to headcount

APPENDIX M · MEMBER SERVICES ORG CHART



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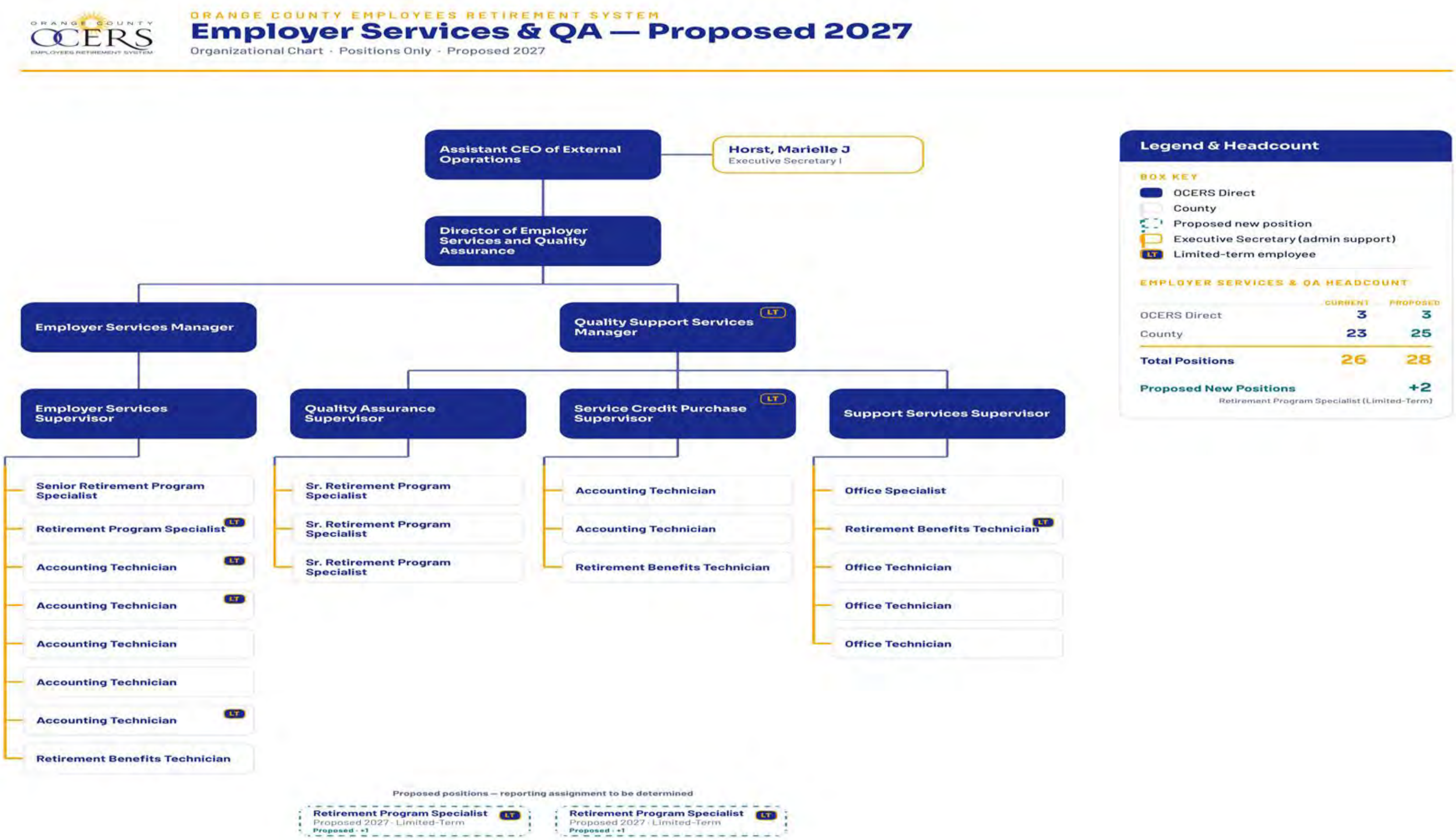
APPENDIX N · EMPLOYER SERVICES & QA ORG CHART



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APPENDIX O · COMMUNICATIONS ORG CHART

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

Communications — Proposed 2027

Organizational Chart · Positions Only · Proposed 2027

Legend & Headcount

BOX KEY

- OCERS Direct
- County
- Proposed new position
- LT Limited-term employee

COMMUNICATIONS HEADCOUNT

	CURRENT	PROPOSED
OCERS Direct	1	1
County	1	2
Total Positions	2	3

Proposed New Position +1

Staff Assistant, Limited-Term

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: August 31, 2026

TO: Steve Delaney, Chief Executive Officer

FROM: Molly Murphy, Chief Investment Officer

SUBJECT: **PROPOSED 2027 STAFFING PLAN – REQUEST FOR INVESTMENT OFFICER (PRIVATE EQUITY)**

Recommendation

Approve the addition of one Investment Officer (Private Equity) in the Investments Department.

New Position Request

1. Working Title: Investment Officer (Private Equity)

A) Position Type: Full Time

B) Additional Headcount will be created if position approved

C) Classification: OCERS' Direct

D) What new work will be done: OCERS' private equity portfolio includes approximately 46 GP relationships (~39 currently active). These relationships are managed by two Investment Officers and one Senior Investment Analyst. The new Investment Officer would be expected to manage a subset of the existing private equity GP relationships as well as sourcing new high conviction ideas for the portfolio. In addition, co-investments represent 10% of the annual pacing plan for private equity. In 2025, OCERS' Investments Team conducted due diligence on 30 different co-investment opportunities. This included enhanced, deeper due diligence on 19 co-investment opportunities. The Investments Team closed on 9 co-investments in 2025. The due diligence for all these co-investment opportunities was led by the two current Investment Officers, with assistance from the analysts. If another Investment Officer was approved, the team would have the ability to conduct due diligence for 50+ co-investment opportunities per year. As of December 31, 2025, OCERS' co-investment portfolio has a since inception net IRR of 47.1% and a net TVPI of 4.9x. OCERS' Investments Team would like to expand the co-investment sleeve of the portfolio to 20% of the annual pacing plan. This would include a combination of doing more deals and increasing the check size for potential co-investments from $10 million to $20 million. The new Investment Officer position would be very involved in leading the due diligence on co-investment opportunities.

E) What work currently isn't being done (or done out of class): Co-investments have to be researched quickly. On average, the team has four weeks to complete due diligence and close on a co-investment. At times, the team could be evaluating five deals at once, causing strain on resources and require other team members to step in and help. Adding a new Investment Officer would help the Team continue to source and evaluate all the potential opportunities.

F) What growth in workload is anticipated: While it isn't a requirement, OCERS' Investments Team has a preference for adding private equity managers that will offer co-investments. The Team expects to continue to see an increase in co-investment opportunities both from existing GPs as well as new GPs being added to the portfolio. If co-investments are expanded to up to 20% of annual pacing, it is likely that the team will need to close on more co-investments.

G) Is there any savings that will be achieved: Co-investments are offered at no management fee/no carried interest or reduced management fee/reduced carried interest from the main fund of GPs. This offers a tremendous way to increase exposure to the highest conviction portfolio companies and reduce the fee burden of the private equity portfolio. In addition, co-investments are invested immediately and reduce the J-curve of private equity investing.

