

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

**REGULAR MEETING
Monday, March 18, 2024
9:30 A.M.**

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone (information below) from any location.

OCERS Zoom Video/Teleconference information	
<p>Join Using Zoom App (Video & Audio)</p> <p>Join Zoom Meeting https://ocers.zoom.us/j/82053646022</p> <p>Meeting ID: 820 5364 6022 Passcode: 218966</p> <p>Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.</p>	<p>Join by Telephone (Audio Only)</p> <p>Dial by your location</p> <p>+1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US +1 301 715 8592 US +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York)</p> <p>Meeting ID: 820 5364 6022 Passcode: 218966</p>
<p>A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</p>	

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.

1. CALL MEETING TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. BOARD MEMBER STATEMENT REGARDING PARTICIPATION VIA ZOOM (IF NECESSARY)
(Government Code section 54953(f))
4. PUBLIC COMMENTS

Members of the public who wish to provide comment during the meeting may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. Members of the public who participate in the meeting from the OCERS Boardroom and who wish to provide comment during the meeting may do so from the podium located in the OCERS Boardroom.

When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

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.

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.

- Kneepkens, James
- Lopez, Christopher

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes February 21, 2024

Recommendation: Approve minutes.

C-3 RETIREE REQUEST TO BE REINSTATED – NANCY HERMANSEN

Recommendation: Reinstate Nancy Hermansen as an active member under the provisions of Government Code Section 31680.4 and 31680.5

C-4 OCERS TRUSTEES TRAVEL APPROVAL

Recommendation: Approve the following Trustees’ travel:

1. Ms. Tagaloa’s attendance at the 2024 National Association of Securities Professionals (NASP)- Southern California to be held March 20-21 at the Ritz Carlton Hotel, Marina Del Rey in Los Angeles, California. Anticipated cost is approximately \$700 [Registration: Free; Meals: \$100 Hotel: \$500; Mileage: \$100]
2. Ms. Tagaloa’s attendance at the MOTLEY RICE PIC-US 2024 to be held in Charleston, South Carolina to be held April 28-30. Anticipated cost is approximately \$1,800 [Registration: \$0; Airfare: \$600; Hotel: \$800 [2 nights x \$400]; Meals: \$200; Transportation to and from airport: \$200]

- 3. Mr. Oates’ attendance at the MOTLEY RICE PIC-US 2024 to be held in Charleston, South Carolina to be held April 28-30. Anticipated cost is approximately \$1,800 [Registration: \$0; Airfare: \$600; Hotel: \$800 [2 nights x \$400]; Meals: \$200; Transportation to and from airport: \$200]

C-5 OUTCOMES FROM THE PERSONNEL COMMITTEE MEETING ON FEBRUARY 29, 2024

Recommendation: The Personnel Committee recommends the Board adopt the following:

- 1. Revisions to the Personnel Committee Charter as presented

DISABILITY/MEMBER BENEFITS AGENDA
9:30 AM

NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF 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 ITEMS

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 in closed session during agenda item DA-1.

A. Disability Committee Recommendations:
None

B. CEO Recommendations:

DC-1: JAMAL BROX
Coach Operator, Orange County Transportation Authority (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as April 26, 2023.

DC-2: BLANCA CORLETT

Social Worker II, Orange County Social Services Agency (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as December 19, 2022.

DC-3: MATHEW GRANT

Fire Apparatus Engineer, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as April 7, 2023.

DC-4: JONATHAN HINNANT

Deputy Sheriff II, Orange County Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as April 11, 2023.

DC-5: MARTHA MAGCASI

Data Entry Technician, Orange County Social Services Agency (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as February 1, 2021.

DC-6: EVELYN RICHARDSON

Sheriff's Special Officer II, Orange County Sheriff's Department (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as August 26, 2022.

CLOSED SESSION

Government Code section 54957

Adjourn to Closed Session under Government Code section 54957 to consider member disability applications and to discuss member medical records submitted in connection therewith. The applicant may waive confidentiality and request his or her disability application to be considered in Open Session.

**DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE DISABILITY/MEMBER BENEFITS
CONSENT AGENDA**

OPEN SESSION

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

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. **Members of the public who wish to provide comment in connection with any matter listed in this agenda may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9, at the time the item is called. Persons attending the meeting in person and wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the Boardroom 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 2024 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, 2024 through March 31, 2025 in the amount of \$398,323.

INFORMATION ITEMS

Each of the following informational items will be presented to the Board for discussion.

I-1 OCERS PENSION ADMINISTRATION SYSTEM (V-3): A CONTINUING UPDATE

Presentation by Jenny Sadoski, Director of IT, Jeff Lamberson, Director of Retirement Operations Section– Member Services, & Matt Eakin, Director of Cybersecurity, OCERS

I-2 EMPLOYER ENGAGEMENT REGARDING MEMBER DATA

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

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Board requests discussion.

R-1 MEMBER MATERIALS DISTRIBUTED

Application Notices	March 18, 2024
Death Notices	March 18, 2024

R-2 COMMITTEE MEETING MINUTES

- November 2023- Personnel Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORK PLAN

Written Report

R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

R-5 BOARD COMMUNICATIONS

Written Report

R-6 LEGISLATIVE UPDATE
Written Report

R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST
Written Report

R-8 FOURTH QUARTER 2023 BUDGET VS. ACTUALS REPORT
Written Report

R-9 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023
Written Report

R-10 UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER
Written Report

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2))
One potential case

Recommendation: Take appropriate action.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

BOARD MEMBER COMMENTS

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
March 20, 2024
9:00 A.M.**

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

**GOVERNANCE COMMITTEE MEETING
March 21, 2024**

9:30 A.M.

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

**AUDIT COMMITTEE MEETING
March 29, 2024
9:30 A.M.**

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

**DISABILITY COMMITTEE MEETING
April 15, 2024
8:30 A.M.**

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

**REGULAR BOARD MEETING
April 15, 2024
9:30 A.M.**

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

AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS website: <https://www.ocers.org/board-committee-meetings>. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.

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 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.



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Irene Warkentine, Interim Member Services Manager
SUBJECT: **OPTION 4 RETIREMENT ELECTION – JAMES KNEEPKENS**

Recommendation

Grant election of retirement benefit payment, Option 4, based on Segal Consulting’s actuarial report.

Background/Discussion

This member elected Option 4 as the benefit payment option for his service retirement allowance as required by his Domestic Relations Order (DRO), effective December 29, 2023. The Orange County Employees Retirement System (OCERS) was joined in the member’s dissolution of marriage and under the terms of the DRO, the member’s ex-spouse was awarded a lifetime continuance as a percentage of the member’s allowance.

The approval of Option 4 will not increase OCERS liability because the cost of this Option 4 benefit is proportional to the cost of the other benefit plans. Segal Consulting has calculated the member’s monthly allowance as indicated in the attached letter, as well as the allowance payable to the member’s ex-spouse.

Submitted by:



I. W. – APPROVED

Irene Warkentine
Interim Member Services Manager



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary
T 415.263.8283
ayeung@segalco.com

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com

Personal and Confidential

March 7, 2024

Jonathea Tallase
Member Services Manager
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System (OCERS)
Option 4 Calculation for James G. Kneepkens**

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to James G. Kneepkens and his ex-spouse based on the unmodified benefit and other information provided in the System’s request received on March 5, 2024.

