

Orange County Employees Retirement System
2223 East Wellington Avenue | Santa Ana | 92701

2019 BUSINESS PLAN



MISSION, VISION AND VALUES

MISSION STATEMENT:

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

VISION STATEMENT:

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

VALUES:

- **O**pen and Transparent
- **C**ommitment to Superior Service
- **E**ngaged and Dedicated Workforce
- **R**eliable and Accurate
- **S**ecure and Sustainable

2019-2021 STRATEGIC GOALS

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management

FUND SUSTAINABILITY

GOAL: STRENGTHEN THE LONG-TERM STABILITY OF THE PENSION FUND

Business Plan Initiatives

Objective: Mitigate the Risk of Significant Investment Loss
Executive Lead – Molly Murphy

1. Fund the Risk Mitigating asset class
2. Explore and evaluate investment/risk management systems

Objective: Develop procedures for new employers entering the system
Executive Leads – Gina Ratto

1. Create an Administrative Procedure
2. Create a worksheet for staff's use in evaluating new plan sponsors
3. Create a new template for Participation Agreement with plan sponsors

Objective: Employ a Governance Structure that Supports a Dynamic Investment Program
Executive Lead – Molly Murphy

1. Evaluate governance best practices (year two)

Objective: Prudent Use of Resources
Executive Leads – Molly Murphy;

1. Investigate actionable items to reduce fees in the future

EXCELLENT SERVICE AND SUPPORT

GOAL: ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND PLAN SPONSORS

Business Plan Initiatives

Objective: Provide Accurate and Timely Benefits
Executive Leads – Suzanne Jenike; Gina Ratto

1. Develop and communicate OCERS Administrative Procedures on Final Average Salary (year two)
2. Streamline the initial disability determination process by implementing; (year two)
 - a. LEAN action items
 - b. Application packets
3. Update and create desk manuals and procedures for staff (year two)
4. Improve customer service standards by enhancing V3 workflows, monitoring and reporting

Objective: Provide Education to our Members and Plan Sponsors
Executive Lead – Suzanne Jenike

1. Web site redesign (year three)

2. Enhance participation in Plan Sponsors' New Employee Orientation
3. Create white board videos that will provide education to members and stakeholders about OCERS benefits

RISK MANAGEMENT

GOAL: CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Business Plan Initiatives

Objective: Provide System and Data Security and a Robust Business Continuity Solution

Executive Leads – Brenda Shott, Matt Eakin & Jenny Sadoski

1. Select Cyber Security Framework and develop implementation plan for best practice controls
2. Continuously assess current Information Security environment and address identified risks:
 - a. Perform third party penetration test of OCERS network
 - b. Perform third party penetration test of new OCERS web site
 - c. Review and enhance information security training for new hires and all staff
 - d. Develop incident response and management program
 - e. Develop OCERS data map, data classification structure and data exchange flows and identify associated risks
 - f. Evaluate risks associated with external third party IT business partners

3. Implement tools to mitigate the risk of data or financial loss or information disclosure:
 - a. Implement enhanced Email Security protections and features
 - b. Implement Managed Security / Managed Detection & Response services
 - c. Implement continuous vulnerability assessment and remediation program
 - d. Implement automated hardware and software inventory tool
 - e. Implement security patch management solution

4. Continue development of the Business Continuity Plan:
 - a. Establish alternate work space / work site plan
 - b. Develop manual workaround and alternate procedure plans

Objective: Implement Operational Risk Management Program
Executive Lead – Brenda Shott

1. Continue to implement the Operational Risk Management Program

Objective: Ensure a Safe and Secure Workplace and Public Service Facility
Executive Lead – Brenda Shott

1. Plan and implement building security upgrades and space management projects (year two)

TALENT MANAGEMENT

GOAL: RECRUIT, RETAIN AND INSPIRE A HIGH-PERFORMING WORKFORCE

Business Plan Initiatives

Objective: Recruit and Retain a High-Performing Workforce to Meet Organizational Priorities
Executive Lead – Cynthia Hockless

1. Enhance onboarding and transitioning of new hires into the organization
 - a. Evaluation of newly implemented onboarding process
2. Implement recommendations from workforce analysis (year two)

Objective: Develop and empower every member of the team
Executive Lead – Steve Delaney

1. Implement a comprehensive training program covering OCERS policies, processes and procedures (year two)
2. Recognize individual needs and career goals within OCERS (year two)
3. Create succession plans across the agency (year two)

Objective: Cultivate a Collaborative, Inclusive and Creative Culture
Executive Lead – Steve Delaney