2. Justification: By increasing the co-investment portion of the annual pacing for private equity to 20%, the program will have the opportunity to reduce the J-curve and the fee burden from private equity even more. A no fee/no carry co-investment can contribute an additional 400 bps to the plan for dollars committed to that portfolio company. As distributions have slowed in recent years in private equity due to macro headwinds, the average fund life is expanding with exits coming much later on in the harvesting period. Co-investments get invested immediately into the portfolio company and will likely lead to faster distributions. Co-investments could lead to distributions at approximately the five-year mark versus funds that could still be holding onto investments after 10 years.
    - Skill Augmentation: The OCERS Investments Team continues to utilize AI to improve its due diligence process. The team is now actively utilizing AI to evaluate the merits and risks of co-investments to help with the evaluation process. The new Investment Officer would be expected to continue expanding the AI initiatives of the team.
    - Fresh Perspective: Another Investment Officer in private equity would bring fresh eyes on evaluating existing GP relationships as well as add new perspectives on sourcing new high conviction ideas. It is difficult for private equity managers to consistently stay in the top quartile. Therefore, having another Investment Officer sourcing ideas would be beneficial to the portfolio.
    - Cost-Effective: Expanding co-investments would be cost-effective for the private equity program. Adding a new Investment Officer would give the Investments Team the ability to continue to add more high conviction co-investment ideas to the portfolio.
    - Mentoring Opportunities: The Investment Officers are constantly mentoring the Analysts on the team. Adding a new Investment Officer would allow for additional learning opportunities for the Analysts.
    - Increased Productivity: Adding a new Investment Officer position would give the private equity team the ability to: continue to monitor existing GP relationships at a high level; source better high conviction ideas that could replace existing managers that may have some challenges; and expand both the number of co-investment opportunities diligence and closed on.

3. Proposed Investments Department Chart: Attached

4. Estimated Hiring Salary: $186,510

5. Estimated Hire Date: Q1 2027

Conclusion: OCERS' private equity portfolio has been performing strongly with the co-investment sleeve performing the strongest since its inception. OCERS' Investments Team envisions increasing the co-investment portion from 10% to 20% of the annual pacing for private equity. Co-investments get invested immediately into the portfolio company and would likely have a path to exit quicker than a new fund. By adding a new Investment Officer to the team in private equity, the team could continue to operate on a high level. This would include managing existing GP relationships with a fresh perspective, sourcing new high conviction funds for the portfolio, and evaluating more co-investment opportunities for the fund.

Submitted by:

MAM - approved

Molly A. Murphy, CFA
Chief Investment Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 24, 2026

TO: OCERS Senior Management Team

FROM: Jenny Sadoski, Director of Information Technology

SUBJECT: **PROPOSED NEW WORKING TITLE CHANGE: FROM IT AUTOMATION DEVELOPER TO AI AUTOMATION DEVELOPER**

Recommendation

Approve changing the working title of the existing IT Automation Developer to AI Automation Developer. No new position or classification is being created.

This request does not increase authorized staffing levels, change reporting relationships, or modify the core duties of the position. The request updates the position title to better reflect the specialized work currently being performed and to align with current industry terminology and the strategic direction of the organization.

New Position Request:

1. **Working Title: AI Automation Devloper**

a) **Position Type:** OCERS Direct

b) **Additional Headcount**: None. This request does **not** create a new position. It reclassifies an existing IT Automation Developer position.

c) **Existing classification:** IT Manager (working title: IT Automation Developer)

d) **Proposed classification:** IT Manager (working title: AI Automation Developer)

e) **Reporting Structure:** Director of Information Technology

f) **What new work will be done:** The core responsibilities of the position will remain substantially the same. The position will continue serving as OCERS' primary technical resource for Artificial Intelligence implementation, intelligent automation, workflow optimization, business process transformation, enterprise automation initiatives, and AI-enabled software development.

The proposed title more accurately reflects the expanded role Artificial Intelligence now plays within the position and better represents the work currently being performed.
Current responsibilities include:

- Design and implementation of AI-powered business solutions
- Development of intelligent workflow automation
- Microsoft Power Platform development
- AI-assisted application development
- Large Language Model (LLM) integration
- Agentic AI development

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

- Business process analysis and automation
- Robotic Process Automation (RPA)
- Integration between enterprise business systems
- API development and automation
- AI governance and responsible AI implementation
- Automation architecture
- Technical leadership and mentoring
- Evaluation of emerging AI technologies
- Development standards and best practices

These responsibilities significantly exceed the scope of a traditional entry-level Application Developer position and represent a specialized professional discipline that has emerged within the technology industry.

e) **What work currently isn't being done (or done out of class):** None. The duties currently being performed remain appropriate for the position; however, the existing title no longer accurately reflects the breadth of Artificial Intelligence responsibilities now incorporated into the role.

f) **What growth in workload is anticipated**: Artificial Intelligence has rapidly become one of the most significant technology advancements impacting government organizations. OCERS is actively leveraging AI and intelligent automation to:

- Improve operational efficiency
- Reduce manual processing
- Increase employee productivity
- Improve member service
- Enhance data quality
- Accelerate software development
- Reduce repetitive administrative work
- Support knowledge management
- Improve decision making through intelligent data analysis

These initiatives are no longer experimental projects. They have become an integral component of the agency's technology strategy and future operational model. To continue advancing these initiatives responsibly, OCERS requires a position specifically focused on AI automation strategy, development, governance, and implementation.

g) **Is there any savings that will be achieved?** This request does not directly generate salary savings. However, the continued focus on Artificial Intelligence and automation is expected to improve operational efficiency by reducing manual processes, increasing employee productivity, accelerating software development, and reducing reliance on external consulting resources. These efficiencies continue to provide measurable organizational value that exceeds the ongoing investment in the position.

h) **Will the position do work that will eliminate current risks?**
Updating the position title helps reduce several organizational risks, including:

Memorandum

- Loss of specialized institutional knowledge
- Inability to recruit qualified AI professionals
- Increased reliance on external consulting services
- Delays in modernization initiatives
- Reduced ability to respond to rapidly evolving technology

Recognizing AI Automation as a dedicated function positions OCERS to better support future operational demands while protecting existing investments in automation technologies.

2. **Justification:** Artificial Intelligence has rapidly evolved into a specialized discipline within Information Technology. While the existing IT Automation Developer title accurately reflected the position when originally established, the responsibilities have expanded to include advanced Artificial Intelligence technologies, Large Language Models, AI agents, prompt engineering, Microsoft Copilot technologies, and enterprise AI governance.

The proposed AI Automation Developer title more accurately represents the position's current responsibilities, aligns with widely recognized industry terminology, and better communicates the specialized expertise required to successfully perform the role.

The proposed title also supports OCERS' long-term technology strategy by recognizing Artificial Intelligence as a core organizational capability and improving the agency's ability to recruit and retain highly qualified professionals in an increasingly competitive labor market.

Operational Benefits

Approval of this title change will:

- Better align the position title with current responsibilities
- Improve recruitment by using recognized industry terminology
- Support retention of specialized technical talent
- Better communicate the role's purpose internally and externally
- Reinforce OCERS' commitment to responsible AI innovation
- Align organizational terminology with current technology standards

Retention and Recruitment

Demand for Artificial Intelligence professionals continues to grow across both the public and private sectors. Utilizing a position title that accurately reflects the work being performed strengthens OCERS' ability to recruit qualified candidates and retain employees possessing specialized AI expertise.