The monthly benefits payable to the member and the ex-spouse and the data we used for our calculations are as follows:

Category	Data
Member’s Date of Birth	[REDACTED]
Ex-Spouse’s Date of Birth	[REDACTED]
Date of Retirement	December 29, 2023
Plan of Membership	General Plan B
Monthly Unmodified Benefit	\$1,967.84
Ex-Spouse’s Share of Monthly Unmodified Benefit	50.00%
Retirement Type	Service Retirement

Jonathea Tallase
 March 7, 2024
 Page 2

We calculated the adjustment to the member's unmodified benefit to provide a 50.00% continuance to the ex-spouse. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

	Payable While the Member is Alive	Payable After the Member's Death
Monthly benefit payable to member		
Annuity:	\$234.36	
Pension:	<u>749.56</u>	
Total:	\$983.92	\$0.00
Monthly benefit payable to member*	\$817.38	\$817.38

Actuarial assumptions

We have calculated the Option 4 benefits based on the following actuarial assumptions:

Interest

Effective interest rate of 4.136253% per year, which is calculated using an investment return assumption of 7.00% per year together with a cost-of-living adjustment assumption of 2.75% per year.

Mortality table

Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 40% male and 60% female for members.

Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 60% male and 40% female for beneficiaries.

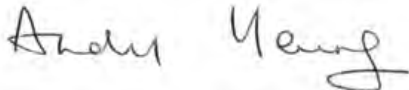
* This is equal to 50.00% of the member's unmodified benefit (i.e., 50.00% * \$1,967.84 or \$983.92 adjusted further to provide a benefit payable over the ex-spouse's lifetime or to the estate of the ex-spouse if the ex-spouse pre-deceases the member.

Jonathea Tallase
March 7, 2024
Page 3

The actuarial calculations contained in this letter were prepared under my supervision. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any comments or questions. As in all matters pertaining to the interpretation and application of the law, Plan, or individual Option 4 Calculation provisions, you should be guided by the advice of the Plan's Legal Counsel.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

JY/jl

cc: Irene Warkentine



March 7, 2024

James G. Kneepkens



Re: Retirement Election Confirmation – Option 4

Dear Mr. KNEEPKENS:

You have elected Option 4 as your retirement option. This option will provide a 50% of your monthly benefit, for the life of the benefit, to:

MINDY KNEEPKENS

This designation is irrevocable; you will not be allowed to change your retirement option or designated beneficiary.

Please complete this form and return to OCERS as soon as possible.

() I understand that my retirement option is irrevocable; by choosing Option 4 I will take a monthly reduction in order to provide a 50% continuance to MINDY KNEEPKENS.

Kneepkens 3/7/2024
 Member Signature/Date

Sincerely,

Christine Guerrero
Retirement Program Specialist



Memorandum

DATE: March 18, 2022
TO: Members of the Board of Retirement
FROM: Irene Warkentine, Interim Member Services Manager
SUBJECT: **OPTION 4 RETIREMENT ELECTION – CHRISTOPHER LOPEZ**

Recommendation

Grant election of retirement benefit payment, Option 4, based on Segal Consulting’s actuarial report.

Background/Discussion

This member elected Option 4 as the benefit payment option for his service retirement allowance as required by his Domestic Relations Order (DRO), effective January 10, 2024. The Orange County Employees Retirement System (OCERS) was joined in the member’s dissolution of marriage and under the terms of the DRO, the member’s ex-spouse was awarded a lifetime continuance as a percentage of the member’s allowance.

The approval of Option 4 will not increase OCERS liability because the cost of this Option 4 benefit is proportional to the cost of the other benefit plans. Segal Consulting has calculated the member’s monthly allowance as indicated in the attached letter, as well as the allowance payable to the member’s ex-spouse.

Submitted by:



I.W. – APPROVED

Irene Warkentine
Interim Member Services Manager



Andy Yeung, ASA, MAAA, FCA, EA
 Vice President and Actuary
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 segalco.com

Personal and Confidential

March 7, 2024

Jonathea Tallase
 Member Services Manager
 Orange County Employees Retirement System
 2223 Wellington Avenue
 Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System (OCERS)
 Option 4 Calculation for Christopher Lopez**

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Christopher Lopez and his ex-spouse based on the unmodified benefit and other information provided in the System's request received on March 5, 2024.

The monthly benefits payable to the member and the ex-spouse and the data we used for our calculations are as follows:

Category	Data
Member's Date of Birth	[REDACTED]
Ex-Spouse's Date of Birth	[REDACTED]
Date of Retirement	January 10, 2024
Plan of Membership	General Plan B, Safety Plan D, and Safety Plan F
Monthly Unmodified Benefit*	Plan B: \$71.53 Plan D: 711.98 Plan F: <u>2,875.63</u> Total: \$3,659.14
Ex-Spouse's Share of Monthly Unmodified Benefit	49.18%
Retirement Type	Service Retirement

* As directed by OCERS, we have adjusted the unmodified benefit amounts for Plan B and Plan F originally provided by OCERS so that the Plan B benefit amount shown above is no less than the Plan B annuity amount while leaving unchanged the total of the benefits payable from the two Plans.

Jonathea Tallase
 March 7, 2024
 Page 2

We calculated the adjustment to the member's unmodified benefit to provide a 49.18% continuance to the ex-spouse. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

	Payable While the Member is Alive	Payable After the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	\$36.35	
Plan B Pension:	0.00	
Plan D Annuity:	66.20	
Plan D Pension:	295.63	
Plan F Annuity:	525.63	
Plan F Pension:	<u>935.76</u>	
Total:	\$1,859.57	\$0.00
Monthly benefit payable to ex-spouse ¹	\$1,656.70	\$1,656.70

Actuarial assumptions

We have calculated the Option 4 benefits based on the following actuarial assumptions:²

Interest

Effective interest rate of 4.136253% per year, which is calculated using an investment return assumption of 7.00% per year together with a cost-of-living adjustment assumption of 2.75% per year.

Mortality table

Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 80% male and 20% female for members.

Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 20% male and 80% female for beneficiaries.

The actuarial calculations contained in this letter were prepared under my supervision. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

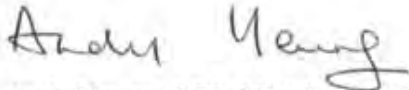
¹ This is equal to 49.18% of the member's unmodified benefit (i.e., 49.18% * \$3,659.14 or \$1,799.57) adjusted further to provide a benefit payable over the ex-spouse's lifetime or to the estate of the ex-spouse if the ex-spouse pre-deceases the member.

² Since the member last worked as a Safety member, we used Safety assumptions in determining optional benefits even for benefits paid from the General Plan.

Jonathea Tallase
March 7, 2024
Page 3

Please let us know if you have any comments or questions. As in all matters pertaining to the interpretation and application of the law, Plan, or individual Option 4 Calculation provisions, you should be guided by the advice of the Plan's Legal Counsel.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

JY/jl

cc: Irene Warkentine



March 8, 2024

Christopher A. Lopez



Re: Retirement Election Confirmation - Option 4

Dear Mr. LOPEZ:

You have elected Option 4 as your retirement option. This option will provide a 49.18% of your monthly benefit, for the life of the benefit, to:

SONYA LOPEZ

This designation is irrevocable; you will not be allowed to change your retirement option or designated beneficiary.

Please complete this form and return to OCERS as soon as possible.

