

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

REGULAR MEETING  
Monday, April 15, 2019  
9:00 A.M.

AGENDA

The Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board of Retirement may take action on any item included in the following agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Board of Retirement may consider matters included on the agenda in any order, and not necessarily in the order listed.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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 Board; and (2) any matter appearing on the Consent Agenda. **Persons wishing to provide public comment at this time should fill out a speaker card located near the middle of the room and deposit it in the Recording Secretary's inbox.** When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

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 Board Member requests separate action on a specific item.

**BENEFITS**

**C-1 OPTION 4 RETIREMENT ELECTION**

**Recommendation:** Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.

(1) None

**ADMINISTRATION**

## C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes	March 18, 2019
Special Meeting	March 28, 2019

**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 Board's discussion of the item. **Persons wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the room 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 FEBRUARY 19, 2019 REGULAR BOARD MEETING MINUTES

*Presentation by Steve Delaney, CEO, OCERS*

**Recommendation:** (1) Rescind the Board's action on March 18, 2019 approving the February 19, 2019 Regular Board Meeting minutes; and (2) approve the February 19, 2019 Regular Board Meeting minutes as amended.

#### A-3 SACRS BOARD OF DIRECTORS ELECTION 2019-2020 – DIRECTION TO OCERS' VOTING DELEGATE

*Presentation by Gina Ratto, General Counsel, OCERS*

**Recommendation:** Consider the SACRS Nominating Committee's recommended slate of candidates and the list of additional candidates interested in running for the election of SACRS Directors; and give direction to OCERS' Voting Delegate and Alternate Delegates for the SACRS Board of Directors election to be held at the SACRS meeting on May 10, 2019.

## INFORMATION ITEMS

### I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices	April 15, 2019
Death Notices	April 15, 2019

### I-2 COMMITTEE MEETING MINUTES

- Audit Minutes - February 7, 2019

**I-3 CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN**

Written Report

**I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**

Written Report

**I-5 LEGISLATIVE UPDATE**

Written Report

**I-6 FIRST QUARTER 2019 EDUCATION AND TRAVEL EXPENSE REPORT**

Written Report

**I-7 BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN EXERCISE EXECUTIVE SUMMARY**

Written Report

**I-8 GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

Written Report

**I-9 BOARD COMMUNICATIONS**

Written Report

**I-10 REASONABLE ACCOMMODATION AND DISABILITY RETIREMENT TRAINING – COUNTY OF ORANGE AND OCERS COLLABORATION**

*Presentation by Azucena M. Coronel, CPDM, Manager, Integrated Disability and Absence Management, County Executive Office, Risk Management*

**I-11 ANNUAL CONFLICTS OF INTEREST EDUCATION**

*Presentation by Gina Ratto, General Counsel, OCERS and Harvey Leiderman, ReedSmith, LLP*

**\* \* \* \* \* END OF INFORMATION ITEMS AGENDA \* \* \* \* \***

**DISABILITY/MEMBER BENEFITS AGENDA**

**10:00 AM**

**NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO DISCUSS MATTERS RELATING TO THE MEMBER'S APPLICATION OR APPEAL, PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.**

**OPEN SESSION**

**CONSENT AGENDA**

All matters on the Consent Agenda are to be approved by one action unless a Board member requires separate action on a specific item. If separate action is requested, the item will be discussed during agenda item DA-1.

**DC-1: Maria Alarcon**

Senior Social Services Supervisor, Orange County Social Services Agency

**Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of August 4, 2017. (General Member)**

**DC-2: Herman Carter**

Equipment Parts Clerk, Orange County Transportation Authority

**Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of September 8, 2015. (General Member)**

**DC-3: Ronald Pluma**

Fire Apparatus Engineer, Orange County Fire Authority

**Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of June 8, 2018. (Safety Member)**

**DC-4: Julian Waites**

Coach Operator, Orange County Transportation Authority

**Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of November 26, 2017. Find the Applicant is capable of performing other duties in the service of the Orange County Transportation Authority pursuant to Government Code section 31725.65 and grant a supplemental disability retirement payment allowance in the amount of the salary difference between the higher and lower paying positions effective September 16, 2018, the date of the position change, until the day Mr. Waites wishes to retire from the new position. (General Member)**

**DC-5: Beth Weickum**

Radio Dispatcher, Orange County Sheriff's Department

**Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of November 10, 2017. (General Member)**

**DC-6: Donald Wendt**

Kennel Attendant I, Orange County Community Resources

**Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 29, 2010. (General Member)**

**CLOSED SESSION**  
**(Government Code sections 54957 and 54956.9)**

The Board will adjourn to Closed Session pursuant to Government Code sections 54957 or 54956.9 to discuss matters relating to member applications or appeals. The member may request that the discussion relating to his or her application or appeal take place in Open Session.

**ACTION ITEMS**

**DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**DISABILITY/MEMBER BENEFITS AGENDA**

**DA-2: DISABILITY APPEAL – LUISA FERNANDEZ-VASQUEZ**

Senior Social Worker, Orange County Social Services Agency

**Recommendation:** Staff recommends that the Board dismiss without prejudice the appeal by Luisa Fernandez-Vasquez of OCERS' denial of her application for service connected disability retirement pursuant to Rule 23 of OCERS Administrative Hearing Procedures (Version Adopted 2/19/2002).

**BOARD MEMBER COMMENTS**

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

**COUNSEL COMMENTS**

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**ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)**

**NOTICE OF NEXT MEETINGS**

**INVESTMENT COMMITTEE MEETING**  
**April 23, 2019**  
**9:00 A.M.**

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

**DISABILITY COMMITTEE MEETING**  
**May 2, 2019**  
**10:00 A.M.**

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

**REGULAR BOARD MEETING**  
**May 20, 2019**  
**9:00 A.M.**

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

*All supporting documentation is available for public review in the retirement office during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday and 8:00 a.m. – 4:30 p.m. on Friday.*

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](mailto: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.

C-2

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

**REGULAR MEETING  
Monday, March 18, 2019  
9:00 A.M.**

**Minutes**

Chair Packard called the meeting to order at 9:01 a.m.

Attendance was as follows:

Present: Chuck Packard, Chair; Roger Hilton, Vice-Chair; Chris Prevatt; Shawn Dewane; Frank Eley; Russell Baldwin, Shari Freidenrich, Wayne Lindholm; and Jeremy Vallone

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; David Kim, Director of Internal Audit; Brenda Shott, Assistant CEO, Internal Operations; Gina Ratto, General Counsel; Anthony Beltran, Visual Technician; Cammy Torres; Recording Secretary, and Nichol Forbes; Temporary Assistant Recording Secretary.

Guests: Julie Wyne; Harvey Leiderman

Absent: David Ball

*Mr. Dewane led the Pledge of Allegiance.*

**CONSENT AGENDA**

All matters on the Consent Agenda are to be approved by one action unless a Board Member requests separate action on a specific item.

A **motion** was made by Mr. Dewane, **seconded** by Mr. Lindholm, to approve the consent agenda.

Motion passed **unanimously**.

<b>BENEFITS</b>
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**C-1 OPTION 4 RETIREMENT ELECTION**

**Recommendation:** Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.



(1) Susan Schroeder

<b>ADMINISTRATION</b>
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**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

February 19, 2019

**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 Board's discussion of the item. **Persons wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the room 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 2019 STAR COLA FINAL APPROVAL**

*Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations, OCERS*

**Recommendation:** Approve payment of STAR COLA for the period April 1, 2019 through March 31, 2020.

Ms. Jenike presented the final approval for the 2019 STAR COLA to the Board.

A **motion** was made by Mr. Eley, **seconded** by Mr. Prevatt, to adopt the approved payment of STAR COLA for April 1, 2019 thru March 31, 2020.

Sara Ruckle-Harms, representing Retired Employees Association of Orange County (REAOC), reviewed the need for STAR COLA due to recent inflation. She asked the Board to grant the STAR COLA for an additional year.

Motion passed **unanimously** with Ms. Freidenrich absent.

The Board recessed for break at 9:41 a.m.

The Board reconvened from break at 10:00 a.m.

**A-3 GOVERNANCE COMMITTEE OUTCOMES FROM MARCH 1, 2019 MEETING**

*Presentation by Suzanne Jenike, Assistant CEO of External Operations, and Gina Ratto, General Counsel*

**Recommendation:** The Governance Committee recommends that the Board of Retirement:

- (1) Approve, after a second reading by the Committee, the following policies relating to the Master Final Average Salary Project as presented by staff:
  - a. Compensation Earnable Policy;
  - b. Pensionable Compensation Policy;
  - c. Retirement Enhancement Review Policy; and
  - d. Pay Item Review Policy;
- (2) Approve revisions to the Board of Retirement Charter, the Board Chair Charter, and the Board Vice-Chair Charter with changes by the Committee;
- (3) Approve revisions to the OCERS Rules of Parliamentary Procedure as presented by staff; and
- (4) Approve revisions to the CEO Charter with changes by the Committee.

### **Section 1**

Ms. Jenike presented the outcomes and recommendations of the Governance Committee meeting on March 1, 2019 under item A-3 section 1. Ms. Jenike discussed the policies for the Master Final Average Salary pay item project. She stated all policies have been distributed to the stakeholders, employers and major labor groups for input. The policies cover final average salary, retirement enhancement review, and pay item review, and constitute the final policies the Board will be presented with related to this project.

Mr. Delaney suggested that the Board discuss the policies and vote on Agenda Item A-3 recommendations in two parts: Section (1) first, followed by Sections (2), (3), and (4).

A **motion** was made by Mr. Dewane, **seconded** by Mr. Prevatt to:

- (1) Approve, following policies relating to the Master Final Average Salary Project as presented by staff:
  - a. Compensation Earnable Policy;
  - b. Pensionable Compensation Policy;
  - c. Retirement Enhancement Review Policy; and
  - d. Pay Item Review Policy

The motion passed **unanimously**.

Before moving to the next sections of Agenda Item A-3, Ms. Jenike provided an update to the Board regarding the Master Final Average Salary Project. She stated that good progress is being made with the employer list of pay items. Ms. Jenike stated that she is planning on bringing the final list with all pay items, all comments addressed, and all attributes recognized, before the Governance Committee in order to get the final list to the Board before the new fiscal year, July 1, 2019, for final approval. OCERS is currently using this process for approval on any new pay items requested by employers. Going forward, a reconciliation of any pay items that have been requested will be provided to the Board annually for any items without a dispute.

Chair Packard asked what the timeline for this list would be.

Ms. Jenike responded that she and Ms. Ratto plan to have the comprehensive list of pay items back to the Governance Committee by the beginning of May in hopes to have the final list presented to the Board in June. Ms. Jenike clarified that if there is a reason that that list cannot be ready by the June Regular Board Meeting, they will keep the Board updated.

### **Section 2**

Ms. Ratto discussed Section (2) under Item A-3. These revisions are to address the issues of timing and efficiency for elections for new committee member elections. The Governance Committee is proposing a revision that states, that since the Vice Chair, at the end of the year automatically ascends to the position of Chair, the person holding the appointment of Vice Chair as of the end of October of any given year, will be authorized to appoint the members of those committees and the Chairs and Vice Chairs of those committees for the next year. The Governance Committee also recommended a change to the Board Chair Charter to provide that the Chair's authority to appoint members to committees includes when a vacancy occurs during the year.

Also addressed in the charter modifications was the process to be used by the Chair and Vice Chair in addressing reports or complaints alleging that a Board Member has failed to comply with applicable law, board charters or policies. The Governance Committee has recommended revisions to the Board Chair Charter to specify that it will be the responsibility of the Board Chair to review any report or complaint that is received by OCERS that alleges that any member of the Board, other than the Board Chair, has failed to comply with the law, Board Charters, or Bylaws, or any policies of the Board and that it will be for the Board Chair to determine the appropriate course of action in response to such report after consulting with fiduciary counsel, internal legal counsel and the CEO.

When the complaint or the report is about the Chair, as opposed to any other member of the Board, the Governance Committee recommended an addition to the Vice Chair Charter to include the same responsibility on the part of Vice Chair to review the report or complaint and determine an appropriate course of action.

In addition, the Governance Committee approved a revision to the Board Charter to expressly include a duty on the part of Board Members to treat all persons of OCERS staff and all persons having business with OCERS with civility, courtesy, respect, and dignity and to include a provision stating that Board Members should also treat each other in the same manner.

A **motion** was made by Mr. Prevatt, **seconded** by Mr. Baldwin to:

- (2) Approve revisions to the Board of Retirement Charter, the Board Chair Charter, and the Board Vice-Chair Charter with changes recommended by the Governance Committee;

The Board proceeded to discuss the recommendations made by the Governance Committee and asked for clarifications.

Mr. Eley requested more detail as to the process of investigating complaints, with a timeline requirement.

Chair Packard suggested that this item go back to the Committee for additional work on a procedure of how to deal with appropriate course of action in response to reports and complaints by staff.

After further discussion by the Board, Mr. Prevatt clarified that the new process would allow for multiple situations to be addressed while working with fiduciary counsel, legal counsel and the CEO along-side the Chair which would keep everything in line with labor laws and regulations.

Additional discussion from the Board Members took place leading to a directive for further development from the staff.

Mr. Prevatt left the room at 10:49 a.m.

The motion passed **unanimously** with Mr. Prevatt absent.

### **Section 3**

Ms. Ratto discussed Revision of the OCERS Rule of Parliamentary Procedures. There was a concern with new committee members approving minutes of a meeting that took place before an individual took his/her place on the committee. Conforming to the provisions of Roberts Rules of Order, the committee recommended revising the procedure to expressly provide that each current member of a committee is authorized to approve the minutes of the meetings conducted prior to the trustee becoming a member of the committee.

Mr. Prevatt returned at 10:54 a.m.

Ms. Ratto stated that Mr. Leiderman has suggested a change of language, changing the word “approve” to “take action on” so that it allows for other action, than just approving the minutes, if they feel needed.

A **motion** was made by Mr. Baldwin, **seconded** by Mr. Hilton to:

- (3) Approve revisions to the OCERS Rules of Parliamentary Procedure as presented by staff, with the recommended language change from “approve” to “take action on.”

The motion passed **unanimously**.

#### **Section 4**

The Governance Committee recommended a substantive revision to the CEO Charter, granting authority to the CEO to act on matters in emergency situations, after the CEO has made reasonable attempts to contact the Chair and Vice Chair.

As an informational aside, Ms. Ratto noted that the CEO has now created charters for all his Senior Executives, including the Assistant CEOs which would allow the Assistant CEOs to act, in order of succession, in the absence of the CEO in an emergency situation.

A **motion** was made by Mr. Dewane, **seconded** by Mr. Hilton to:

- (4) Approve revisions to the CEO Charter with changes by the Committee.

Ms. Fridenrich questioned if the charter should specify which position would fill in when the CEO is out.

In response, Ms. Ratto stated that the CEO Charter specifies, in Section 2, under Leadership and Policy Analysis, page 76, that the CEO may delegate all duties to the Senior Management.

The motion passed **unanimously**.

The Board recessed for break at 11:07 a.m.

The Board reconvened from break at 11:20 a.m.

#### **A-4 APPROVAL OF PERSONNEL COMMITTEE CHARTER**

*Presentation by Steve Delaney, CEO, OCERS*

**Recommendation:** Approve the Personnel Committee Charter

Mr. Delaney presented a draft of the Personnel Committee Charter for approval. Board members on this committee are Mr. Prevatt, Mr. Hilton, and Mr. Lindholm.

Mr. Delaney stated that Mr. Hilton has suggested for the first page of the charter; item 3 under membership: instead of just stating that the committee is composed of three members, state that the committee will be composed of both appointed and elected members.

Mr. Hilton stated that under the Duties and Responsibilities, 2E should be changed to reflect: Oversee the compensation and benefits paid to all OCERS direct employees according to established compensation policies and procedures and within the approved Operating Budget.

A **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane, to approve the Personnel Committee Charter with suggested language changes.

The motion passed **unanimously**.

### **INFORMATION ITEMS**

**I-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices

March 19, 2019

Death Notices

March 19, 2019

**I-2 COMMITTEE MEETING MINUTES**

- None

**I-3 CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN**

Written Report

**I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**

Written Report

**I-5 LEGISLATIVE UPDATE**

Written Report

**I-6 FIRST QUARTER REVIEW OF OCERS 2019- 2021 STRATEGIC PLAN**

Written Report

**I-7 TRAVEL REPORT – PROFESSIONAL VISIT TO SFERS**

Written Report

**I-8 BOARD COMMUNICATIONS**

Written Report

**I-9 SONOMA BUSINESS CONTINUITY AND DISASTER RECOVERY**

*Presentation by Julie Wyne, CEO, Sonoma County Employees Retirement Association*

Ms. Julie Wyne, CEO of Sonoma County, discussed business continuity and disaster recovery after the 2018 wildfires.

Ms. Freidenrich arrived at 9:09 a.m.

Ms. Wyne went into detail about the Sonoma County wild-fires, the steps that were taken by the county for disaster recovery, what happened, and how their preparedness trainings were implemented. She discussed how their plans were challenged during a real life situation. She reviewed what, since the fires, they have changed and how the experience has helped them become better prepared.

**I-10 TRUSTEE EDUCATION OPPORTUNITIES**

*Presentation by Steve Delaney, CEO, OCERS*

Mr. Delaney presented Trustee Education Opportunities for SACRS, CALAPRS and Global Financial Markets Institute, Inc.

Mr. Baldwin, as a member of the CALAPRS Roundtable, asked for input on locations, attendance and topics from the Board Members. The Board discussed location options for future events.

**I-11 COALITION TO PRESERVE RETIREMENT SECURITY – CONFERENCE REPORT**

Written Report

**\* \* \* \* \* END OF INFORMATION ITEMS AGENDA \* \* \* \* \***

**DISABILITY/MEMBER BENEFITS AGENDA**

**10:00 AM**

**NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO DISCUSS MATTERS RELATING TO THE MEMBER'S APPLICATION OR APPEAL, PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.**

**OPEN SESSION**

**CONSENT AGENDA**

All matters on the Consent Agenda are to be approved by one action unless a Board member requires separate action on a specific item. If separate action is requested, the item will be discussed during agenda item DA-1.

A **motion** was made by Mr. Eley, **seconded** by Mr. Dewane, to approve the consent agenda.

Motion passed **unanimously**.

**DC-1: Cliff Bramlette**  
Battalion Chief, Orange County Fire Authority

Recommendation: Grant service connected disability retirement with an effective date of December 26, 2017. (Safety Member)

**DC-2: Brian Coney**  
Firefighter, Orange County Fire Authority

Recommendation Grant service connected disability retirement pursuant to Government Code section 31720.6 (Cancer Presumption) with an effective date of September 28, 2018. (Safety Member)

**DC-3: Michael Lopez**  
Supervising Juvenile Correctional Officer, Orange County Probation Department

Recommendation:  
Grant service connected disability retirement pursuant to Government Code section 31720.5 (Heart Presumption) with an effective date of December 23, 2016. (Safety Member)

**DC-4: Jessica Marriott**  
Coach Operator, Orange County Transportation Authority

Recommendation: Grant service connected disability retirement with an effective date to be determined administratively. (General Member)

**DC-5: Robert Moreno**  
Deputy Probation Officer, Orange County Probation Department

Recommendation: Grant service connected disability retirement with an effective date of September 12, 2018. (Safety Member)

**CLOSED SESSION**  
**(Government Code sections 54957 and 54956.9)**

The Board will adjourn to Closed Session pursuant to Government Code sections 54957 or 54956.9 to discuss matters relating to member applications or appeals. The member may request that the discussion relating to his or her application or appeal take place in Open Session.

**ACTION ITEMS**

**DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**DISABILITY/MEMBER BENEFITS AGENDA**

**DA-2: BENEFIT APPEAL – ANTHONY MANZO**

Firefighter, Orange County Fire Authority

**Recommendation:** Staff recommends that the Board approve and adopt the findings and recommendations of the Referee as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated February 6, 2019 (Recommendations), to uphold the Board's decision and grant service connected disability retirement with an effective date of February 27, 2017, and **deny** Applicant's request for an earlier effective date.

Ms. Megan Cortez presented the benefit appeal for Mr. Anthony Manzo.

A **motion** was made by Mr. Eley, **seconded** by Mr. Dewane, to approve and adopt the findings and recommendations of the Referee as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated February 6, 2019 (Recommendations), to uphold the Board's decision and grant service connected disability retirement with an effective date of February 27, 2017, and **deny** Applicant's request for an earlier effective date.

The motion passed **unanimously**.

The Board adjourned to closed session at 11:44 a.m.

#### **CLOSED SESSION ITEMS**

**E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1)) In re Vale S.A. Securities Litigation, U.S. District Court, Southern District of New York (Case No. 15 Civ. 9539 (GHW))**  
Adjourn to closed session pursuant to Government Code Section 54956.9(d)(1).

**Recommendation:** Take appropriate action.

**The Board retired to the back board room for closed session under GOVERNMENT CODE SECTION 54956.9(d)(1) In re Vale S.A. Securities Litigation, U.S. District Court, Southern District of New York (Case No. 15 Civ. 9539 (GHW))**

Mr. Lindholm, Mr. Dewane and Mr. Vallone left at 12:56 p.m.

The Board reconvened from closed session at 12:57 p.m.

Mr. Vallone returned at 12:58 p.m.

No reportable action taken.