An updated title also provides greater clarity for prospective applicants by accurately describing the position's primary focus and responsibilities.

3. **Proposed agency chart:** (see last page)
4. **Estimated hiring salary:** $169,603.20 current Salary
5. **Estimate Effective Date:** Q1 of 2027

Conclusion:

Memorandum

The proposed title change from IT Automation Developer to AI Automation Developer recognizes the continued evolution of the position and better reflects the specialized Artificial Intelligence expertise required to perform the role.

The request does not increase staffing levels or materially change the responsibilities of the position. Rather, it aligns the official classification with current industry terminology, strengthens recruitment and retention efforts, and supports OCERS' strategic commitment to leveraging Artificial Intelligence to improve operational efficiency and member service.

Accordingly, approval of this title change is respectfully requested.

Submitted by:

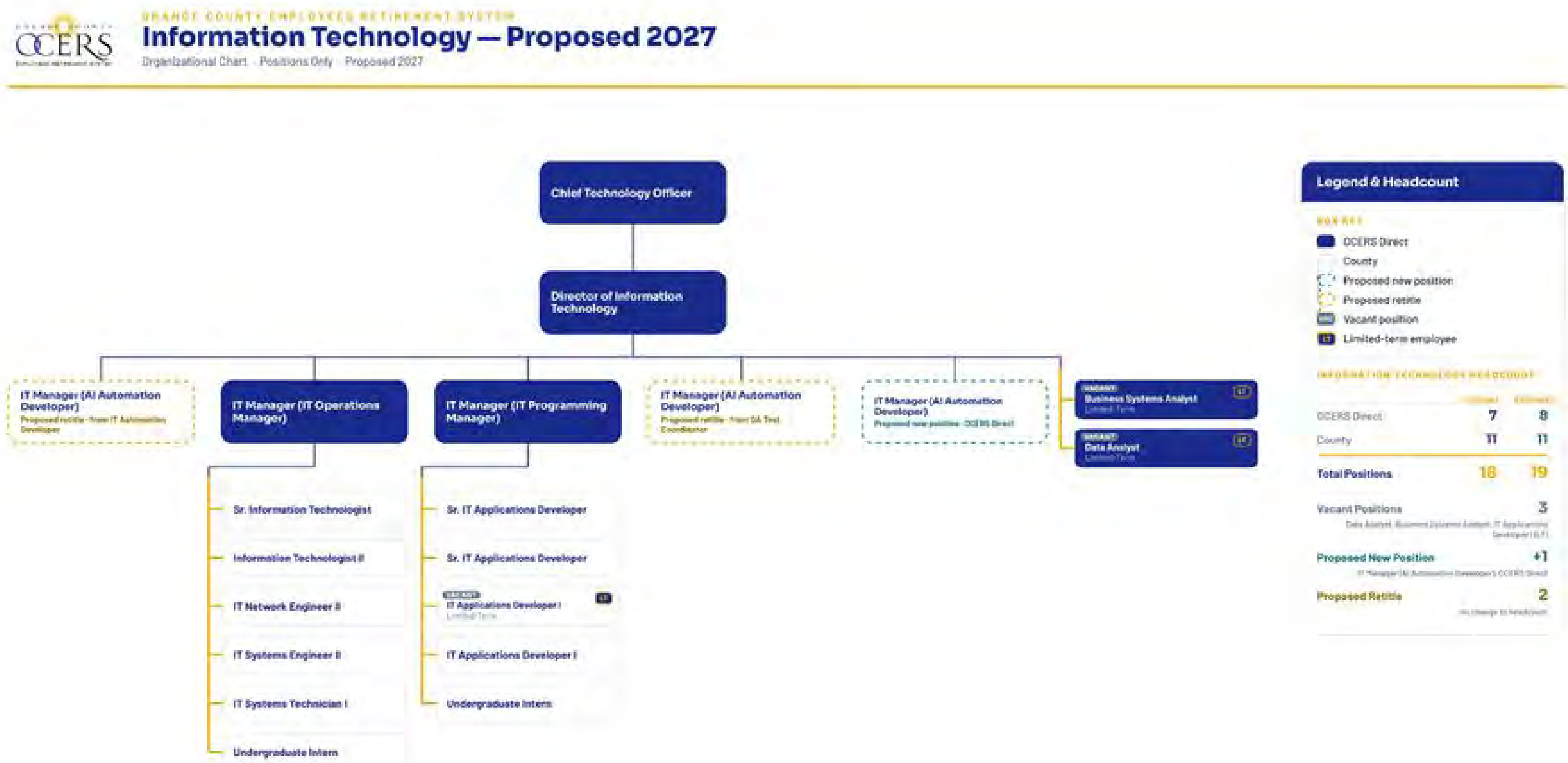
Jenny Sadoski

OCERS, Director of Information Technology

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

Proposed Organization Chart



Memorandum

DATE: August 31, 2026

TO: Members of the Personnel Committee

FROM: Mr. Mark Adviento, Director of Employer Services and Quality Assurance; Mr. Jeff Lamberson, Director of Member Services

SUBJECT: **PROPOSED 2027 STAFFING PLAN - USE OF PREVIOUSLY APPROVED LIMITED TERM POSITIONS**

Background

In April and June of 2025, the Personnel Committee approved and recommended to the Board of Retirement a total of 30 Limited Term positions in support of OCERS Horizon, and the Board later approved those recommendations. (See the attached memos.) These positions provide temporary backfill for day-to-day operations while subject matter experts are dedicated to the PAS implementation. **OCERS is now filling the last five (5) of those approved positions for use beginning in 2027: four (4) Limited Term Retirement Program Specialists (LT RPS) and one (1) Senior Retirement Program Specialist (LT Senior RPS).**

The terms are unchanged from what was approved in 2025. These positions are temporary positions with a defined start and end date and no expectation of long-term funding. They are subject to the same hiring standards as permanent employees and are entitled to full benefits.

No new positions are being requested. Total authorized Limited Term headcount stays at 30. Once these five positions are filled, all 30 approved Limited Term positions will be in use, and none will remain available.

The estimated annual personnel cost for these five positions is **$541,728** (fully loaded). This amount will be included in the 2027 budget request and will be finalized during the 2027 budget process. This cost will be capitalized with the Pension Administration Project (PAS) project.

Member Services Department:
1 - LT Senior RPS
2 - LT RPS

Justification: As experienced staff are assigned to the Subject Matter Expert (SME) team supporting the Horizon Project, temporary staffing is needed to assist the Member Services team in maintaining day-to-day operations and service levels. Two Limited Term RPS positions will provide operational support for core Member Services functions, while one Limited Term Senior RPS position will provide training, coaching, and workload management support. In addition, Member Services processed 1,047 retirements in 2025 and 782 retirements through July 2026, placing the department on pace to exceed the prior year's retirement volume.

These temporary assignments will help maintain Member Services operational continuity and service levels during a period of increased workload, organizational transition, and Horizon implementation activities.

Employer Services and Quality Assurance:
2 - LT RPS

Justification: One LT RPS will support Service Credit Purchase (SCP) operations by preparing member cost calculations and supporting implementation of audit recommendations and process improvements. This position will also help support OCERS' goal of issuing SCP cost notification letters to members within 45 business days. OCERS received 745 Service Credit Purchase requests in 2025 and has received 557 requests through July 2026 placing the department on pace to exceed the prior year's SCP volume. The second LT RPS will support Employer Payroll operations by assisting participating employers with payroll reporting and data quality initiatives resulting from the Employer Data Partnership Project.

