

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

2024-2026 STRATEGIC 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:

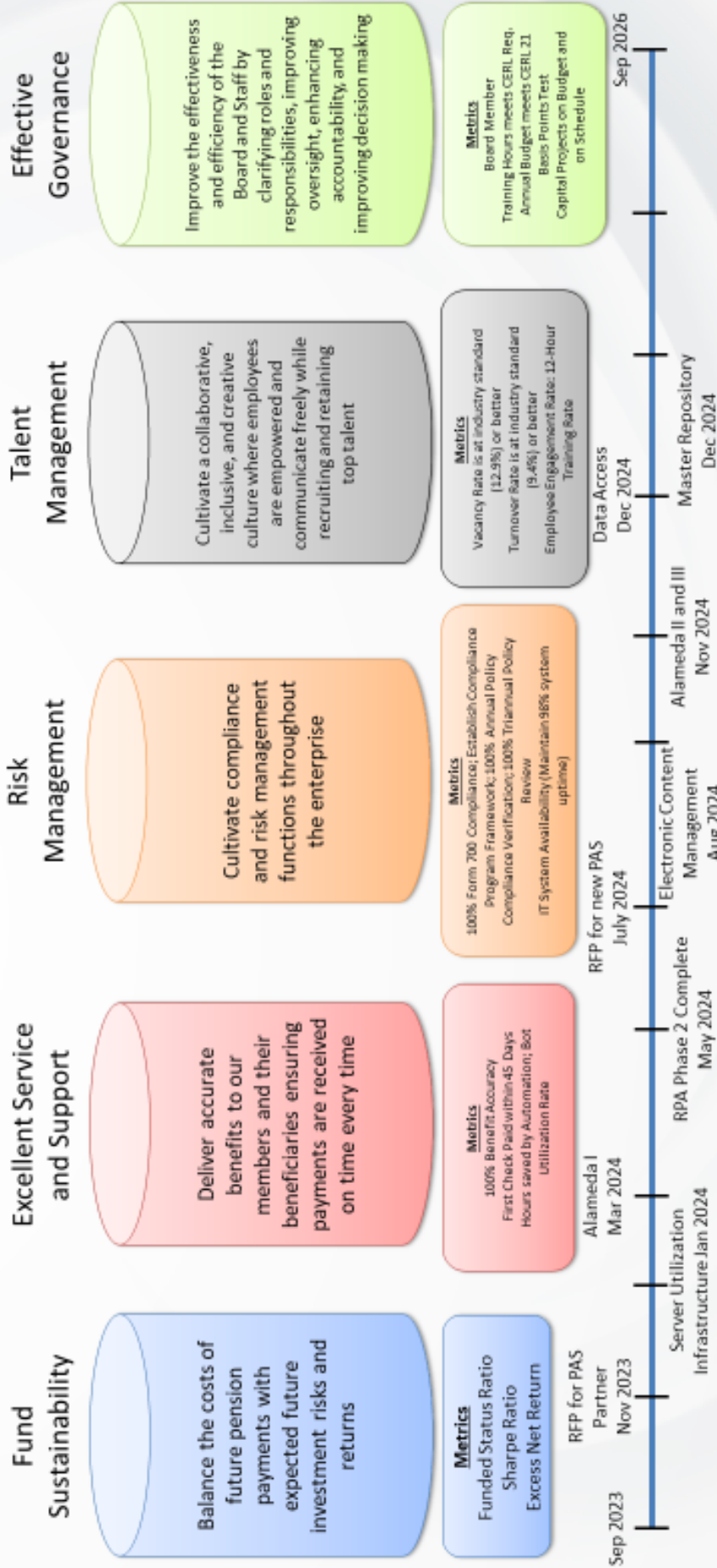
- **O**pen and Transparent
- **C**ommitment to Superior Service
- **E**ngaged and Dedicated Workforce
- **R**eliable and Accurate
- **S**ecure and Sustainable

STRATEGIC PLAN

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% (ongoing)

Performance Metric: Sharpe Ratio above the peer median (ongoing)

Performance Metric: Excess net return over Actuarial Expected Return (ongoing)

Objective 1: Achieve Fully Funded Status.

Objective 2: Achieve a Risk-Adjusted Return above the peer median over a trailing 10-year period.

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

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)

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

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

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)

Objective 1: Reduce Risk by identifying gaps through Compliance Audit Findings.

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

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

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

Objective 2: Develop and Empower Every Member of the Team.

Objective 3: Cultivate a Collaborative, Inclusive and Creative Culture.

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 Points Test

Performance Metric: Capital Project on Budget and on Schedule

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

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

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

LOOKING AHEAD 5-10 YEARS

Objective A: Investment best practices as fund approaches \$35 billion

- Address by developing investment technology and team resources needed to manage the anticipated Portfolio (*Molly Murphy*)

Objective B: Short Term (Next 5 Years) - Preparing for the new pension administration system

- Address by determining how to maximize current pension administration system while determining level of next generation technology, including Artificial Intelligence (AI) capabilities to be added to new system (*Suzanne Jenike*)

Objective C: Short Term (Next 5 Years) – Multi-Factor Authentication for Member and Employer Accounts (*Jenny Sadoski*)

Objective D: Long Term (Next 10 Years) – Use of Artificial Intelligence and Machine Learning to Detect Fraudulent Activity and Transactions (*Matt Eakin*)

Vision 2030 (As of September 2023)

Vision 2030 Timeline 2023

2021

- Data Options
- Outreach to Other Systems

2022

- Adopt AI Guidelines
- First RPA Bot created
- Probe use of Chat-GPT
- RFP: PAS Implementation Partner

2023

- Future Proof Modular PAS
- Natural Voice Use of Master Repository

2028

- AI Test Process

2022

- RFP: RPA Bots
- Test Initial RPA Use Cases
- Master Repository Begins
- Multi-Employer Zoom Call Begins

2024

- Test RPA Bots
- RFP for New PAS
- New PAS Begins Construction
- Continue Bot Creation

2027

- GO LIVE - New PAS
- AI Growth Capabilities
- Explore Machine Learning for MOU Application

2030

- Calculation of a pension benefit without human intervention begins



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ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
www.ocers.org