#### **BOARD MEMBER COMMENTS**

N/A

#### **CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**



N/A

**COUNSEL COMMENTS**

N/A

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**ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)**

**Active Members**

Beglau, Lori  
Lopez, Frank  
Rojas Stone, Elsa

**Retired Members**

Andino, Tomas  
Andrus, Terry  
Applen, Mary  
Armes, Alfred  
Armitage, Laura  
Beau, Jack  
Belanger, Albert  
Blakebrough, Arden  
Blandin, Julianne  
Bodini, Hilma  
Bradley, Edgar  
Bragg, Robert  
Carpenter, Kenneth  
Crawford, Gerald  
Ewers, Norman  
Fitzpatrick, Francis  
Flagg, Florence  
Forth, Angelo  
Fortney, Don  
Foster, Charlotte  
Fox, Thomas  
Harrington, Mary  
Hook, Ronald  
Hunold, Marilyn  
Jacobs, John  
Kamp, Dorothy  
Kite, William  
Koskela, Mollie  
Lucas, Douglas  
Magness, Darlene  
Moore, Clarence  
Najmulski, Robert  
Perk, Steven  
Peterson, Charles

Rietkerk, Kenneth  
Robertson, Anne  
Smith, Charles  
Staton, Augustus  
Storlee, Douglas  
Story, Joel  
Stumph, Charles  
Thomson, Kathleen  
Trujillo, Michael  
Van Valkenburgh, Earl  
Ward, Sandra  
Wong, Kenneth

**Surviving Spouses**

Johnson, Sandra  
Paire, Joseph  
Petersen, Kathy  
Pizzi, Sam  
Staump, Emma  
Wack, Mary  
Williams, Lucy  
Wills Adams, Dorothy

Meeting adjourned at 1:00 p.m.

There being no further business to bring before the Board, the meeting adjourned at 1:00 p.m.

Submitted by:

Approved by:

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Steve Delaney  
Secretary to the Board

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Chuck E. Packard  
Chairman

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

**SPECIAL MEETING  
Thursday, March 28, 2019  
1:00 P.M. OR UPON ADJOURNMENT OF THE INVESTMENT MEETING, WHICHEVER IS LATER**

**AGENDA**

The Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board of Retirement may take action on any item included in the following agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Board of Retirement may consider matters included on the agenda in any order, and not necessarily in the order listed.

**MINUTES**

Chair Packard called the meeting to order at 1:02 p.m.

Attendance was as follows:

Present: Chuck Packard, Chair; Roger Hilton, Vice-Chair; David Ball; Chris Prevatt; Frank Eley; Shari Freidenrich, Wayne Lindholm, and Jeremy Vallone.

Also Present: Steve Delaney, Chief Executive Officer; Joe Fletcher, Staff Attorney; Javier Lara, Visual Technician; Cammy Torres; Recording Secretary and Nichol Forbes; Temporary Assistant Recording Secretary.

Absent: Russell Baldwin and Shawn Dewane

**OPEN SESSION**

**PUBLIC COMMENTS**

None

The Board adjourned to closed session at 1:03 p.m.

**CLOSED SESSION**

**E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED**

**Recommendation:** Take appropriate action.

***The Board adjourned into Closed session under GOVERNMENT CODE SECTION 54956.9(d)(1) In re Vale S.A. Securities Litigation, U.S. District Court, Southern District of New York (Case No. 15 Civ. 9539 (GHW)).***

**OPEN SESSION**

The Board reconvened in open session at 1:26 p.m.

**REPORT OF ACTION TAKEN IN CLOSED SESSION**

No reportable action taken.

**BOARD MEMBER COMMENTS**

None

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

None

**COUNSEL COMMENTS**

None

A **motion** was made by Mr. Eley, **seconded** by Mr. Lindholm to adjourn the meeting.

Motion passed **unanimously**.

Meeting adjourned at 1:27 p.m.

\*\*\*\*\*

**NOTICE OF NEXT MEETINGS**

**DISABILITY COMMITTEE MEETING**

**April 2, 2019**

**10:00 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**2223 E. WELLINGTON AVENUE, SUITE 100**

**SANTA ANA, CA 92701**

**REGULAR BOARD MEETING**

**April 15, 2019**

**9:00 A.M.**

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

*All supporting documentation is available for public review in the retirement office during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday and 8:00 a.m. – 4:30 p.m. on Friday.*

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](mailto: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.

A-2

## Memorandum

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**DATE:** April 15, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Suzanne Jenike, Assistant CEO, External Operations  
**SUBJECT:** FEBRUARY 19, 2019 REGULAR BOARD MEETING MINUTES

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### Recommendation


- (1) Rescind the Board's action on March 18, 2019 approving the February 19, 2019 Regular Board Meeting minutes; and
- (2) approve the February 19, 2019 Regular Board Meeting minutes as amended.

### Background/Discussion

On February 19, 2019, the Board was presented with a member appeal; item DA-3 on the disability agenda. The staff recommendation was to dismiss the appeal and deny the member's application for service and non-service connected disability retirement due to the member's failure to cooperate with the administrative appeal rules. The member was present at the meeting and requested that the Board allow him time to file his request for administrative appeal rather than adopt staff's recommendation to dismiss the matter. A substitute motion by Mr. Hilton was approved to give the member additional time for the filing his appeal. The minutes presented to the Board on March 18, 2019 did not accurately reflect the action the Board took.

When these minutes were approved on March 18, 2019, they were incomplete. The fact of a substitute motion was not stated in the minutes. The item today is necessary to correct that oversight so that an accurate account of the Board action is included in the Member's administrative hearing.

### Submitted by:

  
Suzanne Jenike  
Assistant CEO, External Operations

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

REGULAR MEETING  
Tuesday, February 19, 2019  
9:00 a.m.

MINUTES

Chair Packard called the meeting to order at 9:06 a.m.

Attendance was as follows:

Present: Chuck Packard, Chair; Roger Hilton, Vice-Chair; David Ball; Chris Prevatt; Shawn Dewane; Frank Eley; Russell Baldwin, Shari Freidenrich, and Wayne Lindholm

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Joe Fletcher, Staff Attorney; Anthony Beltran, Visual Technician; Cammy Torres, Recording Secretary.

Guests: Harvey Leiderman

Absent: Jeremy Vallone

*Mr. Hilton led the Pledge of Allegiance.*

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Board Member requests separate action on a specific item.

A **motion** was made by Mr. Dewane **seconded** by Mr. Hilton to approve the consent agenda.

Motion passed **unanimously**.

<b>BENEFITS</b>
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**C-1 OPTION 4 RETIREMENT ELECTION**

**Recommendation:** Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.



(1) Curtis Morrison

<b>ADMINISTRATION</b>
-----------------------

**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

January 16, 2019

**Recommendation:** Approve minutes.

**ACTION ITEMS**

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

**A-2 2019 COST OF LIVING ADJUSTMENT**

*Presentation by Suzanne Jenike, Assistant CEO of External Operations, OCERS; and Andy Yeung, Segal Consulting*

**Recommendation:** Adjust all applicable benefit allowances by 3% effective April 1, 2019, in accordance with Government Code Section 31870.1, resulting from the 3.81% change to CPI in calendar year 2018.

Chris Prevatt arrived at 9:09 a.m.

Sara Ruckle-Harms, representing Retired Employees Association of Orange County (REAOC), asked the Board to approve the COLA increase and explained the importance of the COLA to all retirees.

Ms. Jenike and Andy Yeung presented the 2019 Cost of Living Adjustment.

Mr. Ball arrived at 9:13 a.m.

Mr. Lindholm arrived at 9:14 a.m.

Mr. Yeung explained that this year CPI was calculated using a new geographic area: Los Angeles, Long Beach, and Anaheim.

Ms. Freidenrich asked that in future years staff include the prior CPI from previous year for comparison purposes.

A **motion** was made by Mr. Eley **seconded** by Mr. Dewane to adjust all applicable benefit allowances by 3% effective April 1, 2019, in accordance with Government Code Section 31870.1, resulting from the 3.81% change to CPI in calendar year 2018.

Motion passed **unanimously**.

**A-3 OCERS HEADQUARTERS BUILDING**

*Presentation by Brenda Shott, Assistant CEO of Internal Operation, OCERS and Tim Hogan, Owner, Hogan Edgcomb Consulting LLC*

**Recommendation:** The ad hoc Building Committee recommends that the OCERS Board determine to remain at 2223 E. Wellington Ave., Santa Ana and direct staff to advance plans for tenant improvements and upgrade of mechanical systems.

Ms. Shott presented the OCERS Headquarters Building project update.

Mr. Time Hogan joined the Board meeting via conference call.

Mr. Hogan, via conference call, gave his executive summary of his report recommends OCERS remain in its current building and upgrade that building.

Mr. Eley asked staff regarding the choreography of staff movement and how that will play out in order to not disturb workflow.

Mr. Delaney explained that this will be about a two-year process and the goal is to move staff in groups using the open space on the this floor as a start, as not to disturb workflow.

Mr. Prevatt explained the thought process behind the Building Committee discussions and how they came about making their conclusion.

Ms. Freidenrich asked if the Board could have a written documentation of the ad hoc committee's meetings and their recommendations.

Mr. Delaney discussed the benefits of OCERS staying in the current location.

A **motion** was made by Mr. Dewane **seconded** by Mr. Hilton to approved the ad hoc Building Committee recommendation that the OCERS Board determine to remain at 2223 E. Wellington Ave., Santa Ana and direct staff to advance plans for tenant improvements and upgrade of mechanical systems.

Motion passed **unanimously**.

#### **A-4 SACRS BOARD OF DIRECTORS ELECTIONS 2019-2020**

*Presentation by Steve Delaney, CEO, OCERS*

**Recommendation:** Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 10, 2019; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2019.

Mr. Delaney presented the SACRS Board of Directors Elections 2019-2020.

A **motion** was made by Mr. Prevatt **seconded** by Mr. Dewane to approve the endorsement of Roger Hilton to another term.

Motion passed unanimously.

*The Board recessed for break at 9:45 a.m.*

*The Board reconvened from break at 10:02 a.m.*

**A-5 AUDIT COMMITTEE OUTCOMES FROM DECEMBER 11, 2018 MEETING - TRIENNIAL REVIEW OF THE RISK POLICY**

*Presentation by Brenda Shott, Assistant CEO of Internal Operation, OCERS*

**Recommendation:** The Audit Committee recommends that the Board adopt the revised Risk Policy as presented.

Ms. Shott presented the triennial review of the risk policy.

Mr. Hilton asked if we could name the policy “Operational Risk Policy” not “Risk Policy”.

Staff stated yes, that change will be implemented.

A **motion** was made by Mr. Dewane **seconded** by Mr. Lindholm to approve the Audit Committee’s recommendation for the Board to adopt the revised Risk Policy as presented.

Motion passed unanimously.

**INFORMATION ITEMS**

Ms. Freidenrich pulled item I-5 and I-9 for discussion.

**I-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices

February 19, 2019

Death Notices

February 19, 2019

**I-2 COMMITTEE MEETING MINUTES**

- None

**I-3 CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN**

Written Report

**I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**

Written Report

**I-5 2018 PPCC PUBLIC PENSION STANDARDS AWARD FOR FUNDING AND ADMINISTRATION**

Written Report

Ms. Freidenrich wanted to acknowledge that OCERS received the PPCC Award.

**I-6 FOURTH QUARTER 2018 BUDGET VS. PRELIMINARY ACTUALS REPORT**

Written Report

**I-7 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

Written Report

**I-8 2019 STAR COLA COST POSTING**

Written Report

**I-9 OVERPAID AND UNDERPAID PLAN BENEFITS – 2018 REPORT**

Written Report

Mr. Freidenrich questioned if OCERS has taken the necessary steps to prevent an overpayment or underpayment in plan benefits.

Ms. Halbur discussed the ways OCERS has prepared and the steps taken to avoid any issues in the future.

**I-10 OCERS BOARD POLICY COMPLIANCE**

Written Report

**I-11 BOARD COMMUNICATIONS**

Written Report

**I-12 2018 BUSINESS PLAN – END OF YEAR REPORT**

*Presentation by Steve Delaney, CEO, OCERS*

Mr. Delaney presented the 2018 Business Plan – End of Year Report. He specifically reviewed those tasks that began in 2018 but which would not conclude until 2019.

**\* \* \* \* \* END OF INFORMATION ITEMS AGENDA \* \* \* \* \***

**DISABILITY/MEMBER BENEFITS AGENDA**

**10:00 AM**

**OPEN SESSION**

**CONSENT AGENDA**

All matters on the Consent Agenda are to be approved by one action unless a Board member requires separate action on a specific item. If separate action is requested, the item will be discussed during agenda item DA-1.

A **motion** was made by Mr. Dewane, **seconded** by Mr. Eley to approve the Disability Consent Agenda. The motion carried **9-0** with voting as follows:

**AYES**

Mr. Prevatt  
Mr. Dewane

**NAYS**

**ABSTAIN**

**ABSENT**

Mr. Ball  
Mr. Baldwin  
Chair Packard  
Mr. Eley  
Mr. Hilton  
Ms. Freidenrich  
Mr. Lindholm

**DC-1: Jason Yates**

Sheriff's Special Officer II, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of job causation. (General Member)

**DC-2: Robert D. Davis**

Deputy Sheriff, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of August 31, 2018. (Safety Member)

**DC-3: Claudette Oliver**

Bus Operations Supervisor, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of May 28, 2017. (General Member)

**DC-4: Robert Willis**

Certified Journeyman Mechanic II, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of July 23, 2017. (General Member)

**DC-5: James E. Bento**

Firefighter, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of November 10, 2017. (Safety Member)

**DC-6: Darrin Wheaton**

Senior Social Worker, Social Services Agency

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of August 7, 2015. (General Member)

**CLOSED SESSION**  
**(Government Code sections 54957 and 54956.9)**

The Board will adjourn to Closed Session pursuant to Government Code sections 54957 or 54956.9 to discuss matters relating to member applications or appeals. The member may request that the discussion relating to his or her application or appeal take place in Open Session.

**ACTION ITEMS**

**DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**DISABILITY/MEMBER BENEFITS AGENDA**

*The Board adjourned into closed session at 10:06 a.m.*

**DA-2: DISABILITY APPEAL - FAHIMEH NAZARI**

Library Clerk, Orange County Community Resources

**Recommendation:** Staff recommends the Board approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated October 27, 2018, and deny Applicant's application for service connected disability retirement.

Mr. Ball stepped out of the room.

A **motion** was made by Mr. Baldwin, **seconded** by Mr. Eley to approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated October 27, 2018, and deny Applicant's application for service connected disability retirement.

The motion carried **8-0** with voting as follows:

**AYES**

Mr. Prevatt  
Mr. Dewane  
Mr. Baldwin  
Chair Packard  
Mr. Eley  
Mr. Hilton  
Ms. Freidenrich  
Mr. Lindholm

**NAYS**

**ABSTAIN**

**ABSENT**

Mr. Ball

**DA-3: DISABILITY APPEAL - MAX CHANCE, JR.**

Sergeant, Orange County Sheriff's Department

**Recommendation:** Staff recommends the Board dismiss the appeal by Max Chance Jr. of OCERS' denial of his application for service and non-service connected disability retirement pursuant to Section 3.E of OCERS Adjudication Policy and Administrative Hearing Rules.

A **motion** was made by Mr. Prevatt, **seconded** by Mr. Dewane to dismiss the appeal by Max Chance Jr. of OCERS' denial of his application for service and non-service connected disability retirement pursuant to Section 3.E of OCERS Adjudication Policy and Administrative Hearing Rules.

After further discussions, a **substitute** motion was made by Mr. Hilton, **seconded** by Mr. Prevatt to provide Mr. Change with additional time for filing.

The motion carried **9-0** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Mr. Prevatt			
Mr. Dewane			
Mr. Baldwin			
Chair Packard			
Mr. Eley			
Mr. Hilton			
Ms. Freidenrich			
Mr. Lindholm			
Mr. Ball			

**DA-4: BENEFIT APPEAL – BETSY ZUANICH**

**Recommendation:** Staff recommends that the Board approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated January 19, 2019 (Recommendations), and deny the Applicant's request to have 96 hours of sick leave cash-out included in her Final Average Salary calculation to determine her service retirement benefit.

A **motion** was made by Mr. Hilton, **seconded** by Mr. Prevatt to approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated January 19, 2019 (Recommendations), and deny the Applicant's request to have 96 hours of sick leave cash-out included in her Final Average Salary calculation to determine her service retirement benefit.

The motion carried **9-0** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Mr. Prevatt			
Mr. Dewane			
Mr. Baldwin			
Chair Packard			
Mr. Eley			
Mr. Hilton			
Ms. Freidenrich			
Mr. Lindholm			
Mr. Ball			

***The Board reconvened from closed session at 11:06 a.m.***

Chair Packard reported out of closed session:

DA-2 – The Board approved staff recommendation.

DA-3 – The Board agreed to provide Mr. Chance with additional time to file the appropriate documents.

DA-4 – The Board approved staff recommendation.

**CLOSED SESSION ITEMS**

**E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED  
(GOVERNMENT CODE SECTION 54956.9(d)(1)) O.C. Department of Education v. OCERS, CA Court  
of Appeal, 4th Dist. (Case No. G055439); CA Superior Court, Orange County, (Case No. 30-2016-  
00836897)**

Adjourn pursuant to Government Code Section 54956.9(d)(1).

**Recommendation:** Take appropriate action.

***The Board adjourned into closed session at 11:08 a.m.***

***The Board reconvened from closed session at 11:35 a.m.***

No reportable action taken.

**BOARD MEMBER COMMENTS**

Mr. Packard stated:

I am directing that the Employee Handbook revisions that were heard initially by the Governance Committee in December, because of having an impact on the employment benefits provided to our OCERS Direct staff, now be more appropriately considered by the newly formed Personnel Committee. Fortunately two of the three Personnel Committee Trustees, Mr. Hilton and Mr. Prevatt, were on the Governance Committee and heard the initial discussions regarding revisions to the Employee Handbook, so we will benefit by that continuity.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

Ms. Jenike provided her monthly update to the Board regarding the master final average salary project.

**COUNSEL COMMENTS**

N/A

\*\*\*\*\*



**ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)**

**Active Members**

Flores-Shakouri, Alejandrina

**Retired Members**

Banigan, Ida  
Bastow, Jean  
Bennett, Jeanne  
Bolken, Loween  
Canlas, Rolando  
Centeno, Linda  
Chadwick, Bert  
Craunn, Paddy  
Croker, John  
Dalton, Darlene  
Del Campo, Jeff  
Diemer, Jerome  
Edgerly, Raymond  
Eggers, David  
Gill, John  
Gonzales, Ana  
Guajardo, Emilio  
Hemmen, Eileen  
Isbell, Robert  
Johnson, Rebecca  
King, Frank  
Kuebler, Robin  
Labelle, Margaret  
Lock, Henry  
Mattern, Bruce  
Mc Nealy, Tim  
Mikkelsaar, Tiia  
Miller, Robert  
Mitchell, Joseph  
Mount, Leila  
Nakamura, Steven  
Orosco, Rafael  
PARK, MARTHA  
POHLKE, FREDERICK HENRY  
Poulson, Juliette  
Schagene, Joan  
Stone, Vaneva  
Tran, Chau  
Waddell, Doris  
Waltermire, Louis  
Watkins, Lloyd

**Surviving Spouses**

Babtist, Margaret  
Bell, Donald  
Chesshir, Eleanor  
Estes, Gail  
Preston, Angela  
Sevilla, Benjamin

There being no further business to bring before the Board, the meeting adjourned at 11:42 a.m.

Submitted by:

Approved by:

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Steve Delaney  
Secretary to the Board

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Chuck E. Packard  
Chairman

A-3



# Memorandum

**DATE:** April 15, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** SACRS BOARD OF DIRECTORS ELECTION 2019-2020 – DIRECTION TO OCERS’ VOTING DELEGATE

## Recommendation

Consider the SACRS Nominating Committee’s recommended slate of candidates and the list of additional candidates interested in running for the election of SACRS Directors; and give direction to OCERS’ Voting Delegate and Alternate Delegates for the SACRS Board of Directors election to be held at the SACRS meeting on May 10, 2019.

## Background/Discussion

SACRS elects officers at its first meeting each calendar year in May. The 2019-2020 election will be held at the upcoming SACRS Spring Conference during the Annual Business meeting to be held on May 10, 2019.

The SACRS Nominating Committee’s Recommend Ballot for the 2019-2020 election includes the following candidates:

<b>President</b>	<b>Dan McAllister, San Diego CERA</b>
<b>Vice President</b>	<b>Vivian Gray, Los Angeles CERA</b>
<b>Treasurer</b>	<b>Harry E. Hagen, Santa Barbara CERA</b>
<b>Secretary</b>	<b>Kathryn Cavness, Mendocino CERA</b>
<b>Regular Member</b>	<b>Roger Hilton, Orange CERS</b>
<b>Regular Member</b>	<b>Chris Cooper, Marin CERA</b>

In addition, the SACRS Nominating Committee received a Submission Form from the following SACRS member(s) applying for the following position(s) on the SACRS Board of Directors:

<b>Regular Member</b>	<b>Vere Williams, San Bernardino CERA</b>
-----------------------	---

Please see the attached memorandum from the SACRS Nominating Committee and candidate submission forms and biographies.

At the SACRS business meeting on Friday, May 10, 2019, OCERS’ voting delegate will have the opportunity to cast OCERS’ vote as directed by the Board. In accordance with OCERS’ SACRS Voting Authority Policy (copy attached), OCERS’ voting delegate is the Board Chair, and each member of the Board and the CEO are alternate delegates. If the Board Chair is unable to attend a SACRS business meeting at which a vote is taking place, the Policy provides that the Vice Chair shall be designated as alternate voting delegate. If both the Chair and Vice Chair are unable to attend, the alternate voting delegate will be determined, among the Board members in

attendance, alphabetically by the Board member's last name. The voting delegate may vote by recommended ballot or by each position separately.