As experienced staff are assigned to the Subject Matter Expert (SME) team and other Horizon-related implementation activities, temporary staffing is needed to assist the Employer Services and Quality Assurance Department in maintaining day-to-day operations and service levels. These temporary assignments will help ensure operational continuity while staff remain dedicated to Horizon implementation activities during the transition period.

Attachments.

Submitted by:

MA-Approved

Mark Adviento
Director of Employer Services and Quality Assurance

JL-Approved

Jeff Lamberson
Director of Member Services

Memorandum

DATE: April 2, 2025

TO: Members of the Personnel Committee

FROM: David Kim, Assistant CEO, External Operations

SUBJECT: **PENSION ADMINISTRATION SYSTEM (PAS) PROJECT TEMPORARY STAFFING REQUEST**

Recommendation

Approve and recommend to the Board of Retirement the following 22 Limited Term requests to the Member Services and Disability Departments in preparation for the PAS implementation:

1. Member Services Manager position (1)
2. Member Services Supervisor positions (3)
3. Senior Retirement Program Specialist positions (4)
4. Retirement Program Specialist (8)
5. Accounting Technician (5)
6. Disability Retirement Investigator (1)

The total estimated annual personnel cost for these staffing changes is **$1,098,257.** The estimated budget impact for 2024 due to mid-year hiring for several positions is **$637,130.**

Background/Discussion

At the March Board meeting, the OCERS management team, in collaboration with Provaliant (our PAS implementation partner), discussed the need for additional staffing in preparation for the upcoming PAS implementation. It is critical to maintain operations and service levels as OCERS' subject matter experts (PAS SMEs) become fully dedicated to the new PAS system. The PAS implementation project is expected to span between three and four years.

OCERS has identified an initial phase of positions that will be dedicated to the PAS project, which will require a longer lead time to accommodate the learning curve for backfill staff. The identified PAS SMEs are as follows:

Member Services:

- Manager (1)
- Supervisor/Business Analyst (2)
- Senior Retirement Program Specialist (1)
- Retirement Program Specialist (4)

Disability:

- Disability Retirement Investigator (1)

As the PAS SMEs focus on the PAS implementation, OCERS must ensure there is a staffing plan in place to provide temporary backfill for the day-to-day operational responsibilities that the SMEs would normally handle. To address this need, OCERS recommends utilizing Limited Term (LT) employees throughout the project lifecycle. LT employees are temporary positions with a defined start and end date, and no expectation of long-term funding.

LT employees are subject to the same hiring standards as permanent employees and are entitled to full benefits. These positions can be filled by either internal or external candidates.

The PAS implementation is not only an opportunity to upgrade our technology, but also a chance to train the next generation of staff. As PAS SMEs focus on the new system, internal staff can develop new skills by taking on LT backfill positions at higher classifications. For example, to temporarily backfill a Supervisor role dedicated to the PAS, an OCERS Senior Retirement Program Specialist could fill the LT Supervisor position. This approach ensures that operational tasks left open by the PAS SME are covered, while also providing employees with valuable on-the-job learning experiences.

By using a combination of internal and external candidates to fill the LT positions, OCERS anticipates a net increase of only nine (9) additional headcounts. Below is a description of each of the 22 requested positions and the rationale behind each. Additionally, a breakdown of the 22 LT positions is included.

1. MEMBER SERVICES MANAGER

To backfill a Member Services Manager position:

- A Limited Term (LT) Manager position will be created and filled by an existing Member Services Supervisor. This will create the need to backfill the Member Services Supervisor role.
- A LT Supervisor position will be created and filled by an existing Member Services Senior Retirement Program Specialist (SRPS). This will create the need to backfill the Member Services SRPS role.
- A LT SRPS position will be created and filled by an existing Member Services Retirement Program Specialist (RPS). This will create the need to backfill the Member Services RPS role.
- A LT RPS position will be created and filled by an external candidate, resulting in an additional headcount for OCERS.
- A total of four (4) LT positions will be created, resulting in one additional headcount; 2025 budget impact of $86,125 (fully loaded); annualized impact of $148,458 (fully loaded).

2. MEMBER SERVICES SUPERVISORS

To backfill two Member Services Supervisor positions:

- Two Limited Term (LT) Supervisor positions will be created and filled by existing Member Services Senior Retirement Program Specialists (SRPS). This will create the need to backfill the Member Services SRPS roles.
- Two LT SRPS positions will be created and filled by existing Member Services Retirement Program Specialists (RPS). This will create the need to backfill the Member Services RPS roles.
- Two LT RPS positions will be created and filled by external candidates, resulting in two additional headcounts for OCERS.
- A total of six (6) LT positions will be created, resulting in two additional headcounts; 2025 budget impact of $154,226 (fully loaded); annualized impact of $265,848 (fully loaded).

3. MEMBER SERVICES SENIOR RETIREMENT PROGRAM SPECIALIST

To backfill a Member Services SRPS position:

- A Limited Term (LT) SRPS position will be created and filled by an existing Member Services Retirement Program Specialist (RPS). This will create the need to backfill the Member Services RPS role.
- A LT RPS position will be created and filled by an existing Member Accounting Technician (AT). This will create the need to backfill the Member Services AT role.

- A LT AT position will be created and filled by external candidates, resulting in one additional headcount for OCERS.
- A total of three (3) LT positions will be created, resulting in one additional headcount; 2025 budget impact of $70,931 (fully loaded); annualized impact of $122,268 (fully loaded).

4. MEMBER SERVICES RETIREMENT PROGRAM SPECIALISTS

To backfill four Member Services RPS positions:

- Four Limited Term (LT) RPS positions will be created and filled by four existing Member Accounting Technicians (AT). This will create the need to backfill the Member Services AT roles.
- Four LT AT positions will be created and filled by external candidates, resulting in four additional headcounts for OCERS.
- A total of eight (8) LT positions will be created, resulting in four additional headcounts; 2025 budget impact of $255,353 (fully loaded); annualized impact of $440,167 (fully loaded).

5. DISABILITY RETIREMENT INVESTIGATOR

To backfill one Disability Retirement Investigation, a Limited Term Disability Retirement Investigator position is created and would be filled by an external candidate, resulting in one additional headcount to OCERS.

- One (1) LT position will be created with one additional headcount; 2025 budget impact of $70,495 (fully loaded); annualized impact of $121,516 (fully loaded).

Conclusion:

In summary, I am requesting 22 new Limited Term positions resulting in nine (9) additional headcounts to OCERS.

The total estimated annual personnel cost for these staffing changes is **$1,098,257.** The estimated budget impact for 2024 due to timing of hiring for several positions is **$637,130.**

Submitted by:

DK - Approved

David Kim
Assistant CEO, External Operations

Attachment:

Exhibit A – Breakdown of Budget Impact by Position

Memorandum

DATE: June 25, 2025

TO: Members of the Personnel Committee

FROM: David Kim, Assistant CEO, External Operations

SUBJECT: **OCERS HORIZON LIMITED TERM STAFFING REQUEST**

Recommendation

Approve and recommend to the Board of Retirement the following eight (8) Limited Term position requests for the Disability, Member Services, Finance and Information Technology Departments in preparation for the Pension Administration System (PAS) Implementation, or OCERS Horizon:

1. Disability Retirement Program Specialist (1)
2. Member Services Accounting Technician (2)
3. Member Services Retirement Benefits Technician (1)
4. Finance Accountant Auditor (1)
5. Information Technology Business Systems Analyst (1)
6. Information Technology Data Analyst (1)
7. Information Technology AI Automation Engineer (1)

The total estimated annual personnel cost for these staffing changes is $1,133,739. The estimated budget impact for 2025 due to Q4 hiring for several positions is $97,140; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

Background/Discussion

At the March Board meeting, the OCERS management team, in collaboration with Provaliant (our PAS implementation partner), discussed the need for additional staffing in anticipation of the upcoming PAS implementation. As OCERS' subject matter experts (SMEs) become fully dedicated to this multi-year effort, expected to span three to four years—it is essential to maintain existing operations and service levels through strategic backfilling.