I understand that my retirement option is irrevocable; by choosing Option 4 I will take a monthly reduction in order to provide a 49.18% continuance to SONYA LOPEZ.

 3/10/2024
Member Signature/Date

Sincerely,

Kamron Nahavandi
Retirement Program Specialist

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

**REGULAR MEETING
Wednesday, February 21, 2024
9:30 A.M.**

MINUTES

Chair Tagaloa called the meeting to order at 9:33 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person: Adele Tagaloa, Chair; Roger Hilton, Chris Prevatt, Richard Oates, Wayne Lindholm, Arthur Hidalgo, Jeremy Vallone, Shari Freidenrich

Present via Zoom (under
Government Code
Section 54953(f)):

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, General Counsel; Molly Murphy, CIO; Tracy Bowman, Director of Finance; Cynthia Hockless, Director of Human Resources; Jenny Sadoski, Director of IT; David Kim, Director of Internal Audit; Will Tsao, Director of EPMO; Nicole McIntosh, Director of Disability; David Beeson, Director of Investment; Jeff Lamberson, Director of Member Services; Silviu Ardeleanu, Director of Member Services; Mary-Joy Coburn, Director of Communications; Jim Doezie, Contracts Administrator; Jennifer Reyes, Finance Manager; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Maytak Chin, ReedSmith

Absent: Shawn Dewane, Charles Packard, Vice Chair

CONSENT AGENDA

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

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

- None

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes January 17, 2024

Recommendation: Approve minutes.

MOTION by Mr. Lindholm, **seconded** by Mr. Hilton, to approve the Consent Agenda.

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA

9:30 AM

OPEN SESSION

CONSENT ITEMS

A. Disability Committee Recommendations:

NONE

B. CEO Recommendations:

NONE

CLOSED SESSION

The Board adjourned to closed session at 9:37 a.m.

DA-2: ROBERT SZEWCZYK

Deputy Sheriff II, Orange County Sheriff’s Department (Safety)

Recommendation: Staff recommends the Board approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary and Analysis of the Evidence and Issues, Proposed Findings of Fact and Conclusion of Law dated November 15, 2023 (Recommendation) wherein the Hearing Officer recommended that the Board deny the Applicant (Robert Szewczyk) service-connected disability retirement.

DA-3: MINH TAM THI LUONG

Recommendation: Staff recommends the Board grant Minh Tam Thi Luong’s application for service-connected disability retirement with an effective date of April 26, 2019.

DA-4: EDER PALMA

Recommendation: Staff recommends the Board take action to comply with the Writ of Mandamus issued by the Superior Court. The Writ requires OCERS to: (1) set aside its denial of petitioner Eder Palma’s application for service-connected disability retirement, (2) grant petitioner a service-connected disability retirement and pay his allowance retroactive to the date

following the last day he received regular compensation from the County, and (3) file with the court a Return on the Writ demonstrating compliance. These actions must be completed by March 21, 2024.

OPEN SESSION

The Board returned from Closed Session at 9:56 a.m.

Recording Secretary did not administer the Roll Call attendance, but noted the attendance of Ms. Freidenrich, Mr. Hidalgo, Mr. Hilton, Mr. Lindholm, Mr. Oates, Mr. Prevatt, Mr. Vallone, and Chair Tagaloa.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION- Mr. Serpa reported out that DA-2 was pulled from consideration to return to a future Board meeting in the next 60 days. Mr. Serpa also shared that the Board also approved the staff recommendation for both DA-3 and DA-4 by unanimous vote.

ACTION ITEMS

A-2 2024 COST OF LIVING ADJUSTMENT

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

Recommendation: Adjust all applicable benefit allowances by 3% effective April 1, 2024, and bank .5%, in accordance with Government Code section 31870.1, resulting from the 3.48% change to CPI in calendar year 2023.

MOTION by Mr. Hilton, **seconded** by Mr. Hidalgo, to approve staff recommendations.

The motion passed **unanimously**.

A-3 SACRS BOARD OF DIRECTORS ELECTIONS 2024-2025

Presentation by Manuel Serpa, Deputy General Counsel, OCERS

Recommendation: Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 10, 2024; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2024.

MOTION by Mr. Hilton, **seconded** by Mr. Prevatt, to nominate Ms. Tagaloa to serve as Vice President of the SACRS Board.

The motion passed **unanimously**.

INFORMATION ITEMS

Each of the following informational items will be presented to the Board for discussion.

I-1 2023 EMPLOYEE, MANAGER AND INNOVATOR OF THE YEAR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

CEO Delaney presented Employee of the Year, Zaida Miramontes, Manager of the Year, Jennifer Reyes, and Innovator of the Year, Noemi Zajzon, to the Board and shared about their contributions to the OCERS team.

The Board recessed for break at 10:07 a.m.

The Board reconvened from break at 10:26 a.m.

Recording Secretary administered the Roll Call attendance.

I-2 OCERS PENSION ADMINISTRATION SYSTEM (V-3): A CONTINUING UPDATE

Presentation by Jenny Sadoski, Director of IT, & Jeff Lamberson, Director of Member Services, OCERS

Ms. Jenny Sadoski and Mr. Jeff Lamberson presented on the benefits and obstacles of using V3 in its current state/version. They also shared efforts working with other membership employers to ease the efforts to maneuver towards an upgraded/updated Pension Administration System (PAS) iteration. CEO Delaney indicated that future presentations would include a discussion on risk in March 2024 and a discussion on timeline and funds in April 2024.

I-3 VISION 2030- MEMBER SERVICES 2023 AUTOMATION PRESENTATION

Presentation by Jeff Lamberson, Director of Member Services, OCERS

Mr. Jeff Lamberson shared about the 2 bots that were created in 2023 and what they achieve for the member services division.

I-4 ACTUARIAL SERVICES KEY PERSONNEL CHANGE

Presentation by Manuel Serpa, General Counsel, OCERS

Mr. Serpa notes that while our contract ends December 2025 and we can extend the contract for another 3 years, Segal Key Personnel, Mr. Paul Angelo has announced his retirement scheduled to begin October 2024. Mr. Angelo from Segal assures that the new team will maintain stability for our organization.

I-5 OUTCOMES FROM BUILDING COMMITTEE MEETING: DECEMBER 21, 2023

Presentation by Brenda Shott, Assistant CEO, Internal Operations, OCERS

Ms. Shott reported out the highlights from the Building Committee Meeting from December 2023. She notes that the committee decided on a 72,000 sq ft plan, requesting to qualify for exemption under California Environmental Quality Act (CEQA), and avoiding a parking structure while maintaining code for parking. We received six applications for statement of qualification (SOQ) for design build entities (DBE). After evaluation, four firms/applications have been placed on the short list, and now the Request for Proposal (RFP) is out to the four firms.

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Board requests discussion.