Staff requests that the Board direct the OCERS voting delegate/alternate delegates on how to cast OCERS' vote at the May election.

Attachments

**Submitted by:**



---

Gina M. Ratto  
General Counsel



March 25, 2019

To: SACRS Trustees & SACRS Administrators/CEO's  
 From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair  
 SACRS Nominating Committee  
 Re: SACRS Board of Director Elections 2019-2020 Elections – Final Ballot

---

SACRS BOD 2019-2020 election process began January 2019. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

**Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:**

**Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members**

**A. Immediate Past President.** The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.

**B. Two (2) Regular Members.** Two (2) regular members shall also be members of the Board with full voting rights.

**Section 2. Elections of Directors.** Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.



*The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.*

*Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.*

*Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.*

The elections will be held at the SACRS Spring Conference May 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

**SACRS Nominating Committee Final Ballot:**

- |                                    |                |
|------------------------------------|----------------|
| • Dan McAllister, San Diego CERA   | President      |
| • Vivian Gray, Los Angeles CERA    | Vice President |
| • Harry Hagen, Santa Barbara, CERS | Treasurer      |
| • Kathryn Cavness, Mendocino CERA  | Secretary      |
| • Roger Hilton, Orange CERS        | Regular Member |
| • Chris Cooper, Marin CERA         | Regular Member |

**Additional Candidates Submitted:**

- |                                      |                |
|--------------------------------------|----------------|
| • Vere Williams, San Bernardino CERA | Regular Member |
|--------------------------------------|----------------|

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact me at Ray McCray, [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) or (209) 471-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

*Ray McCray*

Ray McCray, San Joaquin CERA Trustee  
SACRS Nominating Committee Chair

CC: SACRS Board of Directors  
SACRS Nominating Committee Members  
Sulema H. Peterson, SACRS Administrator



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Dan McAllister
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	619-531-5231 <a href="mailto:dan.mcallister@sdcounty.ca.gov">dan.mcallister@sdcounty.ca.gov</a> 1600 Pacific Hwy, Room 112 San Diego, CA 92101
<b>Name of Retirement System Candidate Currently Serves On</b>	SDCERA
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	County Treasurer-Tax Collector, mandated member.
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> <b>President</b> <input checked="" type="radio"/> <del>Vice President</del> <input checked="" type="radio"/> <del>Treasurer</del> <input checked="" type="radio"/> <del>Secretary</del> <input type="radio"/> <del>Regular Member</del>
<b>Brief Bio</b>	<p>Dan McAllister has served San Diego County residents as the County's Treasurer-Tax Collector since 2002. He was re-elected to his fifth term in June. Dan oversees the collection of more than \$6 billion in property taxes each year, the management of \$11.6 billion in the County's Investment Pool, and the administration of the County's \$1.5 billion defined contribution program. Since assuming office, he has worked extensively to improve customer service, enhance communications and outreach initiatives, and ensure the fiscal stability of the treasury. Under his direction, his office collected a record high 60% of property tax payments electronically, while maintaining a 99% collection rate for the past three years. He is also a strong advocate for diversity, a value reflected in his staff that comes from all walks of life and backgrounds. His office now delivers service in 17 different languages.</p> <p>As part of his duties, Dan serves as a member of the San Diego County Employees Retirement Association (SDCERA), which manages more than \$13 billion of investments; he also serves as a board member of several non-profit organizations in San Diego.</p>





**TREASURER-TAX COLLECTOR  
SAN DIEGO COUNTY**

[www.sdttc.com](http://www.sdttc.com)

**Dan McAllister**  
Treasurer-Tax Collector



February 21, 2019

Mr. Ray McCray  
Chairman  
Nominating Committee  
State Association of County Retirement Systems

Dear Mr. McCray,

This is to officially submit my name for consideration by the Nominating Committee for the office of SACRS President.

When I first ran for the Presidency, I pledged to continue to help move our organization forward with strong, inclusive leadership. I also spoke of my experiences and accomplishments as San Diego County Treasurer-Tax Collector; and of serving as a Trustee on the San Diego County Employees Retirement Association (SDCERA) Board and two successful terms as Board Chair.

Over the past five years, it has been my distinct honor and pleasure to serve on the SACRS Board. First as Treasurer and now President, I am extremely proud of the work our board has completed during these years to improve our levels of customer service to our members. During the past two years for example the SACRS Board performed a comprehensive review and update of Board Policies and Procedures. We added two new seats to the Board to be more inclusive and give more members an opportunity to serve. We also made strong efforts to add new people to a number of our standing committees.

Indeed, it has been a productive year for the Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments and continuous improvement.

SACRS is a special organization and one that must continue to provide educational forums for disseminating information to Trustees and system staffs from all '37 Act counties. Additionally, SACRS must take an active role in the legislative process as it impacts county retirement systems.

As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees statewide to ensure that our educational programs and conferences continue to be of the highest quality and content.

With your support and nomination, I would be honored to serve again as President of SACRS. Thank you in advance for your careful and positive consideration of my candidacy for re-election.

Sincerely,

Dan McAllister



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2018-2019**

All interested candidates must complete this form and submit it along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2018.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) or to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	VIVIAN GRAY
<b>Candidate Contact Information (Phone Number, Email Address and Mailing Address MUST be included)</b>	Viviangray@aol.com, Vgray@lacera.com 300 N. Lake Ave., Ste. 820 Pasadena, CA 91101 Phone: (213) 440-0142
<b>Name of Retirement System Candidate Currently Serves On</b>	Los Angeles County Employees Retirement Association (LACERA)
<b>Current Position On Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	General Elected Trustee, Board of Retirement <a href="http://www.lacera.com/about_lacera/bor/gray.html">http://www.lacera.com/about_lacera/bor/gray.html</a>
<b>Applying for SACRS Board of Directors Position (You may only select one)</b>	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
<b>Brief Bio</b>	<ul style="list-style-type: none"> <li>• Chair, LACERA Board of Retirement 2018</li> <li>• Chair, SACRS Program Committee</li> <li>• Elected general member trustee since 2012               <ul style="list-style-type: none"> <li>35 years of service to Los Angeles County</li> <li>10 years in Law Enforcement</li> <li>25 years as an attorney for Los Angeles County</li> </ul> </li> <li>• 6 years in private law practice</li> <li>• Education/Pension Trustee Certificates               <ul style="list-style-type: none"> <li>- Bachelors of Arts: UCLA</li> <li>- JD: UWLA</li> <li>- New York Law School - Public Pension Trustee Fiduciary Program</li> <li>- Stanford Law School (CALAPRS) - Principles of Pension Management</li> <li>- Harvard Law School Program - Trustee Work Life</li> <li>- UC Berkeley (SACRS) - Modern Investment Theory &amp; Practice for Retirement Systems</li> <li>- IFEBP - Trustee Masters Program</li> <li>- NCPERS - Public Pension Funding Forum</li> <li>- Wharton Business School - Portfolio Concepts and Management (Pending)</li> <li>- National Assoc. of Corporate Directors (NACD) Board Leadership Fellow</li> </ul> </li> </ul>

# VIVIAN GRAY

300 N. LAKE AVENUE, SUITE 820 ~PASADENA, CA 91101 ~ VGRAY@LACERA.COM

February 20, 2019

**VIA EMAIL**

SACRS Nominating Committee  
Mr. Ray McCray, Chair

Dear Mr. McCray:

I would like to express my interest in remaining SACRS' Vice President for 2019/2020.

I have been honored to serve as Vice President and Chair of the Program Committee for the past 2018/2019 year. During this past year SACRS has made considerable strides in remaining a relevant organization for trustee education for the 20 systems comprising the 1937 Act Counties.

As instituted by the revised SACRS Bylaws in 2018 the SACRS leadership was expanded to a seven member board of directors. This expansion has served SACRS well by fostering a cohesive elected board whose focus is to increase SACRS level of recognition while maintaining its reputation as an excellent educational forum for trustees, its affiliates and the related pension community.

Through its strong leadership, SACRS can continue to become the premier entity in the direct education of trustees. I believe SACRS is a viable organization among retirement systems. We have secured a presence not only in our CERL 37 Act Systems, but are gaining headway and recognition beyond CERL.

Your consideration of me to continue as vice president would be an honor.

I have attached the SACRS Nomination Form containing my brief bio.

Sincerely,

*Vivian Gray*

Vivian Gray

cc: Sulema Peterson, SACRS



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Harry E. Hagen
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	805-568-2490 <a href="mailto:hhagen@co.santa-barbara.ca.us">hhagen@co.santa-barbara.ca.us</a>  P.O. Box 579 Santa Barbara, CA 93102-0579
<b>Name of Retirement System Candidate Currently Serves On</b>	SBCERS (Santa Barbara)
<b>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="checkbox"/> Other Ex-officio member, Vice-Chair
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="checkbox"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
<b>Brief Bio</b>	See Attachment

February 28, 2019

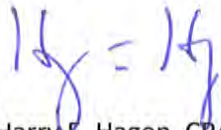
To Ray McCray , SACRS Nominating Committee Chair,

I would like to continue serving on the SACRS Board of Directors and am submitting my letter of intent to run for the position of Treasurer.

I believe I am well qualified for the position based upon my educational and work experience. I am a 23-year employee of Santa Barbara County and the current Vice-Chair of the Santa Barbara County Employees Retirement System. I have served as the ex-officio member of SBCERS for over eight years. I was also an alternate member to the board for eight years as the Assistant Treasurer-Tax Collector-Public Administrator.

Should you have any questions, please don't hesitate to call me directly.

Thank you for your consideration.



Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM  
Treasurer-Tax Collector-Public Administrator-Public Guardian  
County of Santa Barbara  
(805) 568-2490  
hhagen@co.santa-barbara.ca.us

Harry E. Hagen  
Bio for SACRS Nomination Submission Form

I am the current Santa Barbara County Treasurer-Tax Collector-Public Administrator. I was first elected in 2010 and am currently serving in my third four-year term.

I am responsible for overseeing and investing a \$1.6 billion investment pool for local schools, general County government, and special districts. I manage the collection of taxes and general collections, administer Public Administrator estates and Public Guardian conservatorships, and oversee Veterans' Services programs. My duties also include serving as Chair of the County Debt Advisory Committee, implementing and managing the County's municipal financing program, and administering the County's deferred compensation program.

I hold a Bachelor's degree in Business Economics from UCSB, am a 27-year California Certified Public Accountant, and have completed the Certificate in Public Treasury Management from USC. Additionally, I have earned the designations of CPFO from the Government Finance Officers Association, CPFA and ACPFIM from the Association of Public Treasurers, CGIP from the Government Investment Officers Association, and CFIP from the Fixed Income Academy.



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Kathryn Cavness
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	Home Phone (707) 459-2215 Cell Phone (707) 354-8105 Email <a href="mailto:k24u2figure@gmail.com">k24u2figure@gmail.com</a> Mailing Address 6500 Ridgewood Road, Willits, CA 95490
<b>Name of Retirement System Candidate Currently Serves On</b>	Mendocino County Employee Retirement Association (MCERA)
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc.)</b>	MCERA Chair, General Elected
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="checkbox"/> President <input type="checkbox"/> Vice President <input type="checkbox"/> Treasurer <input checked="" type="checkbox"/> Secretary <input type="checkbox"/> Regular Member
<b>Brief Bio</b>	<p>My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:</p> <ul style="list-style-type: none"> <li>• Two years' experience as Secretary for SACRS Board of Directors</li> <li>• Trustee and Chair on the MCERA Board and member of the MCERA Auditing Committee</li> <li>• Executive Education Investment Program, Hass School of Business, UC Berkeley</li> <li>• Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University</li> <li>• Advanced Principles of Pension Management for Trustees, UCLA</li> <li>• Master's Degree in Business Administration/Accounting Emphasis</li> <li>• County of Mendocino District Attorney's Office Administrative Services Manager</li> <li>• Fiscal Officer for the Lake and Mendocino County Area Agency on Aging</li> </ul>

Kathryn Cavness  
6500 Ridgewood Road  
Willits, CA 95490  
(707) 459-2215  
k24u2figure@gmail.com

January 29, 2017

Ray McCray, Chair  
SACRS Nominating Committee  
1415 L St., Suite 1000,  
Sacramento, CA 95814

Dear Nominating Committee:

Please consider my request to run for Secretary of the State Association of County Retirement Systems (SACRS) Board of Directors in the upcoming May 2019 election. If elected, this will be my third term to serve as SACRS Secretary. I am also currently the Chair, as an Elected Trustee, of the Mendocino County Employee Retirement Association (MCERA) and member of the MCERA Audit Committee.

My interest in seeking the position of Secretary on the SACRS Board of Directors is to continue representing the interests of all 1937 Act County Trustees and to reach out to Trustees to attain greater participation in SACRS activities; my commitment to 1937 Act Trustees and Members is to carry out the goals and objectives of the SACRS strategic plan. If elected, my focus will be on improving our Trustee participation at the Spring and Fall Conferences, the UC Berkeley Educational Programs, and increasing membership on SACRS' Committees, including the Legislative, Program, Education and Bylaws Committees.

I wish to persist in my efforts to attain greater parity for the smaller, rural, central and northern 1937 Act systems; I am Chair of MCERA, the smallest, northernmost, rural SACRS retirement system. I have had the pleasure of visiting a few of the retirement systems in Northern California and I look forward to engaging in more of these relationship building activities to discover what individual retirement systems are seeking from SACRS.

My educational background and professional experience has provided me with a strong administrative/financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:

- Two years as Secretary for SACRS Board of Directors
- Chair on the MCERA Board and MCERA Auditing Committee Member
- County of Mendocino District Attorney's Office Administrative Services Manager
- Executive Education Investment Program, Hass School of Business, UC Berkeley
- Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University
- Advanced Principles of Pension Management for Trustees, UCLA
- MBA/Accounting Emphasis

Sincerely,

Kathryn Cavness





**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Roger Hilton
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	(714) 325-9295, <a href="mailto:rhilton@ocers.org">rhilton@ocers.org</a> , <a href="mailto:roger@aocds.org">roger@aocds.org</a>  2223 East Wellington Ave. Suite 100 Santa Ana, CA 92701
<b>Name of Retirement System Candidate Currently Serves On</b>	Orange County Employees Retirement System (OCERS)
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	Vice-Chair - Elected Safety Member
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"> <li><input type="radio"/> President</li> <li><input type="radio"/> Vice President</li> <li><input type="radio"/> Treasurer</li> <li><input type="radio"/> Secretary</li> <li><input checked="" type="radio"/> Regular Member</li> </ul>
<b>Brief Bio</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Currently serving as SACRS Regular Board Member 2018-2019</li> <li><input type="checkbox"/> OCERS: served as Chairman of the board, chair of the Investment Committee, and have chaired several committees, elected 2012 - Present.</li> <li><input type="checkbox"/> Association of Orange County Deputy Sheriffs (AOCDS) Board of Directors: Currently serving as Vice President and Political Action Chairman, 2011 - Present.</li> <li><input type="checkbox"/> Trustee on Medical and Benefits Trusts, 2011 - Present.</li> <li><input type="checkbox"/> Association of Deputy Marshals Board of Directors, 1992-2000 – Served as President 1996-2000, Treasurer 1993-1996.</li> </ul> <p>Public Pension Trustee certificates:            -Modern Investment Theory &amp; Practice – UC Berkeley;            -Portfolio concepts and Management -Wharton School of Business;            -Certificate in Public Plan Policy I and II;            -Principles of Pension Management - Stanford University;            -Advanced Principles of Pension Management - UCLA;            -Labor and Worklife Program, Harvard Law School</p>

February 15, 2019

2223 East Wellington Ave. Suite 100  
Santa Ana, CA 92701

Ray McCray, SACRS Nominating Committee Chair

Dear Mr. McCray:

Please accept this letter as my intent to run for the Board of Directors for the position of Regular Member. I would request that my name be included in the 2019-2020 SACRS Nomination Slate at the upcoming elections in May 2019.

I believe my years of experience leading employee labor organizations and the OCERS Board of Retirement have uniquely prepared me for this challenge. I have 30 years of experience in law enforcement, 26 years serving in the leadership of employee labor organizations, 6 ½ years on the OCERS Board of Retirement, and a year on the SACRS Board. My experience is further outlined on the Nomination Submission form attached to this letter.

Since elected to OCERS, I have made it a point to attend the SACRS conferences. Through these conferences, I have learned a great deal about pensions and have found many friends and mentors. I believe that SACRS is the most effective and important conference '37 Act trustees should attend, because of its relevant content and top-notch presenters. My primary goal is to keep SACRS as the premier public pension organization. I plan to utilize my extensive leadership experience by reaching out to and communicating with our members so they fully understand the many benefits of SACRS. My focus will be on continuing successful conferences and keeping SACRS a professional organization.

It would be an honor to continue to serve on the SACRS Board of Directors and I appreciate the consideration.

Sincerely,



Roger Hilton

OCERS Board of Directors



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Chris C. Cooper
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	MCERA 1 McInnis Pkwy San Rafael, CA 94903 <a href="mailto:chriscooperinmarin@yahoo.com">chriscooperinmarin@yahoo.com</a> (415) 827-0772
<b>Name of Retirement System Candidate Currently Serves On</b>	Marin County Employees' Retirement Association
<b>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	<ul style="list-style-type: none"> <li><input type="radio"/> Chair</li> <li><input type="radio"/> Alternate</li> <li><input type="radio"/> General Elected</li> <li><input type="radio"/> Retiree</li> <li><input type="radio"/> Other ____Elected Public Safety____</li> </ul>
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"> <li><input type="radio"/> President</li> <li><input type="radio"/> Vice President</li> <li><input type="radio"/> Treasurer</li> <li><input type="radio"/> Secretary</li> <li><input type="radio"/> Regular Member XXXX</li> </ul>
<b>Brief Bio</b>	<p>My name is Chris Cooper and I am running to be re-elected to the position of Regular Member on the SACRS Board of Directors. I served in the U.S. Army for 8 years as a Mandarin Linguist/Interrogator and then graduated from the University of California, Berkeley with a degree in Political Economy of Industrial Societies. After a career as a merchandise buyer for a large retailer, I left to own/manage several franchise stores.</p> <p>Gradually, my hobby of volunteering with Wilderness and Urban Search and Rescue pulled me back to a career in Public Service. I sold the stores and became a Paramedic then attended the Fire Academy. I have been a Fire Captain/Paramedic in the City of San Rafael for 9 years and have served on the Marin Board of Retirement for 7 years. I live in San Rafael with my wife Lisa and 2 children (Calvin 17, Lucy 13).</p> <p>Serving on the SACRS Board for the last year has been rewarding and I would like to continue for the next term.</p> <p>Thank you</p>

Letter of Intent

I am Chris Cooper and I have had the honor of serving on the SACRS Board of Directors for the last year as a Regular Member. I am a Fire Captain/Paramedic in San Rafael, CA and have served as the Elected Safety member on the Marin County Employees' Retirement Association for 7 years. Having attended SACRS conferences for 7 years, I want to give back to the Association and people who have given so much to help me be a better Trustee. The last year on the Board has been eye-opening and I would like to serve in the position another year.

Thank you,

Chris Cooper



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Vere Williams
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	(760) 486-6311 <a href="mailto:verevlw@aol.com">verevlw@aol.com</a> 8379 Icicle Drive Pinon Hills CA 92372
<b>Name of Retirement System Candidate Currently Serves On</b>	San Bernardino County Employees’ Retirement Association (SBcera)
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	General Elected
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> <input type="radio"/> <input type="radio"/> Regular Member
<b>Brief Bio</b>	<p>Seated on the SBcera’s Board in January 2015 and has served on the Administrative, Audit and Investment committees. Served on the governing Boards of Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. Past president of the African-American Employees Association and currently Treasurer of the Hispanic Employees Alliance. Earned an MBA in Information Management/Accounting and has completed certification courses at UCLA, Pepperdine and Wharton on Retirement System Management. I have been an Enrolled Agent for over 20 years along with over 25 years experience working in the finance department at Arrowhead Regional Medical Center, Colton. I have been trained in conflict resolution and have attend various workshop and seminars on organizational dynamics and interplay.</p> <p>A guiding quote – <b><i>“J always wondered why somebody didn’t do something about that, then J realized J was somebody.”</i></b> – Lily Tomlin</p>

March 1, 2019

VIA Email

Ray McCray, Chair

SACRS Nominating Committee

Dear Mr. McCray,

Please accept this letter as my letter of intent to run for the position of Regular Member in SACRS Board of Directors Elections 2019-2020.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). I started on the SBcera Board in January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts or thought leaders in their field. Since then, I have attended several conferences sponsored by other organizations that are single topic focused and I have also completed certification programs at Wharton, Pepperdine and UCLA. In comparison, SACRS conferences provide a comprehensive insight into the "nuts and bolts" of the functioning of the retirement systems with an emphasis on current application of the topics. SACRS provides attendees an opportunity to understand different perspectives thereby encouraging clearer lines of communication and to hear about what works and what may be problematic. The networking and information sharing opportunities with colleagues at SACRS is immensely valuable.

SACRS recent expansion of the Board to include additional members was a very good strategic move that has helped to expand experience pool and knowledge base. If elected as a Regular Member, I would work to ensure that SACRS remain the preeminent educational organization for the CERL 37 Act Systems by maintaining the high caliber of our conferences. Additionally, I would seek to encourage even greater participation from trustees and staff of the 37 Act Systems. I believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending a few sessions. Over the years, I have served on the governing Boards of Teamsters Local 1932, Working Assembly of Governmental Employees and other organizations.