As the PAS SMEs focus on the PAS implementation, OCERS must ensure there is a staffing plan in place to provide temporary backfill for the day-to-day operational responsibilities that the SMEs would normally handle. To address this need, OCERS recommends utilizing Limited Term (LT) employees throughout the project lifecycle. LT employees are in temporary positions with a defined start and end date, and no expectation of long-term funding. LT employees are subject to the same hiring standards as permanent employees and are entitled to full benefits. These positions are to be filled by external candidates.

In April, the Personnel Committee approved and recommended to the Board 22 Limited Term positions, resulting in a net increase of 9 full-time equivalents (FTEs). At that time, OCERS noted this was the first phase of staffing for the OCERS Horizon project, with additional requests forthcoming.

The next phase includes positions that require less onboarding time and were identified in April. These Limited Term roles are intended to provide temporary backfill for critical operational duties while SMEs focus on the PAS implementation.

Detailed Position Breakdown:

Disabilities

Retirement Program Specialist (1) – Q4 2025 Hire*

- Develop estimate and final disability benefits

* This allows for an internal filling of a previously approved Limited Term position, with no additional headcount.

Member Services

Accounting Technician (2) – Q4 2025 Hire

- Review Service Credit Purchase (SCP) transactions
- Member contact and payment processing for SCP

Retirement Benefits Technician (1) – Q4 2025 Hire

- Processes Reciprocity and Non-Service Credit Purchase transactions

Finance

Accountant Auditor (1) – 2026 Hire

- Process finance–related retiree payroll transactions

Information Technology

Business Systems Analyst (1) – 2026 Hire

- Translate business needs into system requirements
- Ensure business readiness and process alignment
- Map current-state processes and workflows to align with OCERS Horizon

Data Analyst (1) – 2026 Hire

- Improve data quality and governance
- Data readiness for PAS transition
- Enhance operational analytics

AI Automation Engineer (1) -2026 Hire

- Enhance member experience and engagement
- Operational efficiency through intelligent automation
- Lead design of AI architecture and roadmap in alignment with OCERS Horizon

Conclusion:

In summary, I am requesting 8 new Limited Term positions, resulting in eight (8) additional Limited Term headcounts to OCERS.

The total estimated annual personnel cost for these staffing changes is **$1,133,739.** The estimated budget impact for 2025, due to the timing of hiring for several positions, is **$97,140**; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

Submitted by:

DK - Approved

David Kim
Assistant CEO, External Operations

Memorandum

DATE: August 31, 2026

TO: Steve Delaney, Chief Executive Officer

FROM: Mary-Joy Coburn, Director of Communications

SUBJECT: **PROPOSED 2027 STAFFING PLAN – REQUEST FOR STAFF ASSISTANT**

Recommendation:

Approve the addition of one Staff Assistant, Limited-Term, in the Communications Department to support OCERS' website redesign, content migration, digital communications, accessibility review project coordination, and ADA compliance needs.

New Position Request:

1. **Working Title:** Staff Assistant, Limited – Term

   Department: Communications

   Job Title: Communications Assistant

   Position Type: Limited-Term Employee

   Additional Headcount: One proposed new position

   Existing Classification: Staff Assistant

   Assignment: Communications Assistant / Website Project

   a. **What work will be done:** The Staff Assistant will support the development and implementation of OCERS' new public website by conducting an inventory and review of existing webpages, documents, images, links, forms, and other digital content. Working closely with Communications staff and departmental subject matter experts, the position will help gather, organize, update, and prepare content for migration; draft, edit, proofread, format, and enter approved content into the content management system; and identify outdated, duplicative, or unnecessary content for consolidation or improvement. A key responsibility will be supporting ADA compliance and web accessibility efforts by reviewing and remediating digital content, assisting with accessibility testing, and helping ensure the new website meets applicable accessibility standards. The position will also provide project coordination support for the website redesign and migration, including milestone tracking, deliverable management, meeting coordination, action item follow-up, stakeholder feedback organization, and regular status updates.

   b. **What work currently is not being done or is done out of class:**

      The Communications Department requires dedicated project support for website content development, content migration, quality assurance, accessibility tracking, and administrative coordination connected to the website project. Without a dedicated limited-term Staff Assistant, these recurring project-management, content-review, and administrative tasks would continue to compete with ongoing Communications writing, publication, outreach, and member-education responsibilities.

c. **What growth in workload is anticipated:** The website redesign and migration are expected to increase Communications workload related to content inventory, content preparation, stakeholder review, quality assurance, user acceptance testing, accessibility remediation tracking, digital asset organization, and post-launch communications support. The position provides focused capacity to track deadlines, manage content inventories, coordinate approvals, and support the volume of content and project deliverables associated with the new website. The new ADA Compliance requirements for government websites are also expected to increase the workload for this project.

d. **Is there any savings that will be achieved:** The limited-term structure provides targeted support for a defined project need without creating an ongoing permanent position. By using the Staff Assistant classification for project coordination, content preparation, quality assurance tracking, and administrative support, the Communications Department can preserve higher-level staff capacity for strategic communications, stakeholder engagement, decision-making, and final review.

e. **Will the position do work that will eliminate current risks?:** Yes. This position will help reduce project, content, and accessibility risks during OCERS' website redesign and migration by maintaining content inventories, tracking deadlines and approvals, documenting and resolving quality assurance issues, and supporting content reviews and updates. A key responsibility will be assisting with ADA compliance by identifying and remediating accessibility issues, supporting accessibility testing, and helping ensure the new website meets applicable accessibility standards. These efforts will reduce the risk of inaccurate, outdated, duplicative, inconsistent, or inaccessible public-facing information and support a successful website launch.

2. Justification

a. **Website content readiness:** The Staff Assistant will provide dedicated capacity to inventory, review, organize, update, format, and migrate approved public website content.

b. **Project coordination:** The position will track project milestones, content deliverables, approvals, outstanding requests, deadlines, meeting notes, action items, and follow-up communications.

c. **Quality assurance and accessibility support:** The position will assist with quality assurance and user acceptance testing, including content accuracy, formatting, navigation, links, images, documents, consistency with approved design and branding standards, plain-language standards, and accessibility issue tracking.

d. **Communications capacity:** The position will support writing, editing, proofreading, formatting, digital media, publications, newsletters, email communications, presentations, informational materials, social media, outreach campaigns, member education initiatives, and other special communications projects.

e. **Risk reduction:** The position will help reduce risks related to content accuracy, accessibility, inconsistent branding, missed deadlines, incomplete stakeholder follow-up, and incomplete migration tracking.

f. **Cost-effective limited-term approach:** A limited-term Staff Assistant provides focused support for a project-driven need while preserving flexibility once the website project and associated migration work are complete.