R-1 MEMBER MATERIALS DISTRIBUTED

Application Notices February 21, 2024
Death Notices February 21, 2024

R-2 COMMITTEE MEETING MINUTES

- December 2023- Audit Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORK PLAN

Written Report

R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

R-5 BOARD COMMUNICATIONS

Written Report

R-6 LEGISLATIVE UPDATE

Written Report

R-7 OVERPAID AND UNDERPAID PLAN BENEFITS – 2023 REPORT

Written Report

R-8 2024 STAR COLA COST POSTING

Written Report

R-9 2023 BUSINESS PLAN – END OF YEAR REPORT

Written Report

R-10 ANNUAL REPORT OF CONTRACTS GREATER THAN \$100,000

Written Report

R-11 2023 POLICY COMPLIANCE REPORT

Written Report

R-12 UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER

Written Report

R-13 REPORT OF ATTENDANCE AT CONFERENCE- DENA GUNSOLLEY- HRO TODAY

Written Report

R-14 GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Written Report

R-15 AMERICAN ADVERTISING AWARDS FOR THE ANNUAL COMPREHENSIVE FINANCIAL REPORTS

Written Report

R-16 SUCCESSFUL COMPLETION OF AN EXTERNAL QUALITY ASSESSMENT

Written Report

R-17 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

Written Report

R-18 REPORT OF ATTENDANCE AT CONFERENCE- KWAME ADDO- SCCE REGIONAL CONFERENCE

Written Report

CIO COMMENTS- Ms. Murphy reminds the Board that IC has been moved to March and asks for availability for last half of July for ad hoc IC Meeting. She notes that the markets have been off to a strong start. Markets are anticipating robust numbers pending earning filings on several technology stocks. OCERS’ net return for the end of 2023 is 11.44%.

The Board adjourned to closed session at 11:42 a.m.

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION (Government Code Section

54956.9(d)(2))

One potential case

Recommendation: Take appropriate action.

The Board returned from Closed Session at 12:19 p.m.

Recording Secretary did not administer the Roll Call attendance, but noted the attendance of Ms. Freidenrich, Mr. Hidalgo, Mr. Hilton, Mr. Lindholm, Mr. Oates, Mr. Prevatt, Mr. Vallone, and Chair Tagaloa.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION- no reportable actions taken

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- None

COUNSEL COMMENTS- Mr. Serpa reminds the Trustees to complete the ReedSmith evaluation survey as Mr. Doezie has shared.

BOARD MEMBER COMMENTS- Mr. Hidalgo reminds Trustees to complete their Form 700.

Meeting **ADJOURNED** at 12:24 p.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

Approved by:

Steve Delaney
Secretary to the Board

Adele Tagaloa
Chairperson



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **OCERS TRUSTEES TRAVEL APPROVAL**

Recommendation

Approve the following Trustees' travel:

1. Ms. Tagaloo's attendance at the 2024 National Association of Securities Professionals (NASP)- Southern California to be held March 20-21 at the Ritz Carlton Hotel, Marina Del Rey in Los Angeles, California. Anticipated cost is approximately \$700 [Registration: Free; Meals: \$100 Hotel: \$500; Mileage: \$100]
2. Ms. Tagaloo's attendance at the MOTLEY RICE PIC-US 2024 to be held in Charleston, South Carolina to be held April 28-30. Anticipated cost is approximately \$1,800 [Registration: \$0; Airfare: \$600; Hotel: \$800 [2 nights x \$400]; Meals: \$200; Transportation to and from airport: \$200]
3. Mr. Oates' attendance at the MOTLEY RICE PIC-US 2024 to be held in Charleston, South Carolina to be held April 28-30. Anticipated cost is approximately \$1,800 [Registration: \$0; Airfare: \$600; Hotel: \$800 [2 nights x \$400]; Meals: \$200; Transportation to and from airport: \$200]

Background/Discussion

Ms. Tagaloo seeks the Board's approval for her attendance of the National Association of Securities Professionals (NASP)- Southern California.

The conference agenda is found here: <https://www.naspsocal.org/conference.htm#agenda>

Ms. Tagaloo seeks the Board's approval for her attendance of the MOTLEY RICE PIC-US 2024.

The conference agenda is found here: <https://www.pic-us.law/>

Mr. Oates seeks the Board's approval for his attendance of the MOTLEY RICE PIC-US 2024.

The conference agenda is found here: <https://www.pic-us.law/>

Because these are not a pre-approved conference, the OCERS Board's Travel policy states that "approval by the Board" is required:

LIMITATION ON ATTENDANCE AT CONFERENCES AND SEMINARS

17. Board members who want to attend events (i.e. conferences, seminars, meetings, or courses) that require overnight lodging and are not automatically authorized under paragraphs 10, 11, 12 or 14 require advance approval by the Board.

In addition, the Travel policy also requires that OCERS Trustees submit a written report regarding his/her attendance, a helpful tool in determining if future conferences by this provider should be added to the existing list of pre-approved conference providers:

REPORT ON CONFERENCE OR SEMINAR

22. Board members and staff who travel to conferences or seminars that are not automatically authorized in paragraphs 10, 11, 12 or 14 shall file with the Chief Executive Officer a report that briefly summarizes the information and knowledge gained that may be relevant to other Board Members or staff, provides an evaluation of the conference or seminar, and provides a recommendation concerning future participation. Reports by a Board Member or staff will be made on the Conference/Seminar Report form shown in the appendix. A copy of the report will be included in the materials for the next meeting of the Board.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

Attachment: Travel Policy



OCERS Board Policy Travel Policy

Purpose

1. Prudent oversight of a public sector pension plan requires that trustees and staff occasionally travel to business meetings and educational conferences or seminars, held in or outside of the state of California. Travel and related costs incurred in doing so not only represent legitimate expenses of the plan, but are a sound investment in the ongoing success of the organization in meeting the needs of the membership.
2. The purpose of the Travel Policy is to encourage and facilitate the pursuit of relevant educational and business related initiatives by trustees and staff. The policy is designed to assist them in meeting their fiduciary duties to administer the pension plan, ensure that expenditures incurred in the education and travel process are prudent and cost-effective, and to mitigate the risk of improprieties arising from travel or business related activities. Exceptions to any provision of this policy for a Board member or the Chief Executive Officer require the pre-approval of the Board Chair or Vice Chair; and require the pre-approval of the Chief Executive Officer in the case of an exception for a staff member.

Content Requirements

3. As a general rule, and with the exception of public retirement system meetings discussed below, unless a conference/seminar agenda contains an average of five (5) hours of substantive educational content per day, attendance at the particular conference/seminar will not be approved and related travel expenses will not be reimbursed. Educational forums, conferences and seminars that routinely and consistently satisfy this requirement will automatically qualify for Board approval for attendance. The Chief Executive Officer will screen and determine those conferences or seminars that meet the five (5) hour requirement and provide a list thereof to the Board members and appropriate staff members. Authorization to attend and receive travel expense reimbursement for a client conference organized or sponsored by a single company or firm shall be restricted to those conferences sponsored by firms who have a contractual relationship with OCERS. Board members or staff members who have independent relationships with a conference sponsor are not automatically entitled to attend such conferences at OCERS' expense. The Board of Retirement shall consider each request individually regardless of any Board or staff affiliation.

Board Member

4. The term "Board Member" shall include a designee of the Treasurer, provided such person is designated in writing to act as the designee, has taken the oath of office and has filed the written designation with the County Clerk, County Auditor and OCERS.

Travel Authorization

5. Except as otherwise provided herein, reimbursement of travel expenses for a Board member to attend an educational conference or seminar (or other type of meeting or event) requires the prior approval of the Board of Retirement.