I thank you in advance for your kind consideration and support. It would be a high honor to be elected to serve on the SACRS Board for the 2019-2020 term.

Please find attached the completed SACRS nomination form.

Respectfully,

*Vere Williams*

Vere Williams, MBA

SBcera Board of Directors – General Member

cc: Sulema Peterson, SACRS

## **Background**

1. The State Association of County Retirement Systems (SACRS) is an association of 20 California county retirement systems, established under the County Employees Retirement Law of 1937. SACRS meets as an organization twice a year with all 20 counties participating through attendance by Trustees, Administrators, and staff.
2. Regular member County Retirement Systems shall have the right to vote on the election of the officers/directors of SACRS, amendments to the Articles of Incorporation and By-laws, legislative proposals for SACRS' sponsorship and positions on non-SACRS' sponsored legislation, resolutions, and other items of SACRS' business. Regular member County Retirement Systems shall be entitled to one (1) voting delegate, designated in writing by the County Retirement Board.
3. A voting delegate shall be designated in writing by the member County Retirement Board and shall be a Trustee or Administrator who is employed directly by the County Retirement System. Alternate delegates may be designated in writing by the member County Retirement Board.

## **Policy Guidelines**

4. In order to ensure that OCERS is represented by a voting delegate at each business meeting of SACRS, OCERS will designate the current Board Chair as voting delegate, and each member of the Board and the Administrator as alternate delegates.
5. Credentials for the delegates who are voting participants shall be filed with the SACRS Credentials Committee in writing prior to any meeting of SACRS at which voting will take place, unless there are no changes from the credentials already on file. Credentials shall include the name of the member County Retirement System, and indicate that the Board Chair is the voting delegate and all other Board members and the Administrator are alternate voting delegates.
6. Voting at meetings of SACRS shall be the exclusive privilege of the delegate or alternate delegate. If the Board Chair is unable to attend a SACRS business meeting at which a vote is taking place, the Vice Chair shall be designated as alternate voting delegate. If the Board Chair and Vice Chair are both unable to attend, the alternate voting delegate will be determined, among the Board members in attendance, alphabetically by the Board member's last name. Each voting delegate, or designated alternate delegate if the voting delegate is absent, may cast one (1) vote on each matter submitted to a vote of the membership.
7. Where the OCERS' Board has taken an official Board position on an item to be voted on at a SACRS business meeting, the voting delegate or designated alternate voting delegate must cast a vote consistent with the Board position. If the Board has not taken a position on an item to be voted on, the voting delegate or designated alternate voting delegate must comply with the Board policy or policies that address(es) the subject matter of the item. When the item to be voted on is not addressed in any OCERS' Board policy and the Board has not taken a position, the voting delegate or designated alternate voting delegate may use his or her best judgment to vote in accordance with the position he or she believes the Board would take on the item, or abstain from voting.

**OCERS Board Policy**  
**SACRS Voting Authority Policy**

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Notwithstanding the foregoing, the voting delegate and designated alternate voting delegate shall not vote on any item that would obligate OCERS financially to pay any sums other than SACRS dues.

### **Policy Review**

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

### **Policy History**

9. This policy was adopted on May 9, 1988.
10. This policy was revised on August 25, 2008, May 17, 2011, March 17, 2014 and May 15, 2017.

### **Secretary's Certificate**

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



5/15/17

Steve Delaney  
Secretary of the Board

Date



I-1

*Orange County Employees Retirement System  
Retirement Board Meeting  
April 15, 2019  
Application Notices*

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Acosta, Cynthia</b>	Auditor Controller	2/22/2019
<b>Austin, Vicki</b>	OCTA	3/2/2019
<b>Bailes, Susan</b>	Health Care Agency	2/2/2019
<b>Barker, Margene</b>	Social Services Agency	3/1/2019
<b>Benson, Andrea</b>	Health Care Agency	1/24/2019
<b>Berdis, Michael</b>	Sanitation District	2/1/2019
<b>Bostean, Dumitru</b>	Sheriff's Dept	2/1/2019
<b>Carmona, Richard</b>	Public Defender	2/15/2019
<b>Chee, Nonette</b>	Health Care Agency	2/15/2019
<b>Chevallier, Thomas</b>	Sheriff's Dept	3/1/2019
<b>Cleaveland, Terry</b>	District Attorney	3/1/2019
<b>Collins, Michele</b>	Sanitation District	2/8/2019
<b>Conklin, Thomas</b>	District Attorney	2/8/2019
<b>Coronel, Maribel</b>	Probation	2/15/2019
<b>Crosbie, Richard</b>	District Attorney	3/1/2019
<b>Crumly, Judi</b>	OC Community Resources	2/15/2019
<b>Danq, Deanna</b>	Social Services Agency	2/8/2019
<b>Delreal, Maria</b>	Health Care Agency	2/1/2019
<b>Dillard, Diane</b>	OCERS	2/15/2019
<b>Douty, Kymber</b>	Social Services Agency	3/10/2019
<b>Eickholt, Janet</b>	County Executive Office (CEO)	2/4/2019
<b>Espinosa, Daniel</b>	Fire Authority (OCFA)	3/1/2019
<b>Foster, Ian</b>	OC Public Works	2/15/2019
<b>Gonzalez, John</b>	Sanitation District	2/15/2019
<b>Grover, Lynn</b>	Public Defender	2/15/2019
<b>Hariri, Koorosh</b>	John Wayne Airport	3/1/2019
<b>Hariri, Koorosh</b>	OCTA	3/1/2019
<b>Hathaway, Zane</b>	Sheriff's Dept	2/20/2019
<b>Hawthorne, Verlil</b>	Health Care Agency	2/18/2019
<b>Heckman, Don</b>	Superior Court	2/15/2019
<b>Herrigstad, Carl</b>	Sanitation District	2/20/2019
<b>Hess, Daniel</b>	District Attorney	2/5/2019
<b>Heuman, Don</b>	Superior Court	2/13/2019
<b>Hussein, Siraj</b>	OC Community Resources	2/1/2019
<b>Jaqodaqe, Shyamalie</b>	Auditor Controller	2/7/2019
<b>Jones, James</b>	Sheriff's Dept	2/15/2019
<b>Koehmstedt, Lynn</b>	Sheriff's Dept	2/15/2019
<b>Kreber-Varipapa, Mary</b>	Public Defender	2/1/2019
<b>Larres, Maria</b>	Social Services Agency	2/8/2019
<b>Le, Nqa</b>	Auditor Controller	2/2/2019
<b>Link, Gary</b>	OC Public Works	3/1/2019
<b>Lopez, Gary</b>	OC Community Resources	2/13/2019
<b>Lydon, Melinda</b>	Child Support Services	2/1/2019
<b>Manley, David</b>	Sheriff's Dept	2/15/2019
<b>Martinez, Luis</b>	Health Care Agency	1/4/2019
<b>Matus, Aqustin</b>	Social Services Agency	3/1/2019
<b>Mckinney, Autumn</b>	County Executive Office (CEO)	3/1/2019
<b>Mendoza, Diana</b>	Health Care Agency	3/1/2019
<b>Miller, Marten</b>	Sheriff's Dept	2/15/2019

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Molinar, Vivian</b>	Health Care Agency	2/8/2019
<b>Munn, Minerva</b>	District Attorney	2/13/2019
<b>Murray, Timothy</b>	Sheriff's Dept	2/15/2019
<b>Negrete, Maria</b>	Social Services Agency	1/4/2019
<b>Newman, Elizabeth</b>	Health Care Agency	3/2/2019
<b>Nguyen, Steven</b>	Social Services Agency	6/8/2018
<b>Noble, Katharine</b>	Social Services Agency	2/1/2019
<b>O'Dowd, Brian</b>	Sheriff's Dept	3/1/2019
<b>Palmer, Kyle</b>	OCTA	1/29/2019
<b>Parral, Richard</b>	OCTA	2/19/2019
<b>Ponce, Jose</b>	OCTA	2/16/2019
<b>Pope, Maria</b>	John Wayne Airport	12/14/2018
<b>Reed, Alan</b>	OC Public Works	2/15/2019
<b>Reichardt, Patricia</b>	Sheriff's Dept	3/1/2019
<b>Rodriquez, Anita</b>	Sheriff's Dept	2/15/2019
<b>Rodriquez, Rogelio</b>	Superior Court	2/15/2019
<b>Ruvalcaba-Canedo, Esther</b>	Child Support Services	2/20/2019
<b>Salazar-Allen, Irma</b>	Social Services Agency	3/1/2019
<b>Schroeder, Susan</b>	District Attorney	1/22/2019
<b>Sebastian, Maurice</b>	District Attorney	2/11/2019
<b>Sengsourichanh, Souphith</b>	Social Services Agency	2/15/2019
<b>Simmons, Robert</b>	Sheriff's Dept	2/15/2019
<b>Spellerberg, Kevin</b>	Sheriff's Dept	2/6/2019
<b>Stanford, Paul</b>	Health Care Agency	2/28/2019
<b>Stinson, William</b>	Superior Court	3/1/2019
<b>Stone, Marc</b>	Fire Authority (OCFA)	3/1/2019
<b>Strickland, Ruth</b>	Health Care Agency	3/1/2019
<b>Thompkins, Rick</b>	Superior Court	3/1/2019
<b>Thyr, Robert</b>	County Executive Office (CEO)	2/5/2019
<b>Topete, Yolanda</b>	Sheriff's Dept	1/28/2019
<b>Trammell, Susan</b>	Probation	2/2/2019
<b>Uehara, Elaine</b>	Superior Court	2/20/2019
<b>Valdez, Connie</b>	Probation	3/1/2019
<b>Vallejo, Catherine</b>	Social Services Agency	2/22/2019
<b>Vigil, Jacqueline</b>	Superior Court	2/1/2019
<b>Vigil, Rodney</b>	OCTA	2/12/2019
<b>Villela, Elena</b>	Superior Court	2/1/2019
<b>Vo, Kim Khanh</b>	Social Services Agency	2/1/2019
<b>Waters, Karen</b>	Sheriff's Dept	2/15/2019

*Orange County Employees Retirement  
Retirement Board Meeting  
April 15, 2019  
Death Notices*

<i>Retired Members</i>	<i>Agency/Employer</i>
<b>Antonio, Aquilino</b>	Superior Court
<b>Ayala, David</b>	Health Care Agency
<b>Brawn, Robert</b>	Assessor
<b>Bridges, Marilyn</b>	Social Services Agency
<b>Burrill, Stephen</b>	Sanitation District
<b>Castillo, Edward</b>	OCTA
<b>Cates, Charles</b>	OC Community Resources
<b>Chen, John</b>	OC Waste and Recycling
<b>Dang, Lieh</b>	County Executive Office (CEO)
<b>De Moray, Elaine</b>	Social Services Agency
<b>Dome, Rosalie</b>	Health Care Agency
<b>Dorn, Donna</b>	Sheriff's Dept
<b>Fitzpatrick, Francis</b>	Sheriff's Dept
<b>Fox, Joan</b>	Probation
<b>Goff, Patricia</b>	Superior Court
<b>Keister, Mollie</b>	OC Community Resources
<b>Kelly, Robert</b>	Sheriff's Dept
<b>Langston, Carol</b>	Superior Court
<b>Lear, Kathy</b>	Superior Court
<b>Mc Cray, Curtis</b>	OCTA
<b>Mendoza, Arthur</b>	OCTA
<b>Myers, Darrold</b>	OC Public Works
<b>Nguyen, Thung</b>	OCTA
<b>Paredes, David</b>	Probation
<b>Peters, Paul</b>	John Wayne Airport
<b>Proff, Marilyn</b>	Social Services Agency
<b>Rabago, Anthony</b>	Social Services Agency
<b>Record, Marilyn</b>	County Counsel
<b>Roman, Ron</b>	Social Services Agency
<b>Rosenzweig, Herbert</b>	Health Care Agency
<b>Scott, Herbert</b>	Probation
<b>Sherman, Esther</b>	Probation
<b>Warren, Don</b>	OC Community Resources

<i>Surviving Spouses</i>	
<b>Carl, Lois</b>	
<b>Cartt, Clara</b>	
<b>Cormack, Mary</b>	
<b>Mc Nichols, John</b>	
<b>McManis, Charles</b>	
<b>Postman, Dorothy</b>	
<b>Scriba, Vera</b>	

I-2

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**BOARD OF RETIREMENT  
2223 WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

**AUDIT COMMITTEE MEETING  
February 7, 2019  
9:00 a.m.**

**Members of the Committee**

Frank Eley, Chair  
Charles Packard, Vice Chair  
Jeremy Vallone  
Shari Freidenrich

**MINUTES**

**OPEN SESSION**

The Chair called the meeting to order at 9:22 a.m.

Attendance was as follows:

Committee Members: Frank Eley, Chair; Charles Packard, Vice Chair; Jeremy Vallone; Shari Freidenrich

Staff: Steve Delaney, CEO; Gina Ratto, General Counsel; David Kim, Director of Internal Audit; Brenda Shott, Assistant CEO of Internal Operations; Suzanne Jenike, Assistant CEO External Operations; Molly Murphy, Chief Investment Officer; Mark Adviento, Internal Auditor; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician.

**PUBLIC COMMENT**

None.

**CONSENT AGENDA**

**C-1 APROVE AUDIT COMMITTEE MINUTES**

Audit Committee Meeting Minutes

December 11, 2018

A **motion** was made by Mr. Freidenrich, **seconded** by Mr. Eley to approve the minutes.

**I-1 AUDIT COMMITTEE CHARTER OVERVIEW**

*Presentation by David Kim, Director of Internal Audit*

**A-2 HOTLINE UPDATE**

Presentation by David Kim, Director of Internal Audit

**Recommendation:** Receive and file.

A **motion** was made by Mr. Freidenrich, **seconded** by Mr. Vallone to receive and file.

**A-3 AUDIT OF OCERS' DISABILITY PAYMENTS**

Presentation by David Kim, Director of Internal Audit

**Recommendation:** Receive and file.

*Mr. Packard joined at 10:04 a.m.*

A **motion** was made by Mr. Packard, **seconded** by Mr. Vallone to receive and file.

**A-4 CONSIDERATION OF 2019 RISK ASSESSMENT AND 2019 AUDIT PLAN**

Presentation by David Kim, Director of Internal Audit

**Recommendation:** Approve the 2019 Risk Assessment and 2019 Audit Plan.

A **motion** was made by Mr. Packard, **seconded** by Mr. Vallone to receive and file.

**I-2 STATUS UPDATE OF 2018 AUDIT PLAN**

*Written Report*

**COMMITTEE MEMBER COMMENTS**

None.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

None.

**COUNSEL COMMENTS**

None.

**ADJOURNMENT**

The Chair adjourned the meeting at 10:23am.

I-3



## Memorandum

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DATE: April 15, 2019  
TO: Members of the Board of Retirement  
FROM: Steve Delaney, Chief Executive Officer  
SUBJECT: **CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN**

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### Written Report

#### AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

##### MAY

Preliminary December 31, 2018 Actuarial Valuation

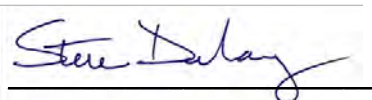
##### JUNE

December 31, 2018 Actuarial Valuation – Final Approval  
Strategic Planning Workshop – Proposed Agenda  
OCERS 2019 Business Plan and 2020-2021 Strategic Plan: Mid-Year Review

##### JULY

Travel and Training Expense Report  
Strategic Planning Workshop – Final Agenda  
Consideration of early payment of Employer Contributions for fiscal year 2020-2021

### Submitted by:



Steve Delaney  
Chief Executive Officer

**OCERS RETIREMENT BOARD - 2019 Work Plan**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec	
<b>System Oversight</b>		STAR COLA Posting (I)	Approve 2019 STAR COLA (A)		Preliminary December 31, 2018 Valuation (I)	Mid-Year Review of 2019 Business Plan Progress (I)	Approve Early Payment Rates for Fiscal Year 2018-19 (A)	Review 2nd Quarter Budget to Actuals Financial Report (I)	Strategic Planning Workshop (I)	Overview of 2020 Administrative Budget and Investment (Workshop) (I)	Review 3rd Quarter Budget to Actuals Financial Report (I)		
		Approve 2019 COLA (A)	Quarterly 2019-2021 Strategic Plan Review (A)			Approve December 31, 2018 Actuarial Valuation & Funded Status of OCERS (A)		Receive OCERS by the Numbers (I)		Approve 2020-2022 Strategic Plan (A)	Approve 2020 Administrative (Operating) Budget (A)		
						Approve 2018 CAFR (A)		Receive Evolution of the UAAL (I)		Approve 2020 Business Plan (A)	Annual CEO Performance Review and Compensation (A)		
						Quarterly 2019-2021 Strategic Plan Review (A)		Employer & Employee Pension Cost Comparison (I)					
													Adopt 2020 Board Meeting Calendar (A)
<b>Board Governance</b>				Brown Act Training (I)				Annual Review of Succession Plan (I)				Adopt Annual Work Plan for 2020 (A)	
				Conflict of Interest Training (I)								Vice-Chair Election (A)	
<b>Regulation / Policies</b>	Communication Policy Fact Sheet (I)												
<b>Compliance</b>				Form 700 Due (A)		Receive Financial Audit (I)			State of OCERS (A)		Status of Board Education Hours for 2019 (I)		

(A) = Action (I) = Information

I-4

## Memorandum

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**DATE:** April 1, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Jim Doezie, Contracts, Risk and Performance Administrator  
**SUBJECT:** QUIET PERIOD – NON-INVESTMENT CONTRACTS

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### Written Report Background/Discussion

#### 1. Quiet Period Policy Guidelines

The following guidelines established by the Quiet Period Policy, section 3.c, will govern a search process for any contract to be awarded by OCERS:

*“...Board Members and OCERS staff shall not knowingly communicate with any party financially interested in any prospective contract with OCERS regarding the contract, the services to be provided under the contract or the selection process;”*

#### 2. Quiet Period Guidelines

In addition, the following language is included in all distributed RFP’s:

*“From the date of issuance of this RFP until the selection of one or more respondents is completed and announced, respondents are not permitted to communicate with any OCERS staff member or Board Members regarding this procurement, except through the Point of Contact named herein. Respondents violating the communications prohibition may be disqualified at OCERS’ discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.”*

#### Distributed RFP’s

The RFP’s noted below are subject to the quiet period until such time as a contract(s) is finalized.

- An RFP was distributed for Hearing Officer Services in October, 2018. Submissions deadline was December 4<sup>th</sup>, 2018. Interviews have been conducted and final evaluations are in progress.
- An RFP for an I.T. Audit and Consulting Services was distributed in January, 2019. A final selection was made from several bidders. We are currently working on a contract.

Submitted by:



Jim Doezie  
Contracts, Risk and Performance Administrator



# Memorandum

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I-5

## Memorandum

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**DATE:** April 15, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT: LEGISLATIVE UPDATE**

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### Written Report

#### Background/Discussion

The California Legislature convened on December 3, 2018 to commence the 2019 – 2020 legislative session. The Legislature will adjourn for Spring Recess beginning April 11, 2019 and reconvene on April 22, 2019.

A comprehensive list and description of the pending bills that staff is monitoring is attached. Below is a brief summary of the bills that may be of greater interest to the Board. **New or updated information since the last report to the Board are indicated in bold text.**

#### SACRS Sponsored Bills

- **SB 783 (Senate Committee on Labor, Public Employees and Retirement)**  
**The CERL authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees. This bill would correct several erroneous and obsolete cross-references within CERL.**  
**(STATUS: Introduced 03/07/19. Referred to Committee on L., P.E. & R.)**

#### Bills That Would Amend the CERL or Other Laws That Apply to OCERS

- **AB 249 (Choi)**  
This bill would prohibit a public employer from deterring or discouraging a public employee or an applicant to be a public employee from opting out of becoming or remaining a member of an employee organization. The bill would prohibit a public employer from taking adverse action against a public employee or applicant to be a public employee who opts out of becoming or remaining a member of an employee organization and would specify that adverse action includes reducing a public employee's current level of pay or benefits.  
(STATUS: Introduced 01/22/19. Referred to the Committee on P.E. & R on 02/07/19.)
- **AB 287 (Voepel)**  
Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report. This bill would

also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's internet website no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(STATUS: Introduced 01/28/19. Referred to the Committee on P.E. & R on 02/07/19.)

- **AB 472 (Voepel)**

PEPRA establishes various limits on retirement benefits generally applicable to a public employee retirement system, as defined. The act prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would make non-substantive changes to that provision.

(STATUS: Introduced 02/11/19. Referred to Committee on P.E. & R.)

- **AB 664 (Cooper) Amended 03/13/19 to apply only to Sacramento County.**

The CERL provides that a member who is permanently incapacitated shall be retired for disability despite age if, among other conditions, the member's incapacity is a result of injury or disease arising out of and in the course of the member's employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified. This bill would require, for purposes of determining permanent incapacity of certain members employed as peace officers **in the County of Sacramento**, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer who is described under Section 830 of the Penal Code. The bill would apply to members who file applications for disability on or after the effective date of the act, except for cases on appeal at that time. The bill ~~also would make non-substantive changes to that provision.~~ **would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.**

(STATUS: Introduced 02/15/19. **Amended and re-referred to Committee on P.E & R on 03/14/19.**)

- **AB 992 (Mullin)**

The Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and expressly excludes certain activities from the application of the act. This bill would provide that the act does not apply to the posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of



the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(STATUS: Introduced 02/21/19. Referred to Committee on L. Gov. on 03/7/19.)