3. **Proposed Agency Chart:**

4. **Estimated hiring salary and benefits:** $102,056 total, based on median salary of $65,842 plus estimated fringe benefits of $36,213. Salary range is $56,264 to $75,421.

5. **Estimated hire date:** 2027, subject to approval and recruitment timing.

MJC-Approved

Mary-Joy Coburn
Director of Communications

Memorandum

DATE: August 31, 2026

TO: Members of the Personnel Committee

FROM: Molly Murphy, Chief Investment Officer; Manuel D. Serpa, General Counsel

SUBJECT: **REVIEW OF THE INCENTIVE COMPENSATION PLAN CHANGES**

Recommendation

Approve and recommend that the Board adopt the proposed clarifying amendments to the Incentive Compensation Plan, as reflected in the attached redline.

Background

The Incentive Compensation Plan (the "Plan") is contained in the OCERS Employee Handbook. The Plan sets forth the elements, design, and calculation details of the Incentive Compensation Program described in the Board's Compensation Policy, which authorizes the Program and identifies the covered positions and eligible employees. By its own terms, any change to the Plan requires approval by the Board of Retirement. Accordingly, the proposed amendments are presented to the Personnel Committee for review and recommendation to the Board.

Discussion

The proposed amendments are clarifying in nature. They do not change the Program's components, weightings, maximum payout percentages, measurement period, or payment mechanics. The amendments address three related points:

1. **Alpha tier boundaries:** The Plan's table currently states the tiers for Portfolio Excess Return vs. Benchmark (Alpha) as 0–25, 26–50, 51–75, 76–100, and >101 basis points. As written, the tiers do not expressly state that a positive excess return is required to earn the first tier, and the whole-number labels leave gaps between tiers for fractional results (for example, a result of 25.5 basis points falls between the stated "0–25" and "26–50" ranges). The amended table states the tiers as >0–25, >25–50, >50–75, >75–100, and >100 basis points. Each tier now has an exclusive lower bound and an inclusive upper bound, confirming that (a) the return versus the benchmark must be greater than zero to earn any payout under this component, and (b) every possible result falls within exactly one tier.

2. **Decimal precision at breakpoints:** A note has been added below the table explaining that OCERS' investment performance is reported by the investment consultant to two decimal places, while the custodian bank calculates results to three decimal places, and that in certain instances, such as results falling on a tier breakpoint, examination out to the third decimal place may be required to complete the incentive compensation calculation.

3. **Conforming narrative text:** Paragraph 3 of the Plan's Program Design and Benchmark section has been revised so that the narrative description of the alpha component conforms to the amended table.

Because the amendments clarify how the existing calculation operates rather than alter the Program's design, no change to the Compensation Policy is necessary.

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

Attachments

Submitted by:

MM-Approved

Molly Murphy
Chief Investment Officer

Submitted by:

MDS-Approved

Manuel D. Serpa
General Counsel

Incentive Compensation Plan

Purpose

The Incentive Compensation Plan sets forth the elements, design, calculation, and details of the Incentive Compensation Program described in the OCERS Compensation Policy. The Compensation Policy describes the list of covered positions and eligible employees. Changes to this Incentive Compensation Plan require approval by the Board of Retirement.

Program Design and Benchmark

1. The Program is designed around three components: 1) total portfolio excess return (alpha) over a benchmark; 2) risk-adjusted return (Sharpe Ratio); and 3) employee performance, as shown in the chart below. For the alpha and Sharpe Ratio calculations, the OCERS' Total Fund Plan Benchmark serves as the relative comparison benchmark.
2. The measurement period is the prior three years ("Rolling 3-year Period") ending December 31. For example, on December 31, 2022, the measurement period would include performance results for the calendar years 2020, 2021, and 2022. All OCERS' portfolio results will be reflected as net of fees.
3. Portfolio Excess Return vs. Benchmark: eligible employees earn 10% of their maximum payout for positive alpha up to 25 basis points, plus an additional 10% for each additional 25-basis-point increment~~each 25 basis points of alpha generated by the OCERS' Total Portfolio~~, up to 50% of the maximum payout.
4. Risk-adjusted return:
    a. Sharpe Ratio exceeds Benchmark: eligible employees earn 10% of their maximum payout if the Sharpe Ratio of the OCERS' Total Portfolio exceeds that of the Benchmark (i.e., that a dollar of risk was invested more efficiently relative to an indexed portfolio).
    b. Sharpe Ratio Peer Rank: eligible employees earn 10% of their maximum payout if the OCERS' Total Portfolio Sharpe Ratio exceeds the median Sharpe Ratio of the public pension peer group, with an additional 10% credited for a first quartile Sharpe Ratio, relative to peers.
5. Annual Employee Performance Appraisal: eligible employees earn 10% of their maximum payout for a rating of "Exceeds" on their annual review; they earn the full 20% of maximum for this component of the Program with a rating of "Exceptional."

Incentive Calculation and Payment

1. The Incentive Compensation Program requires an annual calculation for the period ending December 31, with payments made in two tranches, Year 1 and Year 2. Once eligibility has been confirmed and the annual incentive compensation has been earned and calculated, the two payments for the Program are paid as follows:
    - Year 1: the first 50% of the annual award paid within 60 days of the calculation of the OCERS' Total Plan Benchmark and its rolling three-year returns (period ended December 31) and the availability of the relevant Sharpe ratio information.
    - Year 2: the remaining 50% of the annual award paid in the calendar year following the first payment, prior to March 31 of that year.

2. If a Covered Employee earns a promotion to another Covered Position during the most recent calendar year of the measurement period, the Covered Employee shall have their incentive compensation calculated to reflect the proportion of calendar days spent in each position.
3. If an Eligible Employee takes a Leave of Absence, other than Annual Leave, during the most recent calendar year, then the annual incentive payment amount will be reduced by a percentage that reflects the amount of leave time taken during the year by the employee.

QUANTITATIVE COMPONENT (Rolling 3-year period, net of fees)	% of Incentive	% of Incentive
Portfolio Excess Return vs Benchmark (Alpha)		**0-50%**
>0-25 bps	10%	
~~26~~>25-50 bps	+10%	
~~51~~>50-75 bps	+10%	
~~76~~>75-100 bps	+10%	
>100~~1~~ bps	+10%	
Risk Adjusted Return (Sharpe Ratio)		**0-30%**
A) Portfolio Sharpe Exceeds Benchmark	10%	
B) Above Median Peer Rank	10%	
1st Quartile Peer Rank	+10%	
QUALITATIVE COMPONENT		
Annual Employee Performance Appraisal		**0-20%**
Meets	0%	
Exceeds	10%	
Exceptional	20%	

Note: OCERS' investment performance information reported by the investment consultant to the Investment Committee is shown with two decimal places, while the custodian bank calculates to three decimal places. In certain instances, such as results that fall on breakpoints, examination out to the third decimal place may be required to complete the calculation of incentive compensation.

Incentive Compensation Plan

Purpose

The Incentive Compensation Plan sets forth the elements, design, calculation, and details of the Incentive Compensation Program described in the OCERS Compensation Policy. The Compensation Policy describes the list of covered positions and eligible employees. Changes to this Incentive Compensation Plan require approval by the Board of Retirement.