OCERS Board Policy Travel Policy

6. All reimbursement of travel expenses for an employee of OCERS to attend an educational conference or seminar (or other type of meeting or event) or for administrative purposes requires the prior approval of the Chief Executive Officer or his or her designee.
7. Travel on OCERS' business within the Southern California region by Board members or staff need not be approved in advance provided that overnight accommodations are not required. The Southern California region shall include the counties of Orange, Los Angeles, San Bernardino, Riverside, San Diego, Imperial, Ventura, Santa Barbara and Kern.

Limitation on Meeting for Business Purpose

8. No more than four members of the Board are authorized to meet together for business purposes within the State of California unless there is appropriate public notice of the meeting. Attendance at educational conferences, seminars and social activities by more than four members of the Board is not a violation of this provision.

Cost of Administration

9. Approved education and travel expenses for Board and staff members shall be direct costs of administration of OCERS (or directly charged to Investments in the case of education, due diligence, and travel expenses for Investments staff) paid by OCERS, and shall not be paid through third party contracts or otherwise without express written authorization of the Board of Retirement. All approved travel and education expenses shall be included in the OCERS annual budget approved by the Board of Retirement.

Pre-Approved Conferences and Meetings

10. Board members and the OCERS staff members designated by the Chief Executive Officer are automatically authorized and encouraged to attend the following:
 - a. Regular meetings of the State Association of County Retirement Systems (SACRS);
 - b. Conferences of the National Conference on Public Employee Retirement Systems (NCPERS);
 - c. CALAPRS annual General Assembly and Round Table meetings;
 - d. Conferences of the National Association of State Retirement Administrators (NASRA);
 - e. Conferences of the National Institute on Retirement Security (NIRS);
 - f. Conferences sponsored by the Board of Retirement's retained consultants and/or investment managers;
 - g. Conferences sponsored by the California Retired County Employees Association (CRCEA);
 - h. Conferences sponsored by the National Association of Police Organizations (NAPO); and
 - i. Conferences sponsored by a firm that has a contractual relationship with OCERS.

In addition, the OCERS staff members designated by the Chief Executive Officer are automatically authorized and encouraged to attend the following:



OCERS Board Policy Travel Policy

- j. Annual Conference of the Public Pension Financial Forum (P2F2);
 - k. Conferences of the National Association of Public Pension Attorneys (NAPPA);
 - l. Conferences sponsored by the Government Finance Officers Association (GFOA); and
 - m. Conferences sponsored by CEM Benchmarking.
11. Board members and staff members designated by the Chief Executive Officer who are appointed or elected to serve on committees and/or the Board of Directors of the organizations named in paragraph 10 are automatically authorized to attend meetings of the committee(s) to which they have been appointed or elected.
12. Board members and staff members designated by the Chief Executive Officer are automatically authorized to attend each of the following full curriculum pension management programs and courses:
- a. Basic and advance educational programs sponsored by CALAPRS – once during each Board member’s term, and one time only for OCERS staff members;
 - b. Basic and advanced educational programs sponsored by SACRS – once during each Board member’s term, and one time only for OCERS staff members;
 - c. Basic and advanced investment programs sponsored by the Wharton School -- one time only for Board members and staff; provided, however, if the Wharton School does not offer an advanced investment program, the basic program may be taken a second time after three years of initially completing the program; and
 - d. Global Financial Markets Institute, Inc. – various programs are available; Board members and staff may attend each program only once.
13. New Board members, other than those with prior experience administering a public retirement system or pension fund, are encouraged to attend one of the courses listed in paragraph 12 within the first year after their election or appointment.
14. The Chief Executive Officer has identified the following conferences/seminars that Board members and designated staff members are automatically authorized to attend, subject to the limits set forth in paragraph 16, at OCERS expense:
- a. Conferences and Programs (CAPP) sponsored by the International Foundation of Employee Benefit Plans (IFEBCP);
 - b. Conferences sponsored by the Pension Real Estate Association (PREA);
 - c. Conferences sponsored by Pension and Investments;
 - d. Conferences sponsored by the Pacific Pension Institute (PPI);
 - e. Forums sponsored by Institutional Investor;
 - f. Conferences sponsored by the Council of Institutional Investors (CII);
 - g. Conferences sponsored by Institutional Real Estate, Inc. (IREI);
 - h. Conferences sponsored by the Opal Financial Group;



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- i. Conferences sponsored by WithIntelligence and all of its subsidiaries;
 - j. Conferences sponsored by the Investment and Wealth Institute;
 - k. Conferences sponsored by SuperReturn;
 - l. Conferences sponsored by Global ARC;
 - m. Conferences sponsored by Institutional Shareholder Services (ISS) Media Solutions and all of its subsidiaries;
 - n. Conferences sponsored by the Institutional Limited Partners Association;
 - o. Conferences sponsored by the Markets Group;
 - p. Conferences sponsored by Public Retirement Information Systems Management (PRISM); and
 - q. Conferences sponsored by Gartner.
15. The Chief Executive Officer shall provide newly elected or appointed Board members with a list of approved conferences scheduled to take place within the current calendar year.

Limitation on Attendance at Conferences and Seminars

16. A Board member is authorized to attend up to three events (i.e., conferences, seminars, meetings, or courses) that require overnight lodging at OCERS' expense each calendar year. Attendance at the pre-approved events listed in paragraphs 10, 11 and 12 are not subject to the three-event limit imposed by this paragraph even if they require overnight travel.
17. Board members who want to attend events (i.e., conferences, seminars, meetings or courses) that require overnight lodging and that are not automatically authorized under paragraphs 10, 11, 12 or 14 require advance approval by the Board. Staff members who want to attend events (i.e., conferences, seminars, meetings or courses) that require overnight lodging and that are not automatically authorized under paragraphs 10, 11, 12 or 14 require advance approval by the Chief Executive Officer or his or her designee.
18. OCERS will not reimburse overnight lodging for travel within Orange County, regardless of whether the event is pre-approved under any of the provisions of this policy. An exception to this provision may be granted by the Board Chair or Vice Chair upon the request of, and showing of good cause by, a Board member or the Chief Executive Officer; and by the Chief Executive Officer upon the request of, and showing of good cause by, a staff member.
19. In cases where attendance at a particular conference, seminar or other event is limited, the CEO will identify those trustees who will be authorized to attend as follows:
- a. first, by giving priority to those trustees who have not previously attended the specific conference, seminar or other event and, if needed, make selections by lottery of the interested trustees in this group;
 - b. second, if additional opportunities to attend remain available, make selections by lottery of other interested trustees, and
 - c. third, designate the remaining interested trustees as alternate attendees, who may attend in the event the trustees originally selected are unable to attend.



OCERS Board Policy Travel Policy

International Travel and Travel Outside the Continental United States

20. Travel by Board members to a destination outside the continental United States requires pre-approval by the Board, regardless of whether the event is pre-approved under any of the provisions of this policy. Travel by staff to a destination outside the continental United States requires pre-approval by the Chief Executive Officer and notification to the Board Chair. Travel to attend a conference, seminar or meeting held outside the continental United States shall not be reimbursed by OCERS unless it can be demonstrated to the satisfaction of the Board (for travel by a Board member or the Chief Executive Officer) or the Chief Executive Officer (for travel by a staff member) that there is significant value to OCERS in attending, and comparable value cannot be obtained within the continental United States within a reasonable period of time.

Travel Reports

21. The Chief Executive Officer shall submit a quarterly report on conference, seminar and educational course attendance by Board members and staff and OCERS' costs related to such events. Such reports shall identify the individual (Board Member or staff), location, purpose and cost of travel. The Board of Retirement will review these reports in January, April, July and October of each calendar year. The report also shall include scheduled travel for the ensuing quarter.