- **AB 1198 (Stone)**

PEPRA, among other things, establishes new retirement formulas, which are generally applicable to employees first employed on or after January 1, 2013, and which a public employer offering a defined benefit pension plan is prohibited from exceeding. PEPRA excepts certain public employees from its provisions, **including certain transit workers whose interests are protected by specified federal law until a federal district court ruled that a United States Department of Labor determination that the application of PEPRA to these workers violated federal law was in error, or until January 1, 2016, as specified. A district court ruling to this effect occurred on December 31, 2014.** ~~This bill would make non-substantive changes to this provision.~~ **This bill would except transit workers hired before January 1, 2016, from PEPRA by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA, as described above.**

(STATUS: Introduced 02/21/19. Amended and re-referred to Committee on P.E. & R. on 03/25/19.)

- **AB 1212 (Levine)**

Existing law authorizes the boards of CalPERS, CalSTRS, and the '37 Act systems, consistent with their fiduciary duties and investment standards, to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project. This bill would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described above, and to provide the list to those boards. The state agency would be required to provide further project information to a board upon request.

(STATUS: Introduced 02/21/19. Referred to the Committee on P.E. & R. on 03/11/19.)

- **AB 1819 (Committee on Judiciary)**

**The California Public Records Act requires state and local agencies to make public records available upon receipt of a request that reasonably describes an identifiable record not otherwise exempt from disclosure, and upon payment of fees to cover costs. This bill would grant the requester the right to use the requester's equipment, without being charged any fees or costs, to photograph or otherwise copy or reproduce any physical record upon inspection and on the premises of the agency, unless the means of copy or reproduction would result in damage to the record, or unauthorized access to a computer system of the agency or secured network, as specified. The bill would authorize the agency to impose any reasonable limits on the use of the requester's equipment that is necessary to maintain the integrity of historic or high-value records, as specified. By imposing additional duties and responsibilities upon local agencies in connection with requests for inspection of records, this bill constitutes a state-mandated local program.**

(STATUS: Introduced 03/26/19. Amended and re-referred to the Committee on JUD on 03/28/19.)

- **SB 430 (Wieckowski)**

PEPRA prohibits a public employer offering a defined benefit pension plan from exceeding specified retirement formulas for new members and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA defines "new member" to include an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date; an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under specified law; or an individual who was an active member in a retirement system and who, after a break in service of more than 6 months, returned to active membership in that system with a new employer. This bill would specifically exclude from the definition of "new member" a judge, as defined in specified existing law, elected to office before January 1, 2013.

(STATUS: Introduced 02/21/19. **Referred to Committee on L., P.E. & R. on 03/07/19. Set for hearing 04/10/19.**)

- **SB 518 (Wieckowski)**

The California Public Records Act requires a public agency to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions. This bill, for purposes of the award of court costs and reasonable attorney's fees pursuant to the above provisions, would specifically notwithstanding a provision of existing law that prescribes the withholding or augmentation of costs if an offer is made before judgment or award in a trial or arbitration.

(STATUS: Introduced 02/21/19. **Referred to Committees on JUD. & APPR. Set for hearing 04/23/19.**)

- **SB 615 (Hueso)**

The California Public Records Act requires a public agency to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions. The act permit any person to institute proceedings for injunctive or declaratory relief or a writ of mandate to enforce the right to receive a copy of any public record covered by the act. This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/22/19. **Referred to Committee on JUD. on 03/14/19.**)

- **SB 749 (Durazo)**

The California Public Records Act provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things. This bill would provide that records relating to wages, benefits, working hours, and other employment terms and conditions of employees working for a private industry employer pursuant to a contract with a state or local agency shall not be deemed to be trade secrets under the act. The bill would also provide that records of compliance with local, state, or federal domestic content requirements and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency shall not be deemed trade secrets under the act.

**(STATUS: Introduced 02/22/19. Amended and re-referred to Committee on RLS on 03/27/19.)**

#### **Other Bills of Interest**

- **AB 1332 (Bonta)**

This bill would enact the Sanctuary State Contracting and Investment Act, which would, among other things, prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that provides a federal immigration agency with any data broker, extreme vetting, or detention facilities services, as defined, unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt contracts related to retirement or retirement obligations that would impact investments or pensions from these provisions. This bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

**(STATUS: Introduced 02/22/19. Amended and re-referred to the Committee on P.E. & R. on 03/28/19.)**

- **SB 53 (Wilk)**

The Bagley-Keene Open Meeting Act requires that all meetings of a state body, as defined, be open and public and that all persons be permitted to attend and participate in a meeting of a state body, subject to certain conditions and exceptions. This bill would specify that the definition of "state body" includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation. This bill would declare that it is to take effect immediately as an urgency statute.

**(STATUS: Introduced 12/10/18. Amended (non-substantive) 03/05/19. Referred to the Committee on APPR. on 03/12/19. Set for hearing on 04/08/19.)**

- **SB 715 (Galgiani)**

The California Constitution establishes the University of California as a public trust with full powers of organization and government, subject only to specified limitations. Under this independent constitutional authority, the University of California established retirement systems to provide various retirement benefits to its members. Existing law prohibits the University of California from contracting for services unless a contractor certifies that the services will be performed solely by workers within the United States or if the contractor's bid describes any work that will be performed by workers outside the United States. This bill would prohibit the University of California from contracting for services with an asset manager for a defined contribution plan if that plan is a stand-alone optional plan that is not a complement to a defined benefit pension plan. The bill would apply this prohibition to a contract entered into on or after January 1, 2015.

(STATUS: Introduced 02/22/19. Amended and re-referred to the Committee on RLS on 03/28/19.)

#### **Bills that Apply to CalPERS and/or CalSTRS Only:**

- **AB 181 (Rodriguez)**

This bill would require CalPERS and CalSTRS to each provide a report to the Legislature, commencing March 1, 2020 ~~2021~~, and annually thereafter, ~~until January 1, 2024~~, on the status of achieving appropriate objectives and initiatives, **to be defined by the boards**, regarding participation of emerging managers responsible for asset management within each system's portfolio of investments. ~~With respect to the duties of the CalPERS board, the bill also would require the board's report to the Legislature to address the status of achieving appropriate objectives and initiatives regarding participation of transition managers responsible for asset management within its portfolio of investments.~~ **The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year.** The bill would require each report to include certain elements and would require the boards to define specified terms **"emerging manager"** for purposes of these provisions.

(STATUS: Introduced 01/09/19. **Amended and re-referred to the Committee on P.E. & R. on 03/26/19**)

- **AB 462 (Rodriguez)**

CalPERS provides defined benefits to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. PERL ~~prescribes requirements for the computation of service credit in connection with sick leave that are applicable to a state, school, and school safety member, if the effective date of retirement is within 4 months of separation from employment with the employer that granted the sick leave credit.~~ **defines terms for its purposes, including a county peace officer. PERL prescribes, among other things, the disability allowance for a state miscellaneous member upon industrial disability retirement as 50% of the member's final compensation, unless otherwise provided. PERL also defines a county police officer for PERS purposes.** This bill would ~~provide that all sick leave acquired by a school member from all employers subject to PERL within 4 months of separation may be credited as service credit when specified conditions are met.~~ **make non-substantive changes to the provisions defining a county peace officer and prescribing the**

**disability allowance for a state miscellaneous member upon industrial disability retirement.** This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/11/19. **Amended and re-referred to Committee on P.E. & R. on 03/26/19.**)

- **AB 644 (Committee on Public Employment and Retirement)**

Existing law applicable to CalSTRS defines compensation earnable for the purpose of benefit calculations as the creditable compensation a person could earn in a school year for creditable service performed on a full time basis, and defines creditable compensation as remuneration paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position. Existing law also requires employers to make contributions to the CalSTRS system based on the member's creditable compensation. This bill would revise the definition of compensation earnable for the purposes of CalSTRS to be the sum of the average annualized pay rate, as defined, paid in a school year divided by the service credited for that school year and the remuneration paid in addition to salary or wages. The bill would make various conforming changes in accordance with the revised definition of compensation earnable.

Existing law applicable to CalSTRS requires an employer to certify that the member's employment has been terminated, unless the member's termination of employment occurred 12 consecutive months or more prior to the date the application for a termination of benefits is received by the system. This bill would require the employer certification to be in a format prescribed by CalSTRS and would specify that the application for a termination benefit must be received at the system's headquarters office.

Existing law authorizes specified CalSTRS members who, on January 1, 1976, are in state service positions or are employees of the Trustees of the California State University, to elect to not continue as members of CalSTRS and to transfer to CalPERS. This bill would repeal these provisions.

(STATUS: Introduced 02/15/19. **Amended and re-referred to Committee on P.E & R on 03/26/19.**)

- **AB 672 (Cervantes)**

CalPERS provides pension and other benefits to members of the system and prescribes conditions for service after retirement. PERL and PEPRA establish various limits on retirement benefits generally applicable to a public employee retirement system, and prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would prohibit a person who has retired for disability from being employed by any employer without reinstatement from retirement if the position is the position from which the person retired or if the position includes duties or activities that the person was previously restricted from performing at the time of retirement, unless an exception applies. The bill would require, if a person retired for disability is employed by an employer without reinstatement, an employer to provide to the board the nature of the employment and the duties and activities the person will perform.

(STATUS: Introduced 02/15/19. **Referred to Committee on P.E & R on 02/28/19. Set for hearing 04/24/19.**)

- **AB 1452 (O'Donnell)**

Existing law also creates the CalSTRS Cash Balance Benefit Program, which is administered by the CalSTRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. This bill would prohibit aggregating creditable service in more than one position for the purpose of determining mandatory membership on a part-time basis for 50% or more of the time the employer requires for a full-time position, as specified. This bill contains other related provisions and other existing laws.

**(STATUS: Introduced 02/22/19. Amended and re-referred to Committee on P.E & R on 03/27/19.)**

- **SB 266 (Leyva)**

Under existing law, CalPERS is responsible for correcting errors and omissions in the administration of the system and the payment of benefits. Existing law requires the board to correct all actions taken as a result of errors or omissions of the state or a contracting agency, in accordance with certain procedures. This bill would establish new procedures under PERL for cases in which CalPERS determines that the benefits of a member or annuitant are, or would be, based on compensation that conflicts with PEPR and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state school employer, or contracting agency to return to the member any contributions paid by the member or on the member's behalf.

**(STATUS: Introduced 02/12/19. Referred to the Committee on APPR on 03/27/19. Set for hearing 04/08/19.)**

- **SB 341 (Morell)**

Existing law requires the CalPERS and CalSTRS retirement boards to provide annual reports to the Legislature and the Governor with regard to investment returns on assets of CalPERS and CalSTRS, respectively. As part of these reports, the boards are required to calculate and report on the rate of return on investments based on different assumptions. This bill would require the Board of Administration of CalPERS to report a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. The bill would require the CalSTRS Retirement Board to provide a description of the discount rate the board uses for reporting liabilities, a calculation of liabilities based on a discount rate that is 2% below the long-term rate of return assumed by the board, and a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. This bill would also appropriate \$1 billion from the General Fund for transfer to the Teachers' Retirement Fund to reduce the unfunded liability of the STRS defined benefit program, and appropriate another \$1 billion to the Teachers' Retirement Fund if the Legislative Analyst determines in the May Revision of the 2019-20 Budget that

the State has collected more than \$1 billion in unanticipated General Fund revenue. This bill contains other related provisions and amendments other existing laws.

(STATUS: Introduced 02/19/19. Referred to Committee on L., P.E. & R on 02/28/19. **Set for hearing on 03/27/19. Failed passage in committee. Reconsideration granted.**)

#### **Divestment Proposals (CalPERS and CalSTRS Only)**

- **AB 33 (Bonta)**

This bill would prohibit the CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a private prison company, as defined. This bill would require the boards to liquidate investments in private prison companies on or before July 1, 2020, and would require the boards, in making a determination to liquidate investments, to constructively engage with private prison companies to establish whether the companies are transitioning their business models to another industry. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the constitution. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified. The bill would make related legislative findings and declarations.

(STATUS: Introduced 12/03/18. Referred to Committee on P.E. & R on 01/17/19. **First hearing canceled at request of author.**)

- **AB 1320 (Nazarian)**

~~This bill would state the intent of the Legislature to enact legislation that would require the boards of CalPERS and CalSTRS to liquidate existing investments of public employee retirement funds in investment vehicles issued by the government of Turkey.~~ **This bill, upon the passage of a federal law that imposes sanctions on Turkey for failure to acknowledge the Armenian Genocide, would prohibit the boards of administration of CalPERS and CalSTRS from making additional or new investments, or renewing existing investments, of public employee retirement funds in an investment vehicle in Turkey that is issued by the government of Turkey or that is owned, controlled, or managed by the government of Turkey. The bill would require the boards to liquidate existing investments in Turkey in these types of investment vehicles within 6 months of the passage of a federal law imposing those sanctions on Turkey. The bill would require these boards, within one year of the passage of a federal law imposing those sanctions on Turkey, to make a specified report to the Legislature and the Governor regarding these actions. The bill would specify that its provisions do not require a board to take any action that the board determines in good faith is inconsistent with its constitutional fiduciary responsibilities to the retirement system. The bill would indemnify from the General Fund and hold harmless the present, former, and future board members, officers, and employees of, and investment managers under contract with, the boards, in connection with actions relating to these investments. The bill would repeal these provisions if a determination is made by the Department of State or the**

**Congress of the United States, or another appropriate federal agency, that the government of Turkey has officially acknowledged its responsibility for the Armenian Genocide.**

(STATUS: Introduced 02/22/19. Amended and re-referred to Committee on P.E. & R. on 03/19/19.)

Attachments

**Submitted by:**



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Gina M. Ratto  
General Counsel



**2019 - 2020 LEGISLATIVE SESSION BILLS OF INTEREST  
LEGISLATIVE UPDATE (APRIL 15, 2019) – ATTACHMENT**

*New or updated information in bold text*

**AB 33 (Bonta)**

This bill would prohibit the CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a private prison company, as defined. This bill would require the boards to liquidate investments in private prison companies on or before July 1, 2020, and would require the boards, in making a determination to liquidate investments, to constructively engage with private prison companies to establish whether the companies are transitioning their business models to another industry. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the constitution. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified. The bill would make related legislative findings and declarations.

(STATUS: Introduced 12/03/18. Referred to Committee on P.E. & R on 01/17/19. **First hearing canceled at request of author.**)

**AB 181 (Rodriguez)**

This bill would require CalPERS and CalSTRS to each provide a report to the Legislature, commencing March 1, 2020 **2021**, and annually thereafter, ~~until January 1, 2024~~, on the status of achieving appropriate objectives and initiatives, **to be defined by the boards**, regarding participation of emerging managers responsible for asset management within each system's portfolio of investments. ~~With respect to the duties of the CalPERS board, the bill also would require the board's report to the Legislature to address the status of achieving appropriate objectives and initiatives regarding participation of transition managers responsible for asset management within its portfolio of investments.~~ **The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year.** The bill would require each report to include certain elements and would require the boards to define ~~specified~~ terms **"emerging manager"** for purposes of these provisions.

(STATUS: Introduced 01/09/19. **Amended and re-referred to the Committee on P.E. & R. on 03/26/19**)

**AB 249 (Choi)**

This bill would prohibit a public employer from deterring or discouraging a public employee or an applicant to be a public employee from opting out of becoming or remaining a member of an employee organization. The bill would prohibit a public employer from taking adverse action against a public employee or applicant to be a public employee who opts out of becoming or remaining a member of an employee organization and would specify that adverse action includes reducing a public employee's current level of pay or benefits.

(STATUS: Introduced 01/22/19. Referred to the Committee on P.E. & R on 02/07/19.)

### **AB 287 (Voepel)**

Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report. This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's internet website no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(STATUS: Introduced 01/28/19. Referred to the Committee on P.E. & R on 02/07/19.)

### **AB 346 (Cooper)**

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law provides that certain peace officers, firefighters, and other specified state and local public employees are entitled to a leave of absence without loss of salary while disabled by injury or illness arising out of and in the course of employment. The leave of absence is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers' compensation system. This bill would add police officers employed by a school district, county office of education, or community college district to the list of public employees entitled to a leave of absence without loss of salary, in lieu of temporary disability payments, while disabled by injury or illness arising out of and in the course of employment.

(STATUS: Introduced 02/04/19. Referred to Committee on Insurance on 02/11/19.)

### **AB 462 (Rodriguez)**

CalPERS provides defined benefits to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. PERL ~~prescribes requirements for the computation of service credit in connection with sick leave that are applicable to a state, school, and school safety member, if the effective date of retirement is within 4 months of separation from employment with the employer that granted the sick leave credit.~~ **defines terms for its purposes, including a county peace officer. PERL prescribes, among other things, the disability allowance for a state miscellaneous member upon industrial disability retirement as 50% of the member's final compensation, unless otherwise provided. PERL also defines a county police officer for PERS purposes.** This bill would ~~provide that all sick leave acquired by a school member from all employers subject to PERL within 4 months of separation may be credited as service credit when specified conditions are met.~~ **make nonsubstantive changes to the provisions defining a county peace officer and prescribing the disability allowance for a state miscellaneous member upon industrial disability retirement.**

This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/11/19. **Amended and re-referred to Committee on P.E. & R. on 03/26/19.**)

**AB 472 (Voepel)**

PEPRA establishes various limits on retirement benefits generally applicable to a public employee retirement system, as defined. The act prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would make non-substantive changes to that provision.

(STATUS: Introduced 02/11/19. Awaiting policy committee assignment.)

**AB 510 (Cooley)**

Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of routine video monitoring maintained by that county, city, or special district after one year if that person receives approval from the legislative body and the written consent of the agency attorney. Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of telephone and radio communications maintained by that county, city, or special district after 100 days if that person receives approval from the legislative body and the written consent of the agency attorney. This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

(STATUS: Introduced 02/13/19. Referred to Committee on L. Gov. on 02/21/19.)

**AB 644 (Committee on Public Employment and Retirement)**

**Existing law applicable to CalSTRS defines compensation earnable for the purpose of benefit calculations as the creditable compensation a person could earn in a school year for creditable service performed on a full time basis, and defines creditable compensation as remuneration paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position. Existing law also requires employers to make contributions to the CalSTRS system based on the member's creditable compensation. This bill would revise the definition of compensation earnable for the purposes of CalSTRS to be the sum of the average annualized pay rate, as defined, paid in a school year divided by the service credited for that school year and the remuneration paid in addition to salary or wages. The bill would make various conforming changes in accordance with the revised definition of compensation earnable.**

Existing law applicable to CalSTRS requires an employer to certify that the member's employment has been terminated, unless the member's termination of employment occurred 12 consecutive months or more prior to the date the application for a termination of benefits is received by the system. This bill would require the employer certification to be in a format prescribed by CalSTRS and would specify that the application for a termination benefit must be received at the system's headquarters office.

Existing law authorizes specified CalSTRS members who, on January 1, 1976, are in state service positions or are employees of the Trustees of the California State University, to elect to not continue as members of CalSTRS and to transfer to CalPERS. This bill would repeal these provisions.

**(STATUS: Introduced 02/15/19. Amended and re-referred to Committee on P.E & R on 03/26/19.)**

**AB 664 (Cooper) Amended 03/13/19 to apply only to Sacramento County.**

The CERL provides that a member who is permanently incapacitated shall be retired for disability despite age if, among other conditions, the member's incapacity is a result of injury or disease arising out of and in the course of the member's employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified. This bill would require, for purposes of determining permanent incapacity of certain members employed as peace officers **in the County of Sacramento**, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer who is described under Section 830 of the Penal Code. The bill would apply to members who file applications for disability on or after the effective date of the act, except for cases on appeal at that time. The bill ~~also would make non-substantive changes to that provision.~~ **would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.**

(STATUS: Introduced 02/15/19. **Amended and re-referred to Committee on P.E & R on 03/14/19.**)

**AB 672 (Cervantes)**

CalPERS provides pension and other benefits to members of the system and prescribes conditions for service after retirement. PERL and PEPRA establish various limits on retirement benefits generally applicable to a public employee retirement system, and prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would prohibit a person who has retired for disability from being employed by any employer without reinstatement from retirement if the position is the position from which the person retired or if the position includes duties or activities that the person was previously restricted from performing at the time of retirement, unless an exception applies. The bill would require, if a person retired for disability is employed by an employer without reinstatement, an employer to provide to the board the nature of the employment and the duties and activities the person will perform.

(STATUS: Introduced 02/15/19. **Referred to Committee on P.E & R on 02/28/19. Set for hearing 04/24/19.**)

**AB 979 (Reyes)**

Existing law establishes the Judges' Retirement System II, which CalPERS administers. Existing law authorizes a judge who is a member of the system and who retires upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, to elect from specified retirement benefits including a monthly pension. Existing law requires a judge who leaves judicial office after accruing 5 or more years of service, but who has not reached the applicable age of retirement, to be paid a lump sum equal to monetary credits that accrued while in office, as specified. Existing law authorizes a judge who, among other things, separates from office after accruing 5 or more years of service and has not reached 65 years of age to continue health care benefits if the judge assumes certain payments. Existing law specifies benefits provided to a surviving spouse or other beneficiary in relation to these provisions.

