

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

2024 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.

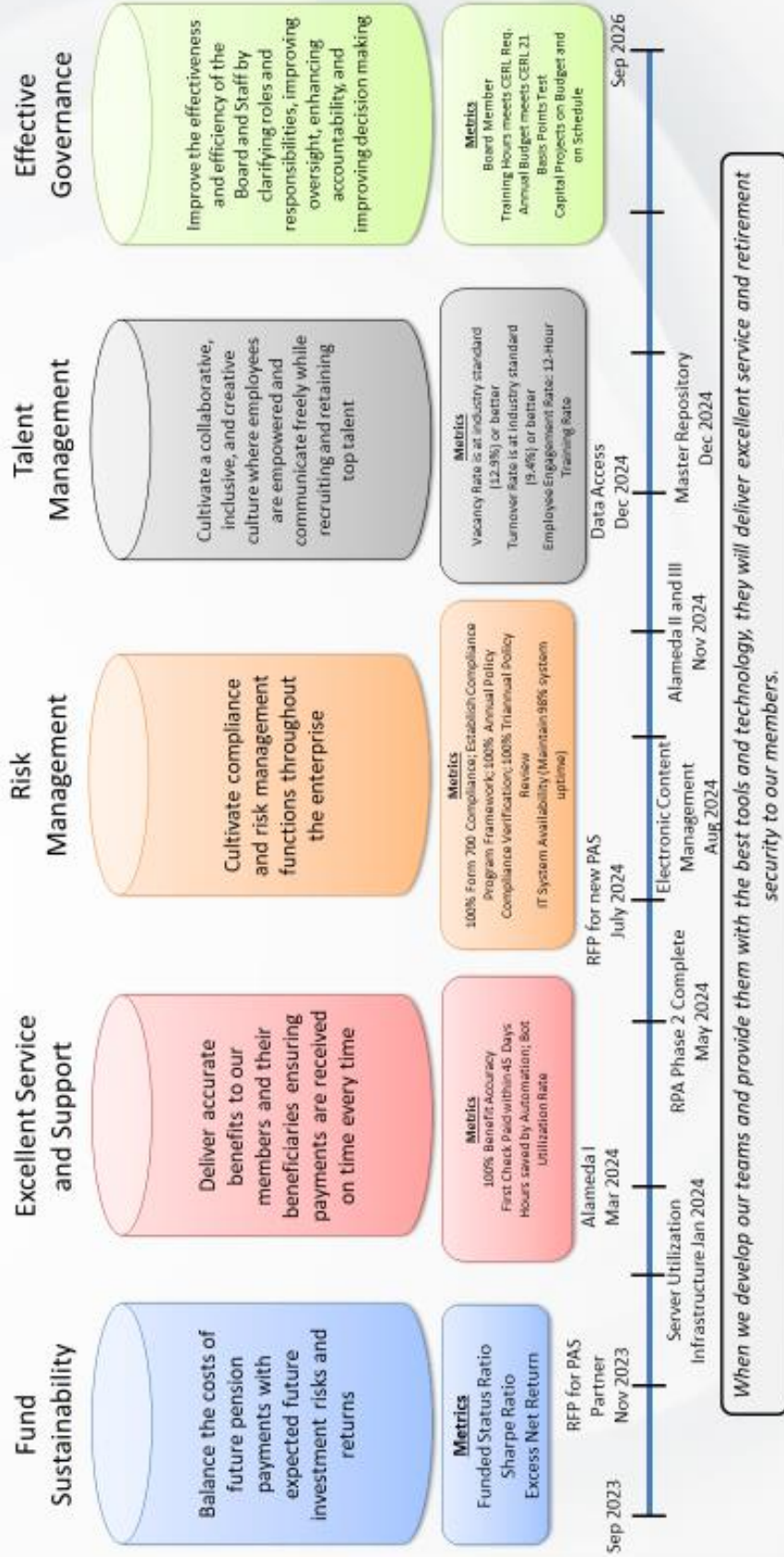
VALUES:

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

2024-2026 STRATEGIC GOALS

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

OCCERS STRATEGIC ROADMAP



When we develop our teams and provide them with the best tools and technology, they will deliver excellent service and retirement security to our members.

FUND SUSTAINABILITY

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

Performance Metric: Funded Status Ratio greater than 100%

Performance Metric: Sharpe Ratio above the peer median

Performance Metric: Excess net return over Actuarial Expected Return

Executive Lead – Molly Murphy

Objective 1: Achieve Fully Funded Status

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

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

Objective 2: Achieve a Risk-Adjusted Return above the Peer median over a trailing 10-Year period

Initiative 2A: Utilize consultants, custodians, technology solutions, and risk management tools to monitor and simulate portfolio risks to aid in the design and execution of risk-aware investment strategies.