Report on Conference or Seminar

22. Board Members and staff who travel to conferences or seminars that are not automatically authorized in paragraphs 10, 11, 12 or 14 shall file with the Chief Executive Officer a report that briefly summarizes the information and knowledge gained that may be relevant to other Board Members or staff, provides an evaluation of the conference or seminar, and provides a recommendation concerning future participation. Reports by a Board Member or staff will be made on the Conference/Seminar Report form shown in the appendix. A copy of the report will be included in the materials for the next meeting of the Board.

Claims for Reimbursement

23. Reimbursement for travel by a Board member or staff shall be submitted through OCERS expense management application accompanied by all supporting original receipts or documentation of the expense incurred. All expense claim forms will be reviewed and approved (or disapproved) in accordance with the provisions of this policy. The Board Chair shall approve expense claims for Board members and the Chief Executive Officer. The Vice Chair will approve expense claims for the Chair. The Chief Executive Officer or his or her designee will approve all expense claims for staff. All approvals are subject to ultimate review and concurrence by the Board of Retirement as part of the quarterly report process required in paragraph 21.



OCERS Board Policy Travel Policy

Cash Advances

24. Cash advances will be provided upon request only for those conferences, seminars, meetings, and courses identified in paragraphs 10, 11, 12 or 14 of this policy as pre-approved by the Board and Chief Executive Officer. Any and all cash advances for travel and training shall be requested through the Chief Executive Officer. Cash advances are subject to approval by the Chair of the Board of Retirement and the Chief Executive Officer. Notice of all cash advances for travel and training shall be placed on the Consent Agenda for the next Regular Meeting of the Board of Retirement as an informational item.

Time Limit for Expense Claims

25. Claims for reimbursement pursuant to this policy must be submitted within 30 days following return to Orange County. In no event will a claim for reimbursement be approved if submitted 90 days after the end of the calendar year in which the expense was incurred.

Expenses for Traveling Companions

26. Expenses of family members and/or traveling companions are not reimbursable by OCERS.

Limitation on Time and Expense Allowance

27. Board and staff members will be reimbursed daily travel expenses, such as meals as outlined in paragraph 29, and gratuities as outlined in paragraph 42, for each day of travel when such travel is outside Orange County. Allowance for time and expense shall not exceed that which is reasonable and necessary as claimed by others to that precise destination whether by private automobile or common carrier. Expense reimbursements are limited to those items and amounts considered to be non-taxable income to the recipient by the Internal Revenue Service (IRS). Whenever feasible, Board and staff members are encouraged to travel on the same day of a one-day event and on the first and last days of a multiple-day event, rather than the day before or after, in order to save the System lodging and meal costs. Expense costs for extra days prior to or after a conference will be reimbursed only if such extension results in lower overall trip costs. For staff, cost comparisons for trip extensions shall include the cost of salary for any work days lost by the extension.

Travel and Lodging Cancellations

28. Board members and staff are responsible for the timely cancellation of registration fees, travel and lodging reservations made on his/her behalf that will not be used, so that no unnecessary expense will be incurred by OCERS.

Meals

29. **Meals While Attending Events that Require Overnight Travel.** Meals purchased by a Board or staff member while attending an event (i.e., conference, seminar, meeting or course) that requires overnight travel will be reimbursed at the actual and reasonable cost of the meals, including non-alcoholic beverages, tax and tip, (a) provided that both an itemized receipt and a charge receipt (when a payment card is used) are submitted, and (b) provided further that any meals included and already paid for by OCERS (such as through the conference registration fee) and meals paid for by a



OCERS Board Policy Travel Policy

third party and subject to reporting requirements under the Political Reform Act will not be reimbursed. If an itemized receipt is not submitted, OCERS will reimburse the Board or staff member up to the GSA rate for that meal, upon request.

30. **Reimbursement for Meals Consumed and Purchased During a Business-Purpose Meeting Where Travel is Not Involved.** Board and staff members will be reimbursed for the actual and reasonable expense of meals, including non-alcoholic beverages, tax and a reasonable tip, consumed and purchased during meetings where business is conducted during the course of the meal, and no overnight travel is required to attend the meeting. (See paragraph 29 for meal reimbursement during trips with overnight travel.) The Board or staff member must provide both an itemized receipt and a charge receipt (when a payment card is used) for all such meals. The names of the people who attended the business-purpose meeting and a brief description of the business discussed or conducted shall be submitted with the reimbursement request. In the event an itemized receipt is lost or is not available, a Missing Receipt Form must be completed and submitted with the expense reimbursement claim. The Missing Receipt Form includes a certification that only allowable items are included in the request for reimbursement.

Hotels

31. Actual expenses for economical and practical lodging will be reimbursed. Reimbursement will be limited to a room considered to be in a standard class. Whenever possible, a request for a government or conference rate will be made.
32. If, at the conclusion of a business-related trip, it would be impractical for a Board member or staff member to return home the same day, the Board member or staff member will be entitled to be reimbursed for one additional night of lodging.

Airline Travel

33. OCERS' Board members and staff will use good judgment to obtain airline tickets at competitive prices. OCERS will not reimburse a Board or staff member to fly business class (or the equivalent) except in the case of international travel that exceeds six (6) hours, or first class except in extraordinary circumstances, and then only with the approval of the Board Chair or Vice Chair where the traveler is a Board member or the Chief Executive Officer, or the approval of the Chief Executive Officer where the traveler is a staff member. In addition, for travel that exceeds four (4) hours in length, additional legroom seats or premium economy fees will be reimbursed. An individual may, at his or her own expense, pay to upgrade travel to business or first class.
34. If a significant savings can be realized on the airline fare by having a Board member or staff member extend their stay to include a Saturday night, the Board or staff member, at his or her option, may extend his or her stay in order to realize such savings. OCERS will reimburse the additional lodging and meal costs resulting from an extended itinerary, not to exceed the savings in airline fare.

Automobile Mileage

35. A Board member or staff member who uses his/her personal automobile for transportation on OCERS business will keep records of the actual mileage driven on business, and will report such



OCERS Board Policy Travel Policy

mileage through OCERS expense management application and will use the mileage calculator in the application or attach documentation of the miles driven (e.g., copy of map and route).

Reimbursement will be made at the per-mile rate allowed by the IRS. Mileage will be reimbursed for only those miles incurred beyond the staff member's normal commute to his or her regular worksite (i.e., if an employee departs from or returns to his or her home instead of the regular worksite, only the mileage in excess of the normal daily commute will be reimbursed).

36. Board members who use their personal automobiles for transportation to OCERS (or to OCERS' offsite meeting locations) to attend meetings of the Board or committees of the Board or for the purpose of conducting other OCERS business will be reimbursed for actual mileage driven at the per-mile rate allowed by the IRS. The Board member will report such mileage to the CEO's Executive Assistant who will submit the claim through the OCERS expense management application and will use the mileage calculator in the application or attach documentation of the miles driven (e.g., copy of map and route).
37. A Board member or staff member who elects to use his/her personal automobile for travel will be reimbursed for mileage and parking fees up to an amount that does not exceed the cost of traveling by air, which will be calculated to include the most economical (least expensive) round-trip ticket between Orange County and the destination city, airline baggage fees, transportation to/from and parking fees at the local airport, and transportation between the destination airport and hotel/conference site.