This bill would authorize a judge who is a member of the system to retire upon attaining both 63 years of age and 15 or more years of service, or when a judge who has accrued at least 5 years of service and who has not received specified discipline is defeated for reelection. The bill would authorize a judge who is not otherwise eligible to retire and who has either attained 60 years of age with a minimum of 5 years of service or accrued 15 or more years of service to leave the judge's monetary credits on deposit with the system, to retire, and upon reaching retirement age, as specified, to receive a retirement allowance, as provided. The bill would prescribe procedures to apply if the judge fails to elect within 30 days of separation and would authorize the board to charge an administrative fee, as specified, to a judge who elects to apply these provisions. The bill would specify the monthly allowance provided to a surviving spouse or other beneficiary and would make other conforming changes in relation to these provisions. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/21/19. **Referred to Committee on P.E. & R. on 03/04/19.**)

#### **AB 992 (Mullin)**

The Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and expressly excludes certain activities from the application of the act. This bill would provide that the act does not apply to the posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(STATUS: Introduced 02/21/19. **Referred to Committee on L. Gov. on 03/7/19.**)

#### **AB 1198 (Stone)**

PEPRA, among other things, establishes new retirement formulas, which are generally applicable to employees first employed on or after January 1, 2013, and which a public employer offering a defined benefit pension plan is prohibited from exceeding. PEPRA excepts certain public employees from its provisions, **including certain transit workers whose interests are protected by specified federal law until a federal district court ruled that a United States Department of Labor determination that the application of PEPRA to these workers violated federal law was in error, or until January 1, 2016, as specified. A district court ruling to this effect occurred on December 31, 2014.** ~~This bill would make non-substantive changes to this provision.~~ **This bill would except transit workers hired before January 1, 2016, from PEPRA by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA, as described above.**

(STATUS: Introduced 02/21/19. **Amended and re-referred to Committee on P.E. & R. on 03/25/19.**)

#### **AB 1212 (Levine)**

Existing law authorizes the boards of CalPERS, CalSTRS, and the '37 Act systems, consistent with their fiduciary duties and investment standards, to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project. This bill would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards,

as described above, and to provide the list to those boards. The state agency would be required to provide further project information to a board upon request.

(STATUS: Introduced 02/21/19. Referred to the Committee on P.E. & R. on 03/11/19.)

#### **AB 1320 (Nazarian)**

This bill would state the intent of the Legislature to enact legislation that would require the boards of CalPERS and CalSTRS to liquidate existing investments of public employee retirement funds in investment vehicles issued by the government of Turkey. **This bill, upon the passage of a federal law that imposes sanctions on Turkey for failure to acknowledge the Armenian Genocide, would prohibit the boards of administration of CalPERS and CalSTRS from making additional or new investments, or renewing existing investments, of public employee retirement funds in an investment vehicle in Turkey that is issued by the government of Turkey or that is owned, controlled, or managed by the government of Turkey. The bill would require the boards to liquidate existing investments in Turkey in these types of investment vehicles within 6 months of the passage of a federal law imposing those sanctions on Turkey. The bill would require these boards, within one year of the passage of a federal law imposing those sanctions on Turkey, to make a specified report to the Legislature and the Governor regarding these actions. The bill would specify that its provisions do not require a board to take any action that the board determines in good faith is inconsistent with its constitutional fiduciary responsibilities to the retirement system. The bill would indemnify from the General Fund and hold harmless the present, former, and future board members, officers, and employees of, and investment managers under contract with, the boards, in connection with actions relating to these investments. The bill would repeal these provisions if a determination is made by the Department of State or the Congress of the United States, or another appropriate federal agency, that the government of Turkey has officially acknowledged its responsibility for the Armenian Genocide.**

(STATUS: Introduced 02/22/19. Amended and re-referred to Committee on P.E. & R. on 03/19/19.)

#### **AB 1332 (Bonta)**

This bill would enact the Sanctuary State Contracting and Investment Act, which would, among other things, prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that provides a federal immigration agency with any data broker, extreme vetting, or detention facilities services, as defined, unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt contracts related to retirement or retirement obligations that would impact investments or pensions from these provisions. This bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

(STATUS: Introduced 02/22/19. Amended and re-referred to the Committee on P.E. & R. on 03/28/19.)

**AB 1452 (O'Donnell)**

Existing law also creates the CalSTRS Cash Balance Benefit Program, which is administered by the CalSTRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. This bill would prohibit aggregating creditable service in more than one position for the purpose of determining mandatory membership on a part-time basis for 50% or more of the time the employer requires for a full-time position, as specified. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/22/19. Amended and re-referred to Committee on P.E & R on 03/27/19.)

**AB 1819 (Committee on Judiciary)**

The California Public Records Act requires state and local agencies to make public records available upon receipt of a request that reasonably describes an identifiable record not otherwise exempt from disclosure, and upon payment of fees to cover costs. This bill would grant the requester the right to use the requester's equipment, without being charged any fees or costs, to photograph or otherwise copy or reproduce any physical record upon inspection and on the premises of the agency, unless the means of copy or reproduction would result in damage to the record, or unauthorized access to a computer system of the agency or secured network, as specified. The bill would authorize the agency to impose any reasonable limits on the use of the requester's equipment that is necessary to maintain the integrity of historic or high-value records, as specified. By imposing additional duties and responsibilities upon local agencies in connection with requests for inspection of records, this bill constitutes a state-mandated local program.

(STATUS: Introduced 03/26/19. Amended and re-referred to the Committee on JUD on 03/28/19.)

**SB 53 (Wilk)**

The Bagley-Keene Open Meeting Act requires that all meetings of a state body, as defined, be open and public and that all persons be permitted to attend and participate in a meeting of a state body, subject to certain conditions and exceptions. This bill would specify that the definition of "state body" includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced 12/10/18. Amended (non-substantive) 03/05/19. Referred to the Committee on APPR. on 03/12/19. Set for hearing on 04/08/19.)

**SB 184 (Moorlach)**

Existing law establishes the Judges' Retirement System II, which CalPERS administers. Existing law authorizes a judge who is a member of the system and who retires upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, to elect from specified retirement benefits including a monthly pension. Existing law requires a judge who leaves judicial office after

accruing 5 or more years of service, but who has not reached the applicable age of retirement, to be paid a lump sum equal to monetary credits that accrued while he or she was in office, as specified. Existing law authorizes a judge who, among other things, separates from office after accruing 5 or more years of service and has not reached 65 years of age to continue health care benefits if he or she assumes certain payments. Existing law specifies benefits provided to a surviving spouse or other beneficiary in relation to these provisions.

This bill would authorize a judge who is not otherwise eligible to retire and who has either attained 60 years of age with a minimum of 5 years of service or accrued 20 or more years of service to leave his or her monetary credits on deposit with the system, to retire, and upon reaching retirement age, as specified, to receive a retirement allowance, as provided. The bill would prescribe procedures to apply if the judge fails to elect within 30 days of separation and would authorize the board to charge an administrative fee, as specified, to a judge who elects to apply these provisions. The bill would specify the monthly allowance provided to a surviving spouse or other beneficiary and would make other conforming changes in relation to these provisions. The bill would also provide, for the purposes of the Judges' Retirement System II, and for a judge first appointed or elected to office on or after January 1, 2020, that a surviving spouse is a spouse who was married to the judge continuously from the date of retirement until the judge's death.

Existing law establishes the Public Employees' Medical and Hospital Care Act (PEMHCA) for the purpose of providing health care benefits to employees and annuitants, as defined. PEMHCA defines an annuitant for purposes of receiving postretirement health benefits as including, among others, a person who retires within 120 days of separation from public employment and a judge who receives the above-described lump sum payment of monetary credits. Contributions and premiums paid under PEMHCA are deposited in the Public Employees' Contingency Reserve Fund, which is continuously appropriated.

This bill would authorize a judge who elects to retire as described above, but is not yet receiving his or her retirement allowance, to continue health care benefits upon separation from office if he or she assumes specified payments. The bill would include these judges within the definition of annuitant upon commencement of the judge's retirement allowance, thereby authorizing the judge to receive applicable postretirement health benefits. By authorizing the use of continuously appropriated funds for a new purpose, and by depositing additional amounts into a continuously appropriated fund, this bill would make an appropriation.

(STATUS: Introduced 01/30/19. **Referred to the Committee on APPR on 03/27/19. Set for hearing 04/08/19.**)

### **SB 266 (Leyva)**

Under existing law, CalPERS is responsible for correcting errors and omissions in the administration of the system and the payment of benefits. Existing law requires the board to correct all actions taken as a result of errors or omissions of the state or a contracting agency, in accordance with certain procedures. This bill would establish new procedures under PERL for cases in which CalPERS determines that the benefits of a member or annuitant are, or would be, based on compensation that conflicts with PEPR and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not



exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state school employer, or contracting agency to return to the member any contributions paid by the member or on the member's behalf.

**(STATUS: Introduced 02/12/19. Referred to the Committee on APPR on 03/27/19. Set for hearing 04/08/19.)**

### **SB 341 (Morell)**

Existing law requires the CalPERS and CalSTRS retirement boards to provide annual reports to the Legislature and the Governor with regard to investment returns on assets of CalPERS and CalSTRS, respectively. As part of these reports, the boards are required to calculate and report on the rate of return on investments based on different assumptions. This bill would require the Board of Administration of CalPERS to report a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. The bill would require the CalSTRS Retirement Board to provide a description of the discount rate the board uses for reporting liabilities, a calculation of liabilities based on a discount rate that is 2% below the long-term rate of return assumed by the board, and a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. This bill would also appropriate \$1 billion from the General Fund for transfer to the Teachers' Retirement Fund to reduce the unfunded liability of the STRS defined benefit program, and appropriate another \$1 billion to the Teachers' Retirement Fund if the Legislative Analyst determines in the May Revision of the 2019-20 Budget that the State has collected more than \$1 billion in unanticipated General Fund revenue. This bill contains other related provisions and amendments other existing laws.

**(STATUS: Introduced 02/19/19. Referred to Committee on L., P.E. & R on 02/28/19. Set for hearing on 03/27/19. Failed passage in committee. Reconsideration granted.)**

### **SB 430 (Wieckowski)**

PEPRA prohibits a public employer offering a defined benefit pension plan from exceeding specified retirement formulas for new members and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA defines "new member" to include an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date; an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under specified law; or an individual who was an active member in a retirement system and who, after a break in service of more than 6 months, returned to active membership in that system with a new employer. This bill would specifically exclude from the definition of "new member" a judge, as defined in specified existing law, elected to office before January 1, 2013.

**(STATUS: Introduced 02/21/19. Referred to Committee on L., P.E. & R. on 03/07/19. Set for hearing 04/10/19.)**

**SB 518 (Wieckowski)**

The California Public Records Act requires a public agency to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions. This bill, for purposes of the award of court costs and reasonable attorney's fees pursuant to the above provisions, would specifically notwithstanding a provision of existing law that prescribes the withholding or augmentation of costs if an offer is made before judgment or award in a trial or arbitration.

(STATUS: Introduced 02/21/19. **Referred to Committees on JUD. & APPR. Set for hearing 04/23/19.**)

**SB 615 (Hueso)**

The California Public Records Act requires a public agency to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions. The act permit any person to institute proceedings for injunctive or declaratory relief or a writ of mandate to enforce the right to receive a copy of any public record covered by the act. This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/22/19. **Referred to Committee on JUD. on 03/14/19.**)

**SB 715 (Galgiani)**

**The California Constitution establishes the University of California as a public trust with full powers of organization and government, subject only to specified limitations. Under this independent constitutional authority, the University of California established retirement systems to provide various retirement benefits to its members. Existing law prohibits the University of California from contracting for services unless a contractor certifies that the services will be performed solely by workers within the United States or if the contractor's bid describes any work that will be performed by workers outside the United States. This bill would prohibit the University of California from contracting for services with an asset manager for a defined contribution plan if that plan is a stand-alone optional plan that is not a complement to a defined benefit pension plan. The bill would apply this prohibition to a contract entered into on or after January 1, 2015.**

(STATUS: Introduced 02/22/19. Amended and re-referred to the Committee on RLS on 03/28/19.)

**SB 749 (Durazo)**

**The California Public Records Act provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things. This bill would provide that records relating to wages, benefits, working hours, and other employment terms and conditions of employees**

working for a private industry employer pursuant to a contract with a state or local agency shall not be deemed to be trade secrets under the act. The bill would also provide that records of compliance with local, state, or federal domestic content requirements and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency shall not be deemed trade secrets under the act.

(STATUS: Introduced 02/22/19. Amended and re-referred to Committee on RLS on 03/27/19.)

**SB 783 (Senate Committee on Labor, Public Employees and Retirement)**

The CERL authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees. This bill would correct several erroneous and obsolete cross-references within CERL.

(STATUS: Introduced 03/07/19. Referred to Committee on L., P.E. & R.)

## 2019 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE CHIEF CLERK  
October 31, 2018 (revised)

### DEADLINES

JANUARY						
S	M	T	W	TH	F	S
		<u>1</u>	2	3	4	5
6	<u>7</u>	8	9	<u>10</u>	11	12
13	14	15	16	17	18	19
20	<u>21</u>	22	23	24	<u>25</u>	26
27	28	29	30	31		

- [Jan. 1](#) Statutes take effect (Art. IV, Sec. 8(c)).
- [Jan. 7](#) Legislature **reconvenes** (J.R. 51(a)(1)).
- [Jan. 10](#) Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- [Jan. 21](#) Martin Luther King, Jr. Day.
- [Jan. 25](#) Last day to submit **bill requests** to the Office of Legislative Counsel

FEBRUARY						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	<u>18</u>	19	20	21	<u>22</u>	23
24	25	26	27	28		

- [Feb. 18](#) Presidents' Day.
- [Feb. 22](#) Last day for **bills to be introduced** (J.R. 61(a)(1)), (J.R. 54(a)).

MARCH						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	<u>29</u>	30
31						

- [Mar. 29](#) Cesar Chavez Day observed.

APRIL						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	<u>11</u>	12	13
14	15	16	17	18	19	20
21	<u>22</u>	23	24	25	<u>26</u>	27
28	29	30				

- [Apr. 11](#) **Spring recess** begins upon adjournment of this day's session (J.R. 51(a)(2)).
- [Apr. 22](#) Legislature **reconvenes** from Spring recess (J.R. 51(a)(2)).
- [Apr. 26](#) Last day for **policy committees** to hear and report to **fiscal committees** **fiscal bills** introduced in their house (J.R. 61(a)(2)).

MAY						
S	M	T	W	TH	F	S
			1	2	<u>3</u>	4
5	6	7	8	9	<u>10</u>	11
12	13	14	15	16	<u>17</u>	18
19	20	21	22	23	24	25
26	<u>27</u>	<u>28</u>	<u>29</u>	<u>30</u>	<u>31</u>	

- [May 3](#) Last day for **policy committees** to hear and report to the Floor **nonfiscal bills** introduced in their house (J.R. 61(a)(3)).
- [May 10](#) Last day for **policy committees** to meet prior to June 3 (J.R. 61(a)(4)).
- [May 17](#) Last day for **fiscal committees** to hear and report to the Floor bills introduced in their house (J.R. 61(a)(5)). Last day for **fiscal committees** to meet prior to June 3 (J.R. 61(a)(6)).
- [May 27](#) Memorial Day.
- [May 28-31](#) **Floor Session Only.**  
No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(a)(7)).

- [May 31](#) Last day for bills to be **passed out of the house of origin** (J.R. 61(a)(8)).

\*Holiday schedule subject to Rules committee approval.

**2019 TENTATIVE LEGISLATIVE CALENDAR**

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE CHIEF CLERK  
October 31, 2018 (revised)

JUNE						
S	M	T	W	TH	F	S
						1
2	<b>3</b>	4	5	6	7	8
9	10	11	12	13	14	<b>15</b>
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

**Jun. 3** Committee meetings may resume (J.R. 61(a)(9)).

**Jun. 15** **Budget Bill** must be **passed by midnight** (Art. IV, Sec. 12(c)(3)).

JULY						
S	M	T	W	TH	F	S
	1	2	3	<b>4</b>	5	6
7	8	9	<b>10</b>	11	<b>12</b>	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**Jul. 4** Independence Day.

**Jul. 10** Last day for **policy committees** to hear and report **fiscal bills** to **fiscal committees** (J.R. 61(a)(10)).

**Jul. 12** Last day for **policy committees** to meet and report bills (J.R. 61(a)(11)). **Summer recess** begins upon adjournment of this day's session, provided Budget Bill has been passed (J.R. 51(a)(3)).

AUGUST						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	<b>12</b>	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	<b>30</b>	31

**Aug. 12** **Legislature reconvenes** from Summer recess (J.R. 51(a)(3)).

**Aug. 30** Last day for **fiscal committees** to meet and report bills to Floor (J.R. 61(a)(12)).

SEPTEMBER						
S	M	T	W	TH	F	S
1	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	7
8	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

**Sep. 2** Labor Day.

**Sep. 3-13** **Floor Session Only.** No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(a)(13)).

**Sep. 6** Last day to **amend bills on the floor** (J.R. 61(a)(14)).

**Sep. 13** Last day for **each house to pass bills** (J.R. 61(a)(15)). **Interim Study Recess** begins upon adjournment of this day's session (J.R. 51(a)(4)).

\*Holiday schedule subject to Senate Rules committee approval.

**IMPORTANT DATES OCCURRING DURING INTERIM STUDY RECESS**

**2019**

**Oct. 13**

Last day for Governor to sign or veto bills passed by the Legislature on or before Sep. 13 and in the Governor's possession after Sep. 13 (Art. IV, Sec.10(b)(1)).

**2020**

**Jan. 1**

Statutes take effect (Art. IV, Sec. 8(c)).

**Jan. 6**

Legislature reconvenes (J.R. 51 (a)(4)).

I-6



## Memorandum

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**DATE:** April 3, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Tracy Bowman, Director of Finance  
**SUBJECT:** **FIRST QUARTER 2019 EDUCATION AND TRAVEL EXPENSE REPORT**

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### Written Report

#### Background/Discussion

In accordance with OCERS' Travel Policy, the Chief Executive Officer is required to submit a quarterly report to the Board of Retirement on conference attendance and related expenditures incurred by OCERS' Board Members and staff. Attached is the First Quarter 2019 Education and Travel Expense Report that includes all expenses submitted through March 25, 2019.

**Submitted by:**

A rectangular stamp with the OCERS logo on the left and the text "OCERS T.B. - Approved" in a bold, sans-serif font on the right.

OCERS T.B. - Approved

Tracy Bowman  
Director of Finance

EDUCATION AND TRAVEL EXPENSE REPORT  
First Quarter 2019  
Submitted Through March 25, 2019\*\*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Req. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total
BALDWIN	1/14/19	SACRS Meeting	Sacramento, CA	Meeting	-	-	25.94	339.97	275.30	42.64	-	683.85	-
	1/31/19	CALAPRS Meeting	Oakland, CA	Meeting	-	-	-	431.96	237.14	-	-	669.10	-
	2/11/19	SACRS Meeting	Sacramento, CA	Meeting	-	-	-	189.96	436.30	44.62	-	670.88	-
	2/23-2/26/19	MASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	-	-	-	336.41	968.00	171.43	-	2,630.84	-
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	-	1,165.00	254.60	784.09	74.96	-	1,283.65	-
	3/27-3/29/19	CALAPRS Pension Management for Trustees	Los Angeles, CA	Conference	-	-	3,100.00	-	-	-	-	3,100.00	-
	4/10-4/13/19	Institutional Investor Protecting Shareholder Rights	New Orleans, LA	Conference	-	-	625.00	-	-	-	-	1,117.60	-
5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	-	120.00	-	210.36	-	-	468.33	-	
Sub Total						5,160.00	25.94	2,183.47	2,901.19	333.65	-	10,604.25	15,478.93
BALL						-	-	-	-	-	-	-	-
Sub Total						-	-	-	-	-	-	-	5,326.79
DEWANE	3/27-3/29/19	CALAPRS Pension Management for Trustees	Los Angeles, CA	Conference	-	-	-	-	-	-	-	3,100.00	-
	Sub Total					-	-	-	-	-	-	3,100.00	-
ELEY						-	-	-	-	-	-	-	-
Sub Total						-	-	-	-	-	-	-	190.80
FREIDENRICH						-	-	-	-	-	-	-	-
Sub Total						-	-	-	-	-	-	-	12,206.27
GILBERT	1/14-1/15/19	SACRS Board and Committee Meeting	Sacramento, CA	Meeting	-	-	-	203.96	160.70	43.09	-	407.75	-
	1/27-1/30/19	NCPRS Legislative Conference	Washington, D.C.	Conference	-	-	-	213.11	970.23	104.78	-	1,852.62	-
	2/11/19	SACRS Meeting	Sacramento, CA	Meeting	14.50	550.00	-	213.11	70.23	104.78	-	571.66	-
2/23-2/26/19	MASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	29.23	-	8.44	355.60	935.00	77.62	-	2,041.66	-	
3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	29.23	150.00	50.00	155.96	520.04	33.00	-	938.23	-	
3/19/19	SACRS Program Committee Meeting	Sacramento, CA	Meeting	-	-	-	117.96	-	-	-	117.96	-	
5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	-	120.00	-	210.36	-	-	330.36	-	
Sub Total					72.96	1,485.00	58.44	1,258.55	3,075.48	315.81	-	6,266.24	11,475.12
LINDHOLM						-	-	-	-	-	-	-	-
Sub Total						-	-	-	-	-	-	-	701.02
PACKARD	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	150.00	-	296.00	255.02	-	-	701.02	-
	Sub Total					150.00	-	296.00	255.02	-	-	1,021.48	-
PREVATEL	2/23-2/26/19	MASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	-	150.00	31.42	-	840.06	-	-	1,021.48	-
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	150.00	56.50	448.60	731.25	128.37	-	2,529.72	-
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	416.44	1,435.00	105.72	448.60	1,881.67	128.37	-	4,315.80	13,721.00
	Sub Total				416.44	1,435.00	105.72	448.60	1,881.67	128.37	-	4,315.80	13,721.00
VALLON						-	-	-	-	-	-	-	
Sub Total						120.00	-	-	210.36	-	-	330.36	-
BOARD Total						11,600.00	221.52	4,186.62	9,063.78	777.83	-	26,399.15	2,777.74
DELANEY	1/25/19	CALAPRS Administrators Round Table	Burbank, CA	Conference	489.40	125.00	-	-	235.35	-	-	360.35	-
	2/23-2/26/19	MASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	-	665.00	24.18	439.19	699.36	136.59	-	1,964.32	-
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	150.00	31.41	126.40	508.99	366.67	-	1,183.47	-
	4/10-4/13/19	Institutional Investor Protecting Shareholder Rights	New Orleans, LA	Conference	-	-	-	462.60	-	-	-	462.60	-
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	-	472.99	302.94	-	-	895.93	-
	5/18-5/19/19	NCPRS Trustees Educational Seminar	Austin, TX	Conference	-	-	-	320.39	-	-	-	320.39	-
	6/20/19	CALAPRS Board Meeting	San Jose, CA	Meeting	-	-	-	-	284.20	-	-	284.20	-
Sub Total					19.67	1,040.00	55.59	1,821.57	2,030.84	503.26	-	5,471.26	12,189.19
JENIKE						-	-	-	-	-	-	-	-
3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	19.67	-	-	72.18	155.96	560.04	325.27	-	1,133.72	-
4/14-4/17/19	CREA Spring Conference	San Diego, CA	Conference	-	75.00	-	-	-	75.00	-	-	-	
5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	-	-	-	210.36	-	-	330.36	
Sub Total					19.67	195.00	72.18	155.96	770.40	325.27	-	1,538.48	11,196.78
SHOTT	1/27-1/29/19	GFOMCORBA Committee Meeting	Washington, D.C.	Meeting	-	-	165.00	466.80	550.26	106.50	-	1,288.56	-
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	13.75	150.00	137.11	182.30	340.52	266.95	-	1,090.63	-
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	-	-	210.36	-	-	330.36	-
	5/19-5/22/19	GFOMA 113th Annual Conference	Los Angeles, CA	Conference	13.75	690.00	302.11	649.10	1,101.14	373.45	-	3,129.55	20,232.91
Sub Total					33.42	1,945.00	429.88	2,626.63	3,902.38	1,201.98	-	10,199.29	3,560.77
TORRES						-	-	-	-	-	-	-	
Sub Total						-	-	-	-	-	-	-	
EXECUTIVE Total						33.42	1,945.00	429.88	2,626.63	3,902.38	1,201.98	10,199.29	47,179.65