Objective 3: Achieve the OCERS' Actuarial Expected Rate of Return over a trailing 10-Year period

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

EXCELLENT SERVICE AND SUPPORT

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

Performance Metric: 100% Benefit Accuracy Rate

Performance Metric: First Check Paid within 45 Days

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

Executive Lead – Suzanne Jenike

Objective 1: Provide world-class Service and Support to our Employers, Members, and Payees

Initiative 1A: Finalize a dedicated call center (\$20,000)

Initiative 1B: Provide retirement and benefits education and resources.

- Transition critical member and employer forms to electronic format
- Investigate using digital signatures for member forms
- Create educational videos for our members for viewing on our website

Initiative 1C: Continue implementation of the Alameda decision. (\$541,000)

Objective 2: Continuously improve Business Processes and Procedures to be efficient and effective

Initiative 2A: Work with the County regarding the data requirements needed to automate the reporting of data through their payroll system.

Initiative 2B: Continue preparation work for the next generation Pension Administration System.

- Continue to develop a master repository for procedures and business process documents (\$650,000)
- Issue an RFP for a new Pension Administration System (TBD)
- Implement V3 data validation and clean-up procedures

Initiative 2C: Continue the investigation and implementation of Intelligent Automation initiatives.

- Implement an Electronic Content and Document Management System (\$250,000)
- Continue implementing Robotic Process Automation use cases: Phase 2 (\$650,000)

RISK MANAGEMENT

CULTIVATE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS THROUGHOUT THE ENTERPRISE

Performance Metric: 100% Form 700 Compliance

Establish Compliance Program Framework (achieve 100% in next 2 years)

100% Annual Policy Compliance Verification

100% Triennial Policy Review

Performance Metric: IT System Availability (Maintain 98% system uptime)

Executive Lead – Brenda Shott

Objective 1: Reduce Risk by identifying gaps through Compliance Audits

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

- Incorporate the Operational Risk Management Program into the new agency-wide Compliance Program

Initiative 1B: Develop Risk Management Performance Metrics.

Objective 2: Provide Information Systems that support the Agency's Administrative and Operational Needs

Initiative 2A: Replace end-of-life Server Virtualization platform. (\$50,000)

Initiative 2B: Investigate and upgrade systems to support intelligent automation.

Objective 3: Provide a Safe and Secure Workspace and Public Service Facility

Initiative 3A: Design and build a replacement OCERS headquarters facility.

TALENT MANAGEMENT

CULTIVATE A COLLABORATIVE, INCLUSIVE, AND CREATIVE CULTURE WHERE EMPLOYEES ARE EMPOWERED AND COMMUNICATE FREELY WHILE RECRUITING AND RETAINING TOP TALENT

Performance Metric: Vacancy Rate is at industry standard (12.9%) or better

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

Performance Metric: Employee Engagement Rate 12-Hour Training Rate

Executive Lead – Steve Delaney

Objective 1: Recruit and Retain a Diverse High-Performing Workforce to meet Organizational Priorities

Initiative 1A: Pursue moving the workforce to be 100% employed by OCERS as a single agency.

- Continue the Classification and Compensation Study of the County positions at OCERS, in partnership with the County of Orange (\$45,000)
- Pursue legislation at start of 2025 to allow 100% OCERS direct workforce

Initiative 1B: Develop a long-range Agency-wide staffing plan.

- Prepare Department organization charts indicating additional positions to be recommended and address backfilling positions to dedicate Subject Matter Experts to the next-generation Pension Administration System project
- Revamp the Careers webpage on the OCERS website

Objective 2: Develop and Empower Every Member of the Team

Initiative 2A: Continue implementation of a Comprehensive Training

Program. (TBD)

- Creation of microlearning videos
- Continue development of specialized, personal, cross-department, and mid-level leaders training programs
- Creation of a pre-employment test

Objective 3: Cultivate a Collaborative, Inclusive and Creative Culture

Initiative 3A: Continue to implement diversity, equity, and inclusion (DEI) strategies that promote an inclusive workplace. (\$30,000)

Initiative 3B: Enhance mental health awareness.

- Expand onsite mental health awareness resources

EFFECTIVE GOVERNANCE

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

Performance Metric: Board Member Training Hours Meets CERL Requirements (24 hours every 2 years)

Performance Metric: Annual Budget meets CERL 21 Basis Point Test

Performance Metric: Capital Projects on Budget and on Schedule

Executive Lead – Manuel Serpa

Objective 1: Employ a Governance Structure that supports a Dynamic System

Initiative 1A: Update and digitize the Board Handbook and resources.

Initiative 1B: Create a governance policy for Artificial Intelligence.

Objective 2: Stay Within the Statutory Limit of the CERL 21 Basis Points Test

Initiative 2A: Continue to monitor and report the basis point test through the budget process.

Objective 3: Continue the build out of the Enterprise Project Management Office

Initiative 3A: Continue implementation of A3 Thinking.

Initiative 3B: Ensure Enterprise-wide projects are allocated as Work-In-Progress (WIP) properly and prioritized as appropriate.



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www.ocers.org