Parking and Tolls

38. Parking and tolls will be reimbursed at current rates. A receipt is required for amounts over \$25.00.

Public Transportation

39. Use of taxis, hired cars, shared ride services (e.g., Uber, Lyft, Sidecar) and public transportation for OCERS business (including attendance by a Board member at meetings of the Board or committees of the Board) will be reimbursed at current rates. The most economical mode of transportation should be used whenever practicable; however, use of a transportation provider with multiple stops (e.g., shuttle) is not required. A receipt is required for amounts over \$25.00.

Car Rentals

40. The use of a rental car by a Board member or staff will be reimbursed when it is economically reasonable to rent a vehicle rather than use taxis, hired cars, shared ride services or public transportation. Board members and staff are required to obtain and purchase (and OCERS will reimburse) Loss Damage Waiver and Supplemental Liability Insurance when renting vehicles on OCERS' business. Rental car discounts must be used whenever possible and appropriate. If available, a compact vehicle will be requested, unless several Board members and/or staff will be using the vehicle together.



OCERS Board Policy Travel Policy

Incidental Business Expenses

41. Incidental business expenses reasonably incurred in connection with OCERS business, such as telephone, fax, Internet access, and similar business expenses, will be reimbursed. Receipts are required for all amounts.

Porterage/Housekeeping/Other

42. OCERS will reimburse a maximum of \$15 per day of travel for porterage, housekeeping and non-meal related gratuities. Receipts are not required for these expenses.

Excluded Expenses

43. The following expenses will not be reimbursed: Alcoholic beverages, tobacco, in-room movies, barber shop, beauty shop, gifts, magazines, personal telephone calls and mini-bar charges. In the case of a trip longer than five business days or an emergency situation, laundry and dry cleaning expenses will be reimbursed.
44. OCERS will not reimburse or pay for charges for attendance at or participation in networking, social or entertainment type events (e.g., golf, cocktail parties, excursions, outings, etc.) that are in addition to or not included in the general conference registration fee, except that OCERS will pay for NASRA-sponsored networking events that take place during, and are included in the agenda for, NASRA-sponsored conferences.

Staff Travel

45. In furtherance of this policy, the Chief Executive Officer shall have discretionary authority to approve staff travel as necessary to carry out the administrative responsibilities of OCERS, such as attendance at legislative meetings or hearings, conducting on-site visits as part of due diligence evaluation of existing and proposed service providers, participating in continuing education programs, and other duties as directed.

Policy Review

46. This policy shall be reviewed every three years by the Governance Committee and may be amended by the Board of Retirement at any time.

Policy History

47. The Retirement Board adopted this policy on December 16, 2002, and last revised on November 14, 2022.



OCERS Board Policy Travel Policy

Secretary's Certificate

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

A handwritten signature in blue ink that reads "Steve Delaney" is enclosed in a rectangular box.

Steve Delaney
Secretary of the Board

11/14/22

Date



**OCERS Board Policy
Travel Policy**

Report of Attendance at Conference or Seminar

Name of Member Attending: _____

Name of Conference/Seminar: _____

Location of Conference/Seminar: _____

Conference/Seminar Sponsor: _____

Dates of Attendance: _____

Total Cost of Attendance: _____

Brief Summary of Information and Knowledge Gained:

Evaluation of the Conference or Seminar:

Recommendation Concerning Future Attendance:

Signature

Return to: Executive Assistant

Copies to: Board Members
Chief Executive Officer
Assistant Chief Executive Officers



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Cynthia Hockless, Director of Human Resources
SUBJECT: **OUTCOMES OF THE PERSONNEL COMMITTEE MEETING ON FEBRUARY 29, 2024**

Recommendation

The Personnel Committee recommends the Board adopt the following:

1. Revisions to the Personnel Committee Charter as presented.

Background

In 2018, the Board formed the Personnel Committee to assist the Board by reviewing, amending, and recommending new personnel policies and procedures, and advising the Board with respect to compensation and benefit issues, affecting OCERS employees. The Board adopted the Personnel Committee Charter on March 18, 2019; it was last revised on June 19, 2023.

Proposed Revisions

2(g): clarified that the Personnel Committee will oversee the selection and hiring of compensation consultant(s).

2(i): clarified that the Personnel Committee will advise the CEO on training, talent development and succession planning programs affecting OCERS direct employees and County employees, including practices to recruit, develop, motivate and retain competent employees.

The proposed revisions are set forth in underlined/strikeout text in the attached copies of the Personnel Committee Charter. Unmarked versions of the Personnel Committee Charter are also attached for the Committee's ease of review.

Attachments:

1. Personnel Committee Charter - Redline
2. Personnel Committee Charter - Clean

Submitted by:



Cynthia Hockless
Director of Human Resources



OCERS Board Charter Personnel Committee Charter

Introduction

1. The Board of Retirement (Board) has established the Personnel Committee to assist the Board by reviewing, amending, and recommending personnel policies and procedures affecting OCERS direct employees and County of Orange employees who work at OCERS (County employees). The Personnel Committee is an advisory committee to the Board, and its recommendations are subject to final approval by the Board.

Duties and Responsibilities

2. The Personnel Committee will:
 - a. Recommend new and review existing Board policies and procedures affecting OCERS employees, both direct and County of Orange, relating to performance and compensation.
 - b. Direct the annual review of CEO performance by reviewing and recommending changes to the CEO Performance Review policy, and coordinate with the Director of Human Resources the timeline of the process, as well as details for obtaining individual trustee input.
 - c. Advise the CEO regarding the hiring and termination of the Chief Investment Officer (CIO), the Assistant Chief Executive Officer, Internal Operations, the Assistant Chief Executive Officer, External Operations, and the General Counsel;
 - d. Review and recommend to the Board for approval salary ranges for all OCERS direct employees according to established compensation policies and procedures and within the approved Operating Budget;
 - e. Oversee the compensation paid to all OCERS direct employees according to established compensation and benefit policies and procedures and consistent with the CEO Charter;
 - f. Oversee senior executive long-term succession planning;
 - g. ~~Draft the scope of work for and oversee the selection and hiring process of compensation consultant(s).~~ Oversee the selection and hiring of compensation consultant(s).
 - h. In case of needing to fill the CEO position (or any other Senior Executive position if so desired), conduct the selection process for an executive search firm(s) if needed, and recommend the finalist to the Board.
 - i. ~~Oversee~~ Advise the CEO on training, talent development and succession planning programs affecting OCERS direct employees and County employees, including practices to recruit, develop, motivate and retain competent employees;
 - j. Direct the CEO to negotiate terms and conditions of employment with OCERS direct employees; and



OCERS Board Charter Personnel Committee Charter

- k. Perform any other duties that may be assigned to it by the Board or that are necessary to discharge the committee's responsibilities with respect to OCERS direct employees.

Membership

3. The Personnel Committee will be composed of at least three members and include both an appointed and elected Board member.