96/184



**EDUCATION AND TRAVEL EXPENSE REPORT**  
**First QUARTER 2019**  
 Submitted Through March 25, 2019\*\*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Req. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total
BEESON													
Sub Total													5,478.47
CHARY	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference		120.00			232.62			352.62	
Sub Total						120.00			232.62			352.62	7,570.98
CLEBERG													
Sub Total													516.59
CUARESMA													
Sub Total													1,423.24
MURPHY	2/5-2/6/19	San Francisco Employees Retirement System Due Diligence	San Francisco, CA	Meeting/Due Diligence			28.53	248.61	373.41	162.32		812.87	
Sub Total	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference		120.00			210.36			330.36	
TUCKER	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference		120.00	28.53	248.61	583.77	162.32		1,143.23	17,526.93
Sub Total						120.00			232.62			352.62	
TURAIGI									232.62			352.62	
Sub Total													9,116.74
WALANDER-SARKIN													
Sub Total													8,309.81
INVESTMENTS total						360.00	28.53	248.61	1,049.01	162.32		1,848.47	49,942.76
KINSLER													
Sub Total													3,620.04
RITCHEY													
Sub Total													837.57
COMMUNICATIONS Total													4,457.61
FLETCHER													
Sub Total													125.00
IMATSUO	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference		120.00			210.36			330.36	
Sub Total						120.00			210.36			330.36	1,063.88
MCINTOSH	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference		120.00			210.36			330.36	
Sub Total						120.00			210.36			330.36	828.47
RATTO	2/20-2/22/19	2019 NARPA Winter Seminar	Tempe, AZ	Conference	322.60	555.00	190.00		811.56			1,879.16	
Sub Total	3/8/19	SACRS Legislative Committee Meeting	Sacramento, CA	Meeting	10.00			432.96		122.64		565.60	
Sub Total	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	332.60	615.00	190.00	432.96	1,021.92	122.64		2,775.12	5,364.07
SHARMA													
Sub Total													99.00
SINGLETON													
Sub Total													3,062.11
LEGAL Total						332.60	915.00	432.96	1,442.64	122.64		3,495.84	10,542.53
ANGON													
Sub Total													199.00
CANARILLO	6/20/19	SkillPath Advanced Excel Class	Irvine, CA	Training		399.00						399.00	
Sub Total						399.00						399.00	
FIELDS													
Sub Total													148.80
FLORES													
Sub Total													99.00
GUJARVA													
Sub Total													120.00
HALBUR													
Sub Total													3,129.44
MARTINEZ													
Sub Total													199.00
MERIDA													
Sub Total													158.50
PANAMENO													
Sub Total													120.00
PERSI	4/15-4/16/19	CALAPRS Management Academy	Pasadena, CA	Training		3,000.00						3,000.00	
Sub Total						3,000.00						3,000.00	500.00
RUBIO													
Sub Total													120.00
YU													
Sub Total													32.00
MEMBER SERVICES Total						3,399.00						3,399.00	4,793.74

**EDUCATION AND TRAVEL EXPENSE REPORT**  
**First Quarter 2019**  
 Submitted Through March 25, 2019\*\*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Req. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total*
<b>BOWMAN</b>													
Sub Total													3,245.64
<b>DAVEY</b>	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference		250.00						250.00	
Sub Total						250.00						250.00	172.28
<b>DURIGON</b>	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference		250.00						250.00	
Sub Total						250.00						250.00	-
<b>GUERRERO</b>	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference		250.00						250.00	
Sub Total						250.00						250.00	-
<b>KANG</b>													
Sub Total													2,992.93
<b>REYES</b>													
Sub Total													155.17
<b>WEHRT</b>	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference		250.00						250.00	
Sub Total						250.00						250.00	
<b>FINANCE Total</b>						1,000.00						1,000.00	6,566.02
<b>ACUNA</b>													
Sub Total													566.66
<b>CORTEZ</b>													
Sub Total													341.09
<b>G. GARCIA</b>													
Sub Total													182.68
<b>LIVARES</b>													
Sub Total													120.00
<b>SANDOVAL</b>													
Sub Total													174.80
<b>DISABILITY Total</b>													1,383.23
<b>D'VAIELLO</b>													
Sub Total													81.52
<b>DOEZE</b>	4/15-4/16/19	CALAPRS Management Academy	Pasadena, CA	Training		3,000.00						3,000.00	2,074.50
Sub Total						3,000.00						3,000.00	1,191.44
<b>DURRAH</b>													
Sub Total													388.60
<b>E. GARCIA</b>													
Sub Total													352.62
<b>HOCKLESS</b>	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference		120.00			232.62			352.62	5,835.50
Sub Total						120.00			232.62			352.62	26.00
<b>MURRIE</b>	2/21/19	Communicate with Tact and Professionalism	Anaheim, CA	Training						16.00		16.00	796.38
Sub Total										16.00		16.00	
<b>WOZNIUK</b>													
Sub Total													381.74
<b>ADMINISTRATION Total</b>						3,120.00			232.62	16.00		3,378.62	10,749.68
<b>JOHNSON</b>													
Sub Total													3,469.28
<b>LARA</b>	5/12-5/15/19	2019 PRISM Conference	Indianapolis, IN	Conference		650.00		376.60				1,026.60	
Sub Total						650.00		376.60				1,026.60	2,889.79
<b>SADOSKI</b>													
Sub Total													6,699.00
<b>IT Total</b>													13,058.07
<b>ADMENITO</b>	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference		250.00						250.00	7,036.11
Sub Total						250.00						250.00	1,226.14
<b>KIM</b>	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	41.64	150.00	58.11	186.60	510.04	279.75		1,226.14	
Sub Total						150.00	58.11	186.60	510.04	279.75		1,226.14	
<b>INTERNAL AUDIT Total</b>						520.00	58.11	186.60	720.40	279.75		2,086.50	918.33
<b>EAKIN</b>	2/1/19	CALAPRS Trustee's Round Table	Oakland, CA	Conference				257.40				257.40	
Sub Total								257.40				257.40	
<b>GOSSARD</b>	1/14-1/19/19	SANS Security East 2019	New Orleans, LA	Training		7,379.00	279.64	448.00	1,566.31	98.43		9,771.38	
Sub Total						7,379.00	279.64	448.00	1,566.31	98.43		9,771.38	
<b>CYBER SECURITY Total</b>						15,708.00	578.43	1,785.00	3,047.51	128.43		21,247.37	10,217.47
<b>Total</b>					907.06	39,467.00	1,506.47	9,643.02	19,458.34	2,688.95		73,870.84	234,040.21

Footnotes:  
 \* Prior year totals only presented for 2019 active staff & Board members.  
 \*\* Excludes expenses for non-travel related training conferences including: misc., lunches, meetings, mileage, strategic planning, and tuition reimbursement.

I-7

## Memorandum

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**DATE:** March 27, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Brenda Shott, Assistant CEO, Internal Operations and Jon Gossard, Information Security Manager  
**SUBJECT: BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN EXERCISE EXECUTIVE SUMMARY**

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### Written Report

#### Background/Discussion

Recognizing that business continuity and disaster recovery planning is a critical component of meeting our obligation to generate member benefit payments each month and perform other core processes, OCERS engaged the services of Avalution Consulting in 2015 to assist with the creation of a formal business continuity (BC) and disaster recovery (DR) program. This process consisted of conducting business impact analyses for each of the major departments in OCERS, identifying and prioritizing core business processes, defining recovery time objectives and creating department recovery plans as well as agency-wide crisis management and crisis communications plans. OCERS now has a Crisis Management Team (CMT) which meets quarterly to review and discuss BC/DR matters. Additionally, the CMT conducts two tabletop exercises each calendar year, which allows the team to role-play scenarios involving the loss of one or more of the following areas: facility, technology, personnel, and/or critical third-party vendor(s).

The objectives of the tabletop exercises are four-fold:

- **Create awareness:** Prepare for a real event by creating awareness among recovery stakeholders of processes, plans and tools.
- **Enable improvement:** Further develop plans, strategies, and tools based on lessons learned and participant feedback.
- **Gain plan familiarity:** Familiarize participants with the crisis management plan and department recovery plans, and provide a forum that allows participants to practice using plans.
- **Validate strategies:** Validate strategies and procedures that enable successful response and recovery efforts

#### 2019 Q1 Tabletop Exercise Report

On Tuesday, January 29, 2019, OCERS' Crisis Management Team (CMT) conducted its sixth tabletop exercise to test and improve upon its Business Continuity Crisis Management Plan. Members of the CMT and alternates gathered in the Modjeska Room at the OCERS headquarters facility at 9 A.M. Jon Gossard (Primary BC Program Coordinator) and Jim Doezie (Alternate BC Program Coordinator) kicked off the meeting with a brief introduction of the day's agenda before running through a 30-minute refresher on the BC program, opportunities for improving the maturity of the BC program, as well as objectives for the exercise. After

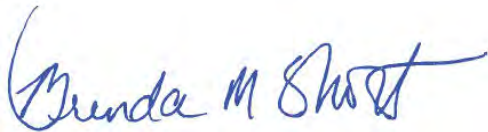
refreshing the CMT as to the objectives of the program, the facilitators began the exercise at approximately 9:35 A.M.

The OCERS Q1 2019 tabletop exercise involved a three-phase (initial response, recovery, and return to normal) scenario centered around two events: a County of Orange employee labor strike concurrent with a nationwide cyber-attack launched by an unknown nation-state. The scenario forced the team to determine the logistics of working without a large component of the OCERS labor force during a critical member payroll window. While part of this exercise focused on the stress caused by the unavailability of personnel due to the County labor strike, the cyber-attack component forced the CMT to work through how the team would communicate both internally and externally due to a loss of cloud-based applications, including the Bullhorn emergency notification system. During each phase of the exercise, the facilitators presented facts about the situation, after which the team discussed how they would respond to the scenario. After working through each phase, the facilitators paused the conversation to recap and pose several questions designed to evaluate if the team was considering key points.

Participation among the CMT group was excellent, with all members of the group offering information and thoughts relevant to the scenario. The objectives of the tabletop exercise were met, with team members reiterating awareness of individual roles and responsibilities, identifying areas of improvement in the crisis management plan, reinforcing high-level recovery strategies and validating those strategies, insofar as possible when role-playing a disaster scenario.

The next BC/DR plan tabletop exercise is scheduled for Tuesday, July 30, 2019. The BC Coordinator team is currently working with Avalution Consulting to develop the scenario with the goal of creating a challenging and thought-provoking exercise that will improve OCERS' current business continuity and disaster recovery plans.

**Submitted by:**



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Brenda Shott  
Assistant CEO, Internal Operations



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Jon Gossard  
Information Security Manager

I-8



## Memorandum

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**DATE:** March 28, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Tracy Bowman, Director of Finance  
**SUBJECT:** **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

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### Written Report

#### Background/Discussion

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to OCERS by the GFOA for its CAFR for the year ended December 31, 2017. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In addition, an Award of Financial Reporting Achievement has been presented to the Finance Division by the GFOA for preparing the award-winning CAFR. The CAFR was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive “spirit of full disclosure” to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

#### Attachments:

Certificate of Achievement for Excellence in Financial Reporting  
Award of Financial Reporting Achievement

#### Submitted by:

A digital signature block for Tracy Bowman. It features the OCERS logo on the left and the text "OCERS T.B. - Approved" in a blue, serif font on the right. A horizontal line is drawn below the text.

Tracy Bowman  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Orange County  
Employees Retirement System  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO





**The Government Finance Officers Association  
of the United States and Canada**

*presents this*

# **AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

*to*

## **Finance Division**

**Orange County Employees Retirement System, California**



*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

*Christopher P. Morrill*

Date February 15, 2019

I-9

## Memorandum

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**DATE:** April 15, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Steve Delaney, Chief Executive Officer  
**SUBJECT: BOARD COMMUNICATIONS**

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### Written Report

#### Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

#### News Links

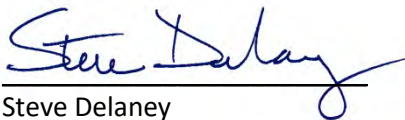
The various news and informational articles that have been shared with the full Board are being provided to you here by web link address. By providing the links in this publicly available report, we comply with both the Brown Act public meeting requirements, as well as avoid any copyright issues.

The following news and informational item was provided by the CEO for distribution to the entire Board:

#### Steve Delaney:

Attached: OCERS Activities and Updates for February 2019.

#### Submitted by:



Steve Delaney  
Chief Executive Officer

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS staff activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for the month of February 2019.

**TOP 3 MEMBER QUESTIONS:**

The top three questions of the month as received by OCERS' counseling staff:

**QUESTION ONE:**

**Q:** I can't remember my myOCERS password – can someone at OCERS look it up for me?

**A:** No. For security reasons, OCERS staff does not have access to member passwords. If you don't remember your password, use the "forgot password" link on the portal login page and follow the steps. You will receive a temporary password at the email address we have on file for you, which must be used within 2 hours. When you login with the temporary password you will be prompted to establish a new password.

**QUESTION TWO:**

**Q:** What is the easiest way to change my address?

**A:** If you are an Active member, you must report your address change to your employer and OCERS will then receive the updated information on the biweekly payroll transmittal. If you are a deferred member, a retiree, or a payee, you can change your address directly on the myOCERS portal. Alternately, you may submit your address change to OCERS in writing.

**QUESTION THREE:**

**Q:** What will the Cost of Living Adjustment (COLA) be in 2019?

**A:** 2019 COLA was announced at February's Regular Board Meeting, and is 4.0%. This will increase eligible benefits by 3.0% and add 1.0% to a member's COLA BANK.

**Customer Service Statistics**

**Member Approval:** 94%

**Un-Planned Recalculations:** 0

**Retirement Applications Received:**

Feb - 2019	199
Jan - 2019	258
Dec - 2018	54
Nov - 2018	85
Oct - 2018	49
Sept - 2018	40
Aug - 2018	55
Jul - 2018	67
Jun - 2018	44
Apr - 2018	73
Mar - 2018	51
Feb - 2018	163
Jan - 2018	204
Dec - 2017	58
Nov - 2017	75
Oct - 2017	47
Sep - 2017	42
Aug - 2017	69
Jul - 2017	48
Jun - 2017	65
May - 2017	60

MEMBER SERVICES TELEPHONE METRICS

Member Services Call History			
Month / Year	Incoming Calls Through Queue	Incoming Calls Direct to Extension	Total Calls (Queue + Direct)
February 2019	1735	2759	4512
February 2018	1093	3280	4373
February 2017	1229	3583	4812

ACTIVITIES

**LONG TIME OCERS TEAM MEMBERS DEPART**

We were sorry to have two very long serving members of the OCERS team depart us, so we took the time to celebratetheir service to our members and send them on their way with our best wishes.

After 31+ years service, Ms. Diane Dillard retired.for a good piece of cake!

And after 17 years with OCERS, Ms. Eunice Garcia left us for a promotion to the Orange County Sheriff's Department.



## INVESTMENT TEAM ACTIVITIES

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Mr. Beeson reports:

After a difficult month of December, the portfolio rebounded strongly in January. The portfolio was up 3.6% net of fees in January, and the fund value now stands at \$16.1 billion. At the February 27<sup>th</sup> Investment Committee meeting, the Committee approved removing Mondrian Investment Partners from the Watch List. It was reported at the February Investment Committee meeting that on January 7, 2019, the Investment Committee voted unanimously to approve an investment of \$30 million in the DBL TIAB 2018, L.P. Molly Murphy next presented the manager selections and terminations report for the month. OCERS has committed \$75 million to BlueBay Direct Lending Fund III (European direct lending re-up), \$16.67 million to Spark Capital VI (early stage venture), and \$33.33 million to Spark Capital Growth III (later stage venture). Meketa then presented the 4<sup>th</sup> quarter 2018 portfolio evaluation report. OCERS portfolio ranked in the 10<sup>th</sup> percentile (1<sup>st</sup> being the best) in the 4<sup>th</sup> quarter and in the 12<sup>th</sup> percentile in 2018. PCA then led the 4<sup>th</sup> quarter portfolio risk discussion. PCA discussed that the OCERS risk mitigation asset class performed well in the challenging 4<sup>th</sup> quarter, especially December, and will be more impactful to diversify the portfolio going forward as the asset class is built out. Meketa next presented their 2019 capital markets assumptions. The OCERS annualized expected return over the next 20 years increased from 7.5% in 2018 to 8.0% with the 2019 assumptions (2019 assumptions were completed prior to January market rally). Finally, Benjamin R. Mandel, Ph.D., from J.P. Morgan, gave an educational presentation to the Investment Committee on the macro environment and asset allocation outlook.

## CYBER SECURITY

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Mr. Eakin reports:

On February 14<sup>th</sup>, IT and Information Security implemented a new Email Security solution (Mimecast). Initial features implemented include protection against spam, spoofing, phishing, impersonation attacks, malicious attachments, and malicious web site links.

The solution should reduce the amount of malicious and nuisance emails received by employees in their inboxes.

## OCERS STAFF AND SUCCESSION PLANNING

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I am beginning my round of personal meetings with all OCERS staff, an endeavor that will take about six months to complete. My hope this year is to learn more about the dreams and aspirations of OCERS team of talented individuals, and learn how we as an agency can assist in developing them for future leadership roles at OCERS. An additional goal is to grow our team in its professionalism, and I will engage each employee in a conversation on what that means and how we can demonstrate improved levels of professional standards and conduct. To prep staff, I sent the following note to the team:

Good morning all,

I want to first thank those of you who took the time to meet with me personally this past year and discuss what makes OCERS the great place that it is, as well as your own journey in becoming part of the OCERS team. I enjoyed those conversations very much, and I learned a lot.

We had good results as well, based on the input received – we have a new Training Manager position that has been approved by the Board, and we will be hiring shortly. That individual will help us improve our onboarding process and ensure we have excellent training materials to guide new hires as they too join the OCERS team. In addition we formed the Learning, Experience and Development Committee (LEAD), to assist the new Training Manager with input on training materials, while also looking for further opportunities to provide training for all OCERS staff. And for those that shared that they have ideas for improving processes, we will be launching our “Continuous Improvement” initiative this month, with opportunities for all to share ideas about how we can build on the great work already being accomplished at OCERS on behalf of our members and make that work even more productive, effective and cost efficient.

It’s 2019, and I am ready to begin a new round of conversations with each and every one of you.

So what do I have in mind with regard to our conversations this year? I want to focus on your careers, and how that helps OCERS in planning for the future. The Orange County Employees Retirement System will be here for the very long term, think decades, think centuries, literally! But not so each of us individually, in time we will get to step aside and enjoy our own retirement years, and others will step up behind us to carry on the important work we are all presently undertaking. You are not only the “present” of OCERS, many of you are the “future”, the future leaders of this agency. We need to be working now on helping each of you grow in skill and ability to take on greater tasks in the years to come.

In our conversations I’m going to have you review with me your schooling, as well as any trainings you’ve taken, and any special skills you may have picked up in prior employment. Let’s start with where you are at today, and make sure we have that documented. Then let’s discuss where you want to go, your career goals and how OCERS can be an important part of getting you there?