Program Design and Benchmark

1. The Program is designed around three components: 1) total portfolio excess return (alpha) over a benchmark; 2) risk-adjusted return (Sharpe Ratio); and 3) employee performance, as shown in the chart below. For the alpha and Sharpe Ratio calculations, the OCERS' Total Fund Plan Benchmark serves as the relative comparison benchmark.
2. The measurement period is the prior three years ("Rolling 3-year Period") ending December 31. For example, on December 31, 2022, the measurement period would include performance results for the calendar years 2020, 2021, and 2022. All OCERS' portfolio results will be reflected as net of fees.
3. Portfolio Excess Return vs. Benchmark: eligible employees earn 10% of their maximum payout for positive alpha up to 25 basis points, plus an additional 10% for each additional 25-basis-point increment, up to 50% of the maximum payout.
4. Risk-adjusted return:
    a. Sharpe Ratio exceeds Benchmark: eligible employees earn 10% of their maximum payout if the Sharpe Ratio of the OCERS' Total Portfolio exceeds that of the Benchmark (i.e., that a dollar of risk was invested more efficiently relative to an indexed portfolio).
    b. Sharpe Ratio Peer Rank: eligible employees earn 10% of their maximum payout if the OCERS' Total Portfolio Sharpe Ratio exceeds the median Sharpe Ratio of the public pension peer group, with an additional 10% credited for a first quartile Sharpe Ratio, relative to peers.
5. Annual Employee Performance Appraisal: eligible employees earn 10% of their maximum payout for a rating of "Exceeds" on their annual review; they earn the full 20% of maximum for this component of the Program with a rating of "Exceptional."

Incentive Calculation and Payment

1. The Incentive Compensation Program requires an annual calculation for the period ending December 31, with payments made in two tranches, Year 1 and Year 2. Once eligibility has been confirmed and the annual incentive compensation has been earned and calculated, the two payments for the Program are paid as follows:
    - Year 1: the first 50% of the annual award paid within 60 days of the calculation of the OCERS' Total Plan Benchmark and its rolling three-year returns (period ended December 31) and the availability of the relevant Sharpe ratio information.
    - Year 2: the remaining 50% of the annual award paid in the calendar year following the first payment, prior to March 31 of that year.

2. If a Covered Employee earns a promotion to another Covered Position during the most recent calendar year of the measurement period, the Covered Employee shall have their incentive compensation calculated to reflect the proportion of calendar days spent in each position.
3. If an Eligible Employee takes a Leave of Absence, other than Annual Leave, during the most recent calendar year, then the annual incentive payment amount will be reduced by a percentage that reflects the amount of leave time taken during the year by the employee.

QUANTITATIVE COMPONENT (Rolling 3-year period, net of fees)	% of Incentive	% of Incentive
Portfolio Excess Return vs Benchmark (Alpha)		**0-50%**
>0-25 bps	10%	
>25-50 bps	+10%	
>50-75 bps	+10%	
>75-100 bps	+10%	
>100 bps	+10%	
Risk Adjusted Return (Sharpe Ratio)		**0-30%**
A) Portfolio Sharpe Exceeds Benchmark	10%	
B) Above Median Peer Rank	10%	
1'' Quartile Peer Rank	+10%	
QUALITATIVE COMPONENT		
Annual Employee Performance Appraisal		**0-20%**
Meets	0%	
Exceeds	10%	
Exceptional	20%	

Note: OCERS' investment performance information reported by the investment consultant to the Investment Committee is shown with two decimal places, while the custodian bank calculates to three decimal places. In certain instances, such as results that fall on breakpoints, examination out to the third decimal place may be required to complete the calculation of incentive compensation.

Memorandum

DATE: August 31, 2026

TO: Members of the Personnel Committee

FROM: Cynthia Hockless, Director of Human Resources

SUBJECT: **UPDATE ON THE COUNTY'S CLASSIFICATION MAINTENANCE STUDY**

Information Only

The OCERS Board approved a review of the County job classifications assigned to OCERS under the County of Orange's Classification Maintenance Study process. The item is expected to be presented to the Orange County Board of Supervisors on **September 29, 2026**. If approved, the proposed salary changes are expected to take effect on **October 2, 2026.**

The Classification Maintenance Study Process consists of five structured steps designed to ensure job classifications, compensation structures, and staffing levels align with current organizational needs and market conditions.

Following the discussion at the February 17, 2026, Personnel Committee meeting, the phase one scope of work was expanded to include the Office Technician, Office Specialist, and Accounting Technician classifications, ensuring that all County of Orange classifications Gallagher recommended that could be below their benchmark were part of the initial review, so as not to hold up any potential salary increases.

It's important to clarify that although all classifications in the study will be examined, **Gallagher did not find that all required a salary review.**

The initial group includes eight classifications, representing 52 of OCERS's 77 County positions, or approximately 68% of the group.

The following outlines the eight classifications in the first review group, together with the corresponding number of incumbents assigned to each classification:

1. Retirement Benefits Technician - 4
2. Retirement Program Specialist - 21
3. Senior Retirement Program Specialist - 7
4. Retirement Benefits Program Supervisor - 6
5. Disability Investigator – 3
6. Office Technician - 3
7. Office Specialist - 2
8. Accounting Technician - 6

Steps 1 through 3 of the five-step process are complete, and Step 4, Recommendation and Approval, is in progress. **At the time of this report, the market study had not been released because concurrence from the labor union was pending. In addition, the upcoming 3% merit increase negotiated by the union had not yet been incorporated into the salary figures.**

During Step 4, the County coordinates with the applicable labor unions for concurrence and submits the recommended changes to the County Board of Supervisors for final approval.

Memorandum

Below is a summary of the **five-step** process:

Step 1: Study Initiation

- A kickoff meeting with County Human Resource Services (HRS) Classification & Compensation, OCERS HR, and Subject Matter Experts.
- Establish timelines, methodology, and process expectations.
- Identify and assign employees and supervisors to complete Position Description Questionnaires (PDQs).

Step 2: Job Analysis

- Review the completed PDQs.
- Evaluate classification structure and staffing levels.
- Review historical and current data related to vacancy rates, retention, and recruitment trends.
- Develop proposed updates to class specifications and classification structure.

Step 3: Market Study

- Researching comparable public agencies to identify appropriate benchmarks.
- Reviewing pay ranges, premium pays, and MOU-approved increases.
- Summarizing market and recruitment data to propose updated compensation recommendations.

Step 4: Recommendation & Approval – Board of Supervisors consideration anticipated *September 29, 2026*

- Submit final class specifications, market study findings, and cost impacts to OCERS for review.
- Coordinate with labor organizations for concurrence.
- Present recommended changes to the Board of Supervisors for approval.

Step 5: Communication & Implementation

- Finalize class specifications, pay ranges, and position changes.
- Communication of approved changes to impacted employees.
- Assist departments throughout the implementation process.

The County of Orange Classification and Compensation Manager will provide a verbal status update to the Personnel Committee. Staff plans to share the estimated cost impact with the Committee when the updated salary figures are available. Although this information will be finalized after preparation of this report, staff anticipate providing it on or before the August 31, 2026, Personnel Committee meeting.

