

## Purpose and Background

1. The purpose of the OCERS Planning Policy is to provide a framework for developing the strategic direction of OCERS and the creation of both a multi-year Strategic Plan and a one-year Business Plan that document the goals and objectives that underlie OCERS' strategic direction. In performing the planning process, the Board of Retirement recognizes its fiduciary responsibility to provide the prompt delivery of benefits to the OCERS membership while maintaining or reducing costs to plan sponsors and reducing the likelihood of unpredicted and wide swings in expenses.

## Policy Objectives

2. The objectives of the Planning Policy are to:
  - a. Ensure that OCERS actively and systematically plans for the future needs of the System;
  - b. Facilitate discussion and agreement between the Board and management on the strategic direction and business priorities of OCERS; and
  - c. Facilitate the communication of OCERS' Strategic Plan and Business Plan throughout the organization and the public.

## Policy Guidelines

### *Roles and Responsibilities*

3. The Board will be responsible for:
  - a. Participate with OCERS management to identify strategic risks, opportunities to mitigate strategic risks, and future needs of the System;
  - b. Establishing OCERS' strategic direction and priorities;
  - c. Approving the OCERS Strategic Plan and Business Plan and ensuring adequate resources are in place to support them; and
  - d. Monitoring the implementation of the Strategic Plan and Business Plan.
4. Management will be responsible for:
  - a. Identifying business risks, opportunities to mitigate business risks and future needs of the System;
  - b. Identifying and prioritizing business initiatives and the processes and resources necessary to achieve these initiatives;
  - c. Drafting the Strategic Plan and Business Plan for the Board's consideration and approval;
  - d. Implementing the Strategic Plan and Business Plan.

## OCERS Board Policy Planning Policy

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5. Service providers and experts, such as the actuary and investment consultants, may be called upon to provide input to the Board and management regarding the identification of strategic and business risks, opportunities for risk mitigation and future needs of the System.

### *Strategic Planning Workshop*

6. The Chief Executive Officer will organize and participate in the Strategic Planning process. An annual Strategic planning workshop will be held as a forum to educate and elicit the Board's views on current issues and proposed strategies.
7. The Chief Executive Officer will structure an agenda for the Strategic planning workshop to include the following topics, at a minimum:
  - a. The progress made in implementing the current year's Business Plan;
  - b. The continued appropriateness of OCERS' strategic direction as outlined in the Strategic Plan, which will include a consideration of the following issues:
    - i. The needs currently served by OCERS;
    - ii. The services OCERS offers; and
    - iii. The level of excellence OCERS strives to achieve.
  - c. Whether OCERS is well positioned and has the resources to fulfill its strategic direction as outlined in the Strategic Plan
  - d. Proposed initiatives to be undertaken in the coming 12-36 month period.
8. Upon the conclusion of the Strategic planning workshop, the Chief Executive Officer will summarize the Board's discussion and views on current issues and proposed strategies and agendize the written summary for Board approval at its next meeting.

### *Formulation of the Strategic Plan and Business Plan*

9. Following the Strategic planning workshop, the Chief Executive Officer will formulate a Strategic Plan which will include, at a minimum, recommended initiatives to be undertaken or continued, along with the necessary supporting information and planning parameters, such as:
  - a. Rationale for undertaking each initiative including financial and non-financial benefits, impact, and consequences of not undertaking the initiative;
  - b. Timelines for completion;
  - c. Assignment of responsibilities for implementation;
  - d. Budget impacts;
  - e. Criteria for assessing the success of each initiative; and
  - f. Provisions for reporting to the Board.
10. Additionally, OCERS management will formulate a Business Plan to provide detail as to how the Strategic Plan will be advanced in the coming calendar year.

## OCERS Board Policy Planning Policy

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11. The Chief Executive Officer will present the proposed Strategic Plan and Business Plan to the Board for approval. In approving the Plans, the Board will satisfy itself that the Plans are reasonable and support the mission of OCERS.
12. In order to ensure adequate resources to implement the initiatives within the Business Plan, the resources needed to implement each Business Plan initiative will be reflected in OCERS' budget. If the budgeted funds associated with a particular initiative fail to receive approval by the Board, the Business Plan will be amended accordingly.
13. Approval of the Business Plan represents an immediate commitment by the Board and management to accomplish the strategic goals and objectives set forth within approved parameters. Because of the long-term nature of a multi-year Strategic Plan, adjustments and corrections are more easily accommodated over time. Modification of the Business Plan should occur only when exceptional circumstances are present.
14. If management determines that changing circumstances will not allow it to meet a particular parameter or require that a new initiative be undertaken, the Board will be informed in a timely manner and the Strategic Plan and Business Plan will be adjusted accordingly.

### *Review of Strategic Plan and Business Plan Initiatives*

15. The Chief Executive Officer will provide the Board with a quarterly review and any recent activities or updates of each initiative in the Strategic Plan.
16. On a semi-annual basis the Chief Executive Officer will provide the Board with a review and any recent activities or updates of each initiative in the Business Plan.

### *Communications*

17. The Strategic Plan and Business Plan will be posted to OCERS' website and communicated to all OCERS staff and employers and to the public on a timely basis after Board approval.

### **Policy Review**

18. The Board will review this policy at least every three years to ensure that it remains relevant and appropriate.

### **Policy History**

19. The Board adopted this policy on February 19, 2002.
20. The policy was revised on May 16, 2005, April 16, 2007 and January 18, 2011, reviewed without changes on March 17, 2014 and revised on July 17, 2017 and April 20, 2020.



## OCERS Board Policy Planning Policy

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### Secretary's Certificate

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

A handwritten signature in blue ink that reads "Steve Delaney".

04/20/2020

Steve Delaney  
Secretary of the Board

Date