In addition, we have a young, diverse team at OCERS and we want to encourage a culture and value system that is dynamic and celebrates thinking “outside the box.” With that in mind we will also talk about OCERS’ initiatives such as the “Continuous Improvement” effort and how best to capture your ideas, small and big in making OCERS more innovative and creative while remaining focused on OCERS’ core values. Equally we have recently talked as a team about building on our professional culture at OCERS – what does that mean to each of you? I’ll be asking you for definitions and how you would recommend the OCERS team better demonstrate our professionalism in our dealings with those we serve.

And finally, once again, one of the highlights will be together calling a recent retiree and learning from our members how we did and how we can continue to improve.

I look forward to spending time with each of you and listening to your thoughts and ideas on these important topics.

## UPDATES

### **FINAL AVERAGE SALARY COMPONENTS REVIEW PROJECT**

We continue to make good progress on the Salary and Pay Item review project. After the completion of the pensionable/comp earnable analysis performed by the team, individual Pay Item summary spreadsheets were prepared and sent to every OCERS employer for their review and feedback. Some of the employers, including Superior Court, San Juan Capistrano, OCTA, LAFCO, and the County, have submitted initial responses to the Pay Item summary spreadsheets. The response spreadsheets are being reviewed to determine whether all outstanding questions/issues originally submitted to the employers have been resolved. Updated spreadsheets with any outstanding issues or questions that remain will be sent back to the employers for additional review. The OCERS Administrative Procedures associated to this project and the Pay Item Request & Approval Procedures document for employers were posted on the OCERS website and distributed to employers. Based on the receipt of completed Pay Item Request forms, submitted along with the associated MOU/Side Letter sections, the pensionable/comp earnable analysis was performed for new pay item codes Call Back Paid (CBPAY) for the County and Assignment Pay – ECC Battalion Chief (APE) for OCFA. Monthly meetings with the CEO are being held to review the project status and address any policy issues. Information regarding the project and proposed policies have been provided to employers, labor organizations and the Governance Committee.



As a reminder you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the April 15, 2019 meeting of the OCERS Board of Retirement.



**1-10**

# Reasonable Accommodation and Disability Retirement County of Orange and OCERS – a collaboration April 15, 2019

Presented By: Azucena M Coronel, CPDM

County of Orange



# Disclaimer

- I am not an attorney
- The information discussed today may or may not be included in your personnel policies and/or collective bargaining units. The best practices may not work within the culture of your organization, but they are highly recommended by EEOC, DOL & federal laws and regulations.
- Before making any changes, “get a seat at the table” with upper management, human resources, risk management and your legal team to ensure compliance and risk/liabilities and/or meet and confer requirements with the Union.



# The EEOC received 99,109 charges in FY 2017



The FY 2017 data show that retaliation was the most frequently filed charge filed with the agency, followed by race and disability.

Retaliation:	41,097 (48.8 percent of all charges filed)
Race:	28,528 (33.9 percent)
Disability:	26,838 (31.9 percent)

*Reference:* <https://www.eeoc.gov/eeoc/newsroom/release/1-25-18.cfm>

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# What is a Disability?

noun dis·abil·i·ty | \ ,dis-ə-'bi-lə-tē \

## Definition of *disability* – Merriam- Webster

1: a physical, mental, cognitive, or developmental condition that impairs, interferes with, or limits a person's ability to engage in certain tasks or actions or participate in typical daily activities and interactions

2a(1) : an impairment (such as a chronic medical condition or injury) that prevents someone from engaging in gainful employment

(2) : an impairment (such as spina bifida) that results in serious functional limitations for a minor

b : a program providing financial support to a person affected by disability ...

also : the financial support provided by such a program

3 : a disqualification, restriction, or disadvantage

4 : lack of legal qualification to do something



A **temporary total disability** is an injury or an illness that causes a person to be completely disabled for a **temporary** and fixed amount of time.

- ▶ Josh works in an office. He injured his back lifting a box. His doctor says that Josh can't do any kind of work for the next six weeks because of his back. Is Josh is entitled to temporary disability?
- ▶ Maria informs us of her work restrictions. Since we have no work for her with those restrictions, does she become entitled to temporary disability?
- ▶ Adam works in a warehouse and injures his back. His doctor says he can't lift more than ten pounds. We provide transitional work assignments where he doesn't lift over 8 pounds, will he receive temporary disability?
- ▶ Ignacio works fixing our streets, he has medical restrictions of no walking over 1 hour/time, we offer him a transitional work assignment, he states he'd rather stay home and use his paid accruals. Can he?



In order to assess an Injured Worker's **Permanent Disability Percentage**, it is necessary that the Injured Worker be found permanent and stationary. Permanent and stationary is defined as the point in time when the employee has reached Maximal Medical Improvement (MMI.) This means that his or her condition is well stabilized and is unlikely to change substantially in the next year with or without medical treatment. (AMA Guides, P. 2.)

A single injury can result in multiple impairments to several parts of the body. For example, an injury to the arm could result in limited elbow range of motion and shoulder instability. Multiple impairments must be combined in a prescribed manner to produce a final overall rating.

The State of California employs trained specialists who are charged with the rating of medical reports. They work for the Disability Evaluation Unit (DEU) and are labeled as Disability Evaluators. Parties to a Workers' Compensation claim can request a consultative rating from the Disability Evaluation Unit



## What's a Serious Health Condition?

The FMLA divides serious health conditions for which FMLA leave may be taken into these six categories:

- inpatient care
- incapacity for more than three days with continuing treatment by a health care provider
- incapacity relating to pregnancy or prenatal care
- chronic serious health conditions
- permanent or long-term incapacity, and
- certain conditions requiring multiple treatments.





- Standard for permanent incapacity is that the member is ***unable to perform their usual and customary job duties***. If our doctor has given the member 5 permanent restrictions and 4 out of 5 can be accommodated, if that 5<sup>th</sup> restriction cannot be accommodated, we would still need to grant a disability retirement.
- ***Employee need not be able to perform only one of the essential job functions of the position.***



# What is a Disability?

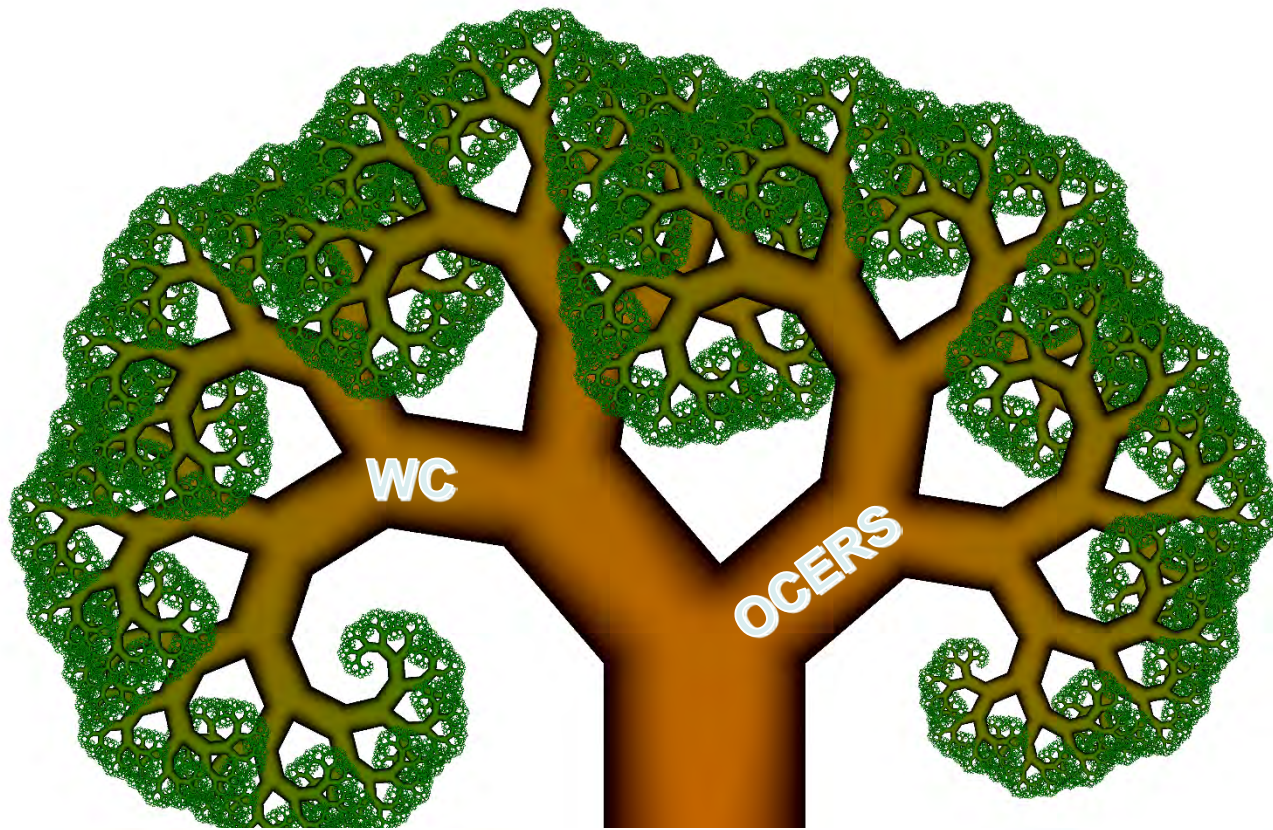
## WC

- TTD/RTW
- Impact to Employment Status
- Service Credit?
- Compensation?
- Moving Party?

## OCERS

- Work relatedness
- Essential Job Functions
- Moving Party?
- Compensation?
- Employer Responsibility





vs



- ❖ American with Disabilities Act (ADA) and 2008 Amendments (ADAAA)
  - 42 U.S.C. § 12101 et seq., 12103, 12205a
- ❖ California Fair Employment and Housing Act (FEHA)
  - Government Code § 12940 et seq.
- ❖ Rehabilitation Act of 1973
- ❖ CERL (County Employees Retirement Law of 1937)
- ❖ Other California Case Law



## State – FEHA

Where an employee/applicant has:

- Mental, physical or medical condition
  - that
- Limits a major life activity
  - and is permanent condition or
- Temporary conditions?  
Maybe.
  
- Diaz v. Federal Express Corp., 373 F.Supp.2d 1034, 1051-1052 (finding that FEHA has no durational requirement for evaluation of whether condition constitutes a disability).

## Federal – ADA

Where an employee/applicant has:

- Mental or physical condition
  - that
- Substantially limits a major life activity
  - and is permanent condition
- Not: temporary, nonchronic injuries having little or no long-term impact (unless they are sufficiently severe)

\* establish the need for the Interactive Process



- ❖ **Must** engage in a Timely Good Faith Interactive Process, and
- ❖ **Must** provide Reasonable Accommodation  
*Each is a stand alone statutory obligation*



# The Interactive Process

- Section 501 of the Rehabilitation Act of 1973
- FEHA
  - ▶ Reasonable accommodation for qualified employees or applicants with disabilities, unless to do so would cause undue hardship

- *As soon as an employee request a medical leave, the Interactive Process should be conducted.*
  - ▶ Why? The employee may find that they do not need a medical leave and only a reasonable accommodation.



## Request for reasonable accommodation from the employee.

- ▶ Doctor's note describing work limitations
- ▶ The request need not be in writing

## Awareness of the need for accommodation through third party or by observation\*\*

- ▶ Performance changes
- ▶ Attendance problems/changes
- ▶ Rumors

## Awareness of possible need for accommodation because the employee has exhausted leave *and* the employee or employee's health care provider indicates further accommodation is necessary. 2 Cal. Code Regs. § 11069 (b)(3)

### → Knowledge of Work Restrictions

- ▶ Medical note listing restrictions
- ▶ Evidence prior accommodation is not effective
- ▶ Periodic review of temporary accommodations...may appear permanent

\*\* Proceed with caution





- Federal/State requirement that employer interact with disabled employee/applicant to determine potential reasonable accommodations
- Practical solution for managing leave issues in the world of FMLA, PDL, CFRA





- Meetings to be timely, in good faith, and flexibly scheduled **but no undue delay.**
- Accommodations suggested by both (employer/employee)
- *Document responses to the request & create detailed record of results of meeting*
- Continuing obligation to employee
- Permanent placement in other department/agency as reasonable accommodation

WORKERS' COMPENSATION

ADAA/FEHA

OCERS





**1-11**

# CONFLICTS OF INTEREST

Orange County  
Employees Retirement  
System

April 15, 2019

Gina M. Ratto  
General Counsel

Harvey L. Leiderman  
Reed **Smith** LLP



# THIS PRETTY MUCH SUMS IT UP

**“[A] person cannot serve two masters simultaneously. ... If a public official is pulled in one direction by his financial interest and in another direction by his official duties, his judgment cannot and should not be trusted, even if he attempts impartiality. ... Where a prohibited interest is found, ... the official ... is subject to a host of civil and (if the violation was willful) criminal penalties, including imprisonment and disqualification from holding public office in perpetuity.”**

***Lexin v. Superior Court* (2010) 47 Cal.4th 1050**

# WHAT WE ARE COVERING TODAY

## ➤ Financial Conflicts of Interest

- Political Reform Act
- Restrictions on Gifts and Honoraria
- Government Code section 1090

## ➤ Marketing Prohibition: Govt. Code section 7513.95

## ➤ Non-Financial Conflicts of Interest

- Common Law
- Board Governance Issues

## ➤ Special Rules for Investment Advisors

## ➤ Hypothetical (?) Scenarios



# POLITICAL REFORM ACT: THE PROHIBITION

## Government Code section 87100:

**No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.**

# POLITICAL REFORM ACT: “FINANCIAL INTEREST”

**Government Code section 87103: ... reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:**

- (a) Any business entity in which the public official has a direct or indirect investment worth [\$2,000] or more.
- (b) Any real property in which the public official has a direct or indirect interest worth [\$2,000] or more.
- (c) Any source of income ... aggregating [\$500] or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.
- (d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.
- (e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating [\$470] or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. ...”

# FPPC REGULATIONS

The regulations provide clarification on:

- “Material”
- “Reasonably foreseeable”
- “Public generally”
- Parent/subsidy issues
- Exception if participation legally required
- Other less common circumstances and exceptions

*2 C.C.R. 18700 et seq.*

# GIFT AND HONORARIA RESTRICTIONS

- You may accept no more than \$470 in gifts from a single source during a calendar year (this is the 2019 limit, which increases bi-annually)
- You must report gift value of \$50 or more from a single source during a calendar year to the FPPC
- What is a “gift”? *Anything of value* that provides a benefit to the official (or family members) for which the donor has not received equal or greater consideration from the official.
  - Examples: Meals, transportation, accommodations, event tickets, flowers, items for home, office or recreational use, and discounts in the cost of products or services
- You may not receive payments for making speeches, writing articles, attending conferences, or similar activities not part of normal work or Board requirements
- There are many exceptions and technical rules that can impact these prohibitions and reporting requirements
- Prepare Form 700s with care and read the instructions

# GOVERNMENT CODE SECTION 1090

➤ Similar to the Political Reform Act, but only applies to making contracts, not all decisions

- The prohibited financial interest may be direct or very indirect:

*“We must disregard the technical relationship of the parties and look behind the veil which enshrouds their activities in order to discern the vital facts. However devious and winding the trail may be which connects the officer with the forbidden contract, if it can be followed and the connection made, a conflict of interest is established.”*

*People v. Honig* (1996) 48 Cal.App.4th 289, 315.

- If a direct conflict, the Board cannot enter into the contract at all: recusal by the affected member is not sufficient to cure
- If a remote or non-interest, recusal will cure the problem
- There are many technical distinctions triggered in particular circumstances – seek guidance!

# MARKETING PROHIBITION – SEC. 7513.95

## ➤ A complete prohibition

A member or employee of the board shall not,  
directly or indirectly,  
by himself or herself,  
or as an agent, partner, or employee of a person or entity other than the board,  
sell or provide any investment product that would be considered an asset of the  
fund to any public retirement system in California.

# OCERS POLICIES

- **Conflicts of Interest Code**
  - Designated Form 700 Filers
  
- **Code of Ethics and Standards of Professional Conduct**
  - Technically applies to investment staff, but...
  - Requires avoiding putting personal interests ahead of Plan interests
  - Requires disclosure and avoidance of conflicts of interest that could impair independence and objectivity or interfere with duties to the Plan
  
- **Procurement and Contracting Policy**
  - Board must ensure selection decisions are prudent and sound
  - Competitive search and selection process
  - Incorporates the Quiet Period Policy

# CONFLICT OF INTEREST LAWS AS APPLIED TO OCERS BOARD MEMBERS

## ➤ To trustees who are members of the system:

- If issue impacts all members, usually no problem
- If issue impacts just the Board member, usually a problem
- In between those extremes: Seek guidance!

## ➤ To trustees who are active County employees:

- If issue impacts the whole County, usually no problem
- If issue impacts only the department that employs the trustee, usually a problem
- In between those extremes: Seek guidance!

## ➤ To trustees who are in the investment field:

- Conflicts can be a minefield; analyze each factual situation!



# IF YOU HAVE TO RECUSE YOURSELF...

- Acknowledge it publicly and withdraw at the earliest possible moment
- Do not try to participate or exert influence behind the scenes (*e.g.*, talking to staff or other Board members about the matter)
- After the announcement of the agenda item but before the discussion begins:
  - Publicly identify and detail each financial interest that gives rise to the conflict of interest and why the decision might impact the that interest
  - Recuse, leave the room and ask that the minutes reflect both
- *See 2 C.C.R. 18707* for more details

# NON-FINANCIAL CONFLICTS OF INTEREST

## ➤ Common Law

- Interests of extended family and friends
- Other biases that compromise a trustee's ability to be fair, impartial and prudent and put the plan's interests above the trustees' personal interests

## ➤ Board Governance

- Engaging in activities inconsistent with Board duties, positions
- Speaking on behalf of the Board without authorization
- Failing to maintain the Board's confidentiality
- NOTE: Board members do not lose their free speech rights as individuals by virtue of their Board positions.

# PENALTIES FOR VIOLATIONS

- **Vacating the Board decision or voiding the contract**
- **Disgorging any profits**
- **Administrative penalties of up to \$5,000 per violation**
- **Damages and attorneys' fees in a civil action**
- **Up to three times the value of a gift or honorarium**
- **Criminal sanctions for willful violations, including:**
  - **Up to \$10,000 fine per violation**
  - **Limitations on ability to run for elected office or be a lobbyist**
  - **Felony for willful violations of Government Code section 1090**
  - **Potential forfeiture of retirement benefits**
- **Insurance, indemnity/defense may not protect you!**

# SPECIAL RULES FOR REGISTERED INVESTMENT ADVISORS

- SEC “Pay to Play” rules and the Investment Advisers Act of 1940 generally prohibit investment advisors from:
  - Providing investment advisory services for compensation to a governmental entity within two years after making a prohibited contribution to an official of the entity
  - Making payments or contributions to officials when the investment advisor is seeking to provide investment services to that official’s governmental entity
  - Paying third parties (“bundlers”) to solicit governmental entities or officials on their behalf
- Covers direct and indirect activities
- *See* 17 CFR 275.206(4)-5

# PRACTICAL TIPS

- Review all Board agendas and materials with an eye for potential conflicts
- When in doubt, seek guidance
  - From counsel
  - From FPPC Hotline
- The 2010 Publication by the California Attorney General found at <https://oag.ca.gov/conflict-interest> provides good general guidance (but should not be relied upon as the final authority)

# HYPOTHETICAL (?) SCENARIOS

# SCENARIO #1

Newly appointed Board member Kenny is invited as a guest to a charitable fundraiser for disadvantaged high school youth that raises funds for financial literacy education. The gala is sponsored by two dozen prominent institutional investment management firms who have been promised the opportunity to socialize with trustees from several western states' pension funds. The general admission to the event is \$500 per person, which includes a meal, beverages and a raffle ticket for the big door prize, a Tesla. The admission has been waived for trustees like Kenny.

Kenny is flattered to be invited, and readily accepts. At the event, he meets and discusses business opportunities with several money managers who already work with the system, including two finalists who are being interviewed that very week for new mandates.

*Should Kenny be concerned?*

## SCENARIO #2

Strategic Liaison Asset Management (SLAM) is the Plan's longest serving private equity manager. Your Plan is SLAM's biggest account. SLAM's founder, Slim, is a renowned oenophile who spares no expense to impress his clients. Slim invites your fellow trustee (Chair of the IC) to a 4-star Michelin dinner and brings two bottles of Chateaux Lafitte Rothschild for the occasion. They enjoy a marvelous evening, reminiscing about their long relationship and vowing to work together forever, through thick and thin. Slim happily picks up the tab.

Meanwhile, your CIO has noted for some time significant style drift by SLAM. Their performance far lags their benchmark for 1, 3 and 5 years. At the next regular IC meeting the Chair regales all about the wonderful evening she enjoyed recently with Slim. When the CIO tells the Committee about the underperformance, the Chair takes him aside and warns, "cut Slim and SLAM some slack, that relationship is untouchable."

*Reasons to be concerned?*



# SCENARIO #3

In her spare time, Board member Linda has developed an app that helps predict the impact of currency fluctuations on global investments. One of your Plan's domestic equity managers (a subsidiary of a major Wall Street banking house) has a Belgian affiliate in fixed income that is interested in Linda's app, and she starts negotiating a personal licensing deal with the Belgian affiliate. The app will not be used by the domestic equity manager in connection with any of the Plan's investments.

*Is it OK for Linda to participate in the following investment activities of the Board:*

- *Setting asset class and sub-class allocations*
- *Selecting domestic equity managers through an RFP process*
- *Expanding the current domestic equity manager's contract to add \$100 million for a new mandate*
- *Negotiating a new contract with the Belgian fixed income affiliate*