Memorandum

Attachments

1. Classification Maintenance Study Update Presentation

Submitted by:

CH - Approved

Cynthia Hockless
Director of Human Resources

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

Classification Maintenance Study

Background, First Review Group, and the Five-Step Study Process

Cynthia Hockless
Director of Human Resources, OCERS

Nicole Cove
Classification and Compensation Manager, County of Orange

Classification Maintenance Study

Background and Study Population

Where We Started

Orange County Human Resource Services conducted a Classification Maintenance Study of the 77 County employees assigned to OCERS. Gallagher previously reviewed all classifications; those identified as potentially below-market were grouped for a first-priority review.

Who Is in the First Review Group — 8 Classifications

Classification	Employees
1. Retirement Benefits Technician	**4**
2. Retirement Program Specialist	**21**
3. Senior Retirement Program Specialist	**7**
4. Retirement Benefits Program Supervisor	**6**
5. Disability Retirement Investigator	**3**
6. Office Technician	**3**
7. Office Specialist	**2**
8. Accounting Technician	**6**
Total in first review group	**52**

52 employees · 68%

of the 77 County employees at OCERS are in the first review group.

25 employees · 32%

for the other 16 classifications, Gallagher's review found no indication of below-market pay. **As a next step, job titling will be examined by the County, though working titles are recommended.**

Classification Maintenance Study

The Five-Step Study Process

The Five-Step Study Process

1. **Study Initiation**
   Kick off meeting with HRS Class/Comp, OCERS HR, and subject matter experts. Assign PDQs. ✓

2. **Job Analysis**
   Review completed PDQs. ✓

3. **Market Study**
   Compare job duties and pay rates with those of surrounding public agencies. ✓

4. **Recommendation & Approval**
   Submit class specs, market report, and financial impacts. Meet with OCERS Leaders, Union concurrence, and **Board of Supervisors approval on Sept 29.**

5. **Communication & Implementation**
   Process updated class specs and pay documents; departments notify impacted employees.

Steps 1–3 complete · Step 4 in progress · Board of Supervisors September 2026 · Effective October 2, 2026

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: August 31, 2026

TO: Members of the Personnel Committee

FROM: Cynthia Hockless, Director of Human Resources

SUBJECT: **UPDATE ON THE OCERS DIRECT COMPENSATION STUDY**

WRITTEN REPORT

Background/Discussion

The OCERS Compensation Policy requires the CEO to ensure that Board-approved salary ranges are reviewed at least every three years to maintain market competitiveness and to promptly report the results of each review to the Board. As previously reported to the Personnel Committee at its February 17, 2026, meeting, a comprehensive OCERS Direct Compensation Study was deemed appropriate to ensure alignment with market conditions. An RFP for an HR Consultant was released on March 6, 2026, to initiate the study.

RFP Update

OCERS received **six (6) bids** in response to the RFP by the submission deadline. The following vendors submitted proposals:

- Gallagher Benefit Services
- Korn Ferry
- MGT Impact Solutions, LLC
- Salary Survey Research Institute
- Bolton & Company
- Segal

Consultant Selection Update

Staff evaluated all six proposals, selected four finalists, and conducted interviews. The finalists then completed a supplemental questionnaire to confirm their ability to assess total compensation for both investment and operations staff. Staff held a second interview with one of the top-ranked consultants to finalize the selection, and the contract is expected to be awarded during the week of **August 24, 2026.**

Next Steps

- **Contract Award:** Staff anticipates selecting a consultant and awarding the contract during the week of **August 24, 2026.**
- **Study Launch:** The Direct Compensation Study is anticipated to begin the week of **September 1, 2026**.
- **Job Descriptions:** OCERS will provide the selected consultant with current job descriptions to support the study.

Staff will continue to provide the Personnel Committee with updates throughout the process.

Attachment:

1. OCERS Direct Compensation Schedule

Submitted by:

CH - Approved

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Cynthia Hockless
Director of Human Resources

OCERS Direct Compensation Study – RFP Timeline

Release of RFP	March 6, 2026
RFP Questions Deadline	March 20, 2026
RFP Answers Posted	March 27, 2026
RFP Submission Deadline	April 17, 2026
OCERS Review of RFP Submissions	May 1, 2026
Selection of Finalists	May 8, 2026
Finalists Interviews	Week of May 26
2nd Interview with Korn Ferry	August 17, 2026
Contract Award	Week of August 24, 2026
Work Begins	September 1, 2026
Next Steps	OCERS to Provide Job Descriptions

Completed Upcoming

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: August 31, 2026

TO: Members of the Personnel Committee

FROM: Mark Adviento, Director of Employer Services and Quality Assurance; Will Tsao, Assistant CEO, External Operations

SUBJECT: **EMPLOYER DATA PARTNERSHIP PROJECT UPDATE**

Background

This memo closes out the Employer Data Partnership Project (formerly the Employer Data Project).

Over the past two years, OCERS staff worked with plan employers to improve the completeness, accuracy, and timeliness of payroll and member data. The project has met its primary goals. Employers now report pensionable paid time off (PTO), specifically vacation and holiday compensation, in a substantially standardized and consistent manner. This supports Vision 2030 and future automated benefit calculations. The project also produced the Employer Data Policy, which the Board adopted on May 18, 2026. This memo summarizes the project deliverables, highlights employer data readiness, and describes how the project's deliverables have been incorporated into normal ongoing operations.

Tools and Training

The project delivered some lasting improvements. Staff published the Employer Handbook as the shared technical reference for payroll reporting. In addition, staff built and rolled out enhanced payroll exception reports so employers can spot and fix reporting issues early in the process. Staff also completed a series of virtual employer training sessions and used them as models for later meetings. Together, these tools moved every employer to more accurate and complete data reporting.

Employer Data Policy Adopted

A major project milestone was the Employer Data Policy. Staff developed the policy with the Governance Committee across multiple meetings and shared it with employers and County Counsel. The Governance Committee reviewed the final policy and recommended it for adoption, and the Board adopted it on May 18, 2026. This policy put OCERS' employer data reporting expectations into a formal governance framework for the first time. In addition, it codifies existing reporting requirements under CERL and PEPRA, sets a quarterly review method with cure windows before any fee applies, gives employers appeal rights to the Board, and delays any fees until 2028. Employer data expectations are now clear and consistent going forward.

The Employer Handbook, the exception reports, and the standardized reporting practices are now in place and will continue to be used as normal business tools.

Employer Coordination

Throughout the project, staff met with employers many times to work through the differences in their payroll systems and the differing levels of payroll staffing and experience across employers. Some employers needed more support than others, and staff adjusted the number and depth of meetings to fit each one. The goal was to bring everyone to the more uniform reporting needed for the new Pension Administration System (PAS). These efforts were supported by weekly internal Employer Data Partnership meetings throughout the project.

Employer Data Readiness for Automation

Staff tracked each employer's progress on key payroll data needed to support automated benefit calculations, focusing on two areas of pensionable PTO: vacation leave and holiday compensation.

Significant progress has been made in standardizing the reporting of these data elements, establishing the foundation needed to support future automation under the Pension Administration System (PAS).

OCERS is coordinating with IT to migrate historical holiday compensation data collected from employers as part of the project into V3, our current pension administrative system. Once combined with the holiday compensation data now reported through payroll transmittals, this information is expected to significantly reduce or eliminate the need for members to provide timesheets and paystubs in support of benefit calculations.

The Employer Data Partnership Project is now closed, and its deliverables have been incorporated into normal ongoing operations.

Attachment.

Submitted by:

MA-Approved

Mark Adviento
Director of Employer Services and Quality Assurance

WT-Approved

Will Tsao
Asst CEO, External Operations