1. Foster OCERS culture of engagement and continuous improvement (year two)

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
www.ocers.org



OCERS 2019 Business Initiatives Budget Impact Estimates

Strategic Plan Goal:	Strengthen the Long-Term Stability of the Pension Fund		
Objective:	Mitigate the Risk of Significant Investment Loss	Coordinator: Molly Murphy	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Fund the Risk Mitigating asset class		
Initiative #2:	Explore and evaluate investment/risk management systems		
Objective:	Develop procedures for new employers entering the system	Coordinator: Gina Ratto	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Create Administrative Procedure		
Initiative #2:	Create a worksheet for staff's use in evaluating new plan sponsors		
Initiative #3:	Create new template for Participation Agreement with plan sponsors		
Objective:	Employ a Governance Structure that Supports a Dynamic Investment Program	Coordinator: Molly Murphy	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Evaluate governance best practices (year two)		
Objective:	Prudent Use of Resources	Coordinator: Molly Murphy	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Investigate actionable items to reduce fees in the future		
Budget Impact	FUND SUSTAINABILITY 2019 BUSINESS INITIATIVES	\$ -	\$ -



OCERS 2019 Business Initiatives Budget Impact Estimates

Strategic Plan Goal:	Achieve Excellence in the Service and Support We Provide To Our Members and Plan Sponsors		
Objective:	Provide Accurate and Timely Benefits	Coordinators: Suzanne Jenike, Gina Ratto	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative #1:	Develop and communicate OCERS Administrative Procedures on Final Average Salary (year two)		
Initiative #2:	Streamline the initial disability determination process by implementing LEAN action items and application packets (year two)		
Initiative #3:	Update and create desk manuals and procedures (year two)		
Initiative #4:	Improve customer service standards by enhancing V3 workflows, monitoring and reporting	\$ 100,000	
Objective:	Provide Education to our Members and Plan Sponsors	Coordinator: Suzanne Jenike	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative #1:	Web site redesign (year three - budget dollars are a roll over from 2018)	\$ 175,000	
Initiative #2:	Enhance participation in Plan Sponsors' New Employee Orientation		
Initiative #3:	Create white board videos that will provide education to members and stakeholders about OCERS benefits	50,000	
Budget Impact	EXCELLENT SERVICE AND SUPPORT 2019 BUSINESS INITIATIVES	\$ 325,000	\$ -

OCERS 2019 Business Initiatives Budget Impact Estimates

Strategic Plan Goal:	Cultivate a Risk-Intelligent Organization		
Objective:	Provide System and Data Security and a Robust Business Continuity Solution	Coordinator: Brenda Shott, Matt Eakin & Jenny Sadoski	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Select Cyber Security Framework and develop implementation plan for best practice controls		
Initiative #2:	Continuously assess current Information Security environment and address identified risks		
	a. Perform 3rd party penetration test of OCERS networks	\$ 50,000	
	b. Perform 3rd party penetration test of new OCERS website	\$ 50,000	
	c. Review and enhance information security training for new hires and all staff		\$ 7,000
	d. Develop incident response and management program		
	e. Develop OCERS data map, data classification structure and data exchange flows and identify associated risks	\$ 25,000	
	f. Evaluate risks associated with external 3rd party IT business partners		\$ 35,000
Initiative #3:	Implement tools to mitigate the risk of data or financial loss or information disclosure		
	a. Implement enhanced Email security protections and features		\$ 35,000
	b. Implement Managed Security/Managed Detection and Response services		\$ 100,000
	c. Implement continuous vulnerability assessment and remediation program		\$ 50,000
	d. Implement automated hardware and software inventory tool		\$ 25,000
	e. Implement security patch management solution		\$ 50,000
Initiative #4	Continue development of the Business Continuity Plan		
	a. Establish alternate work space/work site plan		\$ 30,000
	b. Develop manual workaround and alternate procedure plans		
Objective:	Implement Operational Risk Management Program	Coordinator: Brenda Shott	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Continue to implement the Operational Risk Management Program		
Objective:	Ensure a Safe and Secure Workplace and Public Service Facility	Coordinator: Brenda Shott	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Plan and implement building security upgrades and space management projects (year two)	\$ 370,000	TBD
Budget Impact	RISK MANAGEMENT 2019 BUSINESS INITIATIVES	\$ 495,000	\$ 332,000



OCERS 2019 Business Initiatives Budget Impact Estimates

Strategic Plan Goal:	Recruit, Retain and Inspire a High-Performing Workforce		
Objective:	Recruit and Retain a High-Performing Workforce to Meet Organizational Priorities	Coordinator: Cynthia Hockless	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Enhance onboarding and transitioning of new hires into the organization		
Initiative #2:	Implement recommendations from workforce analysis (year two)		
Objective:	Develop and Empower Every Member of the Team	Coordinator: Steve Delaney	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Implement a comprehensive training program covering OCERS policies, processes and procedures (year two) (note: ongoing cost for Training Manager will be offset by unfunding an Accounting position)	\$ 25,000	\$ 135,000
Initiative #2:	Recognize individual needs and career goals within OCERS (year two)		
Initiative #3:	Create succession plans across the agency (year two)		
Objective:	Cultivate a Collaborative, Inclusive and Creative Culture	Coordinator: Steve Delaney	
		Budget Impact: one time costs	Budget Impact: on-going costs
Initiative: #1:	Foster OCERS culture of engagement and continuous improvement (year two)		
Budget Impact	TALENT MANAGEMENT 2018 BUSINESS INITIATIVES	\$ 25,000	\$ 135,000