Meetings

4. The Personnel Committee will meet on an as needed basis as determined by the Committee Chair in consultation with the Board Chair.
5. All members of the Personnel Committee are expected to attend all meetings of the committee.
6. A quorum to conduct business will consist of two members of the committee.
7. The Assistant CEO for Internal Operations (or his/her designee), the Director of Administrative Services (or his/her designee), and whatever staff deemed necessary, will attend all meetings of the Personnel Committee. Meeting notices will be provided to interested parties in conformance with applicable laws, regulations, customs, and practices.
8. All meetings will be conducted in accordance with the Brown Act. Meeting agendas will be prepared and provided in advance to members of the committee, along with appropriate briefing materials. Minutes of meetings will be prepared and will contain a record of persons present, decisions taken, and a high-level summary of the discussion.

Monitoring and Reporting

9. The Personnel Committee will:
 - a. Make its minutes available to all Members of the Board; and
 - b. Periodically report to the Board on its activities.

Charter Review

10. The Personnel Committee will review this charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the charter remains relevant and appropriate.

Charter History

11. This charter was adopted by the Board of Retirement on March 18, 2019. [The Board amended this policy on June 19, 2023, and.](#)



OCERS Board Charter Personnel Committee Charter

Secretary's Certificate

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

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

Steve Delaney, Secretary of the Board

06/19/2023

Date



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OCERS Board Charter Personnel Committee Charter

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

Steve Delaney, Secretary of the Board

Date



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Suzanne Jenike, Assistant CEO, External Operations
SUBJECT: 2024 STAR COLA FINAL APPROVAL

Recommendation

Approve payment of STAR COLA for the period April 1, 2024 through March 31, 2025 in the amount of \$398,323.

Background/Discussion

STAR COLA stands for Supplemental Targeted Adjustment for Retirees, Cost of Living Adjustment. Unlike the regular COLA the STAR COLA is discretionary and the Board of Retirement has the sole authority to grant or deny the benefit and considers it on an annual basis. The purpose of the STAR COLA is to restore purchasing power for retirees who have lost more than 20% of their purchasing power since retirement due to inflation. The STAR COLA brings those individuals back to 80% of purchasing power. It applies to those who have been retired the longest – currently, those members who retired on or before April 1, 1981.

The projected cost for the period April 1, 2024 through March 31, 2025 is \$398,323. The breakdown between Employers with STAR COLA recipients is as follows:

County	\$396,134 (129 recipients)
UCI	\$ 1,139 (1 recipients)
Orange County Sanitation District	\$ 1,050 (2 recipients)
Total	\$398,323 (141 total)

The 2024-2025 STAR COLA, if approved, is \$49,518 lower than 2023-2024 and the total number of recipients has declined by 9 payees from 2023 to 2024.

The STAR COLA provides a much needed cushion to the oldest retirees, whose benefit has been most diminished by inflation. In accordance with California Government Code Section 7507, the Board has already disclosed the financial impact of continuing the STAR COLA at the February 21, 2024 Board meeting.

Staff will send letters to each affected Employer after the Board takes action advising of the outcome, and if approved, of the cost to each Employer.

Based on the significant impact discontinuation of STAR COLA would have on the individuals who receive it and the relatively small impact payment would have on contribution rates it is staff's recommendation to approve the STAR COLA for April 1, 2024 through March 31, 2025 in the amount of \$398,323.

As in the past, the Board will provide each employer with STAR COLA recipients the opportunity to pay their share of the cost in a lump sum, over a period of 12 months or add it to the unfunded liability for that employer.

Submitted by:



S. J. – APPROVED

Suzanne Jenike
Assistant CEO, External Operations



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Vice President & Actuary
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Via Email

February 14, 2024

Mr. Steve J. Delaney
Chief Executive Officer
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System (OCERS)
Supplemental Targeted Adjusted for Retirees Cost-of-Living Adjustment
(STAR COLA) Payment Projections as of April 1, 2024**

Dear Steve:

As requested by the System, we have projected the cost of continuing the STAR COLA benefit over the next ten years from April 1, 2024.

Background

The Retirement Board grants a STAR COLA benefit to maintain a minimum of 80% of a retiree's or beneficiary's purchasing power. The STAR COLA benefit is calculated by first taking the balance in a member's COLA bank that is in excess of 20% and multiplying that times the member's benefit.

The 1937 Act allows the Board either to advance fund the STAR COLA benefit subject to the availability of excess earnings above 1% of OCERS' assets or to grant this benefit on an annual basis. We understand that the Board's current practice has been to grant this benefit on an annual basis.

Results and Analysis

On April 1, 2024, only those members who retired on or before April 1, 1981 have COLA banks in excess of 20% and hence are eligible to receive the STAR COLA.

The attached Exhibit 1 shows a ten-year projection of the STAR COLA benefits, expressed as a percentage of the benefit payable effective April 1 of the next ten years. In Exhibit 2, we show the annual benefit payment based on who is eligible for the STAR COLA benefit as of April 1, 2024 (i.e., members who retired on or before April 1, 1981) and those who may become eligible after April 1, 2024. In Exhibit 3, we have included a schedule that provides the breakdown of the anticipated STAR COLA benefits from April 1, 2024 to March 31, 2025 based on members who retired from each employer.

Mr. Steve J. Delaney
 February 14, 2024
 Page 2

Our projections are based on the following assumptions provided below.

1. The existing 80% purchasing power cap will remain unchanged.
2. In adjusting the purchasing power banks after April 1, 2024, we have used the assumed retiree COLA assumption of 2.75% previously adopted by the Board for the upcoming December 31, 2023 valuation. As OCERS provides a maximum annual COLA of 3.0%, the COLA banks will decrease in the future under the 2.75%¹ retiree COLA assumption (see attached Exhibit 1) and thus no other additional members will be expected to become eligible.² We assume that future STAR COLA benefits, adjusted to reflect inflation for the prior calendar year, will be paid commencing April 1 of the subsequent year.
3. Our projections were based on the latest membership data used in the valuation as of December 31, 2022, but updated through mid-January 2024 to exclude those members who have passed away and to include the associated beneficiary records, if applicable, since the prior valuation. For conservatism, we assumed no deaths would have occurred among retirees and beneficiaries from mid-January 2024 to April 1, 2024. Effective April 1, 2024, we applied the life expectancies previously adopted by the Board for the upcoming December 31, 2023 valuation in projecting members who will be entitled to payments in the ten-year period.
4. The projections are based on proprietary actuarial modeling software. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

¹ It should be noted that 2.75% is assumed to be the average annual COLA during the next ten years. In practice, actual COLAs are granted annually in increments of 0.5% according to the 1937 Act.

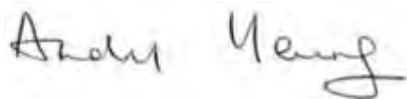
² It should be noted that in determining the liabilities for those retirees with COLA banks in the funding valuation, we have been assuming that a COLA of 3.00% would be paid on each April 1 following the date of the valuation until their COLA banks are depleted.

Mr. Steve J. Delaney
February 14, 2024
Page 3

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I'm a member of the American Academy of Actuaries and I meet the Qualification Standard of the American Academy of Actuaries to render the actuarial opinion herein. Please give us a call if you have any questions.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

JY/bbf
Enclosures

cc: Suzanne Jenike
Brenda Shott

Exhibit 1

Ten-Year Projection of STAR COLA Benefits
(Expressed as a Percent of the Benefit Payable Effective April 1 of the Year Indicated)

Date of Retirement	April 1, 2024	April 1, 2025	April 1, 2026	April 1, 2027	April 1, 2028	April 1, 2029	April 1, 2030	April 1, 2031	April 1, 2032	April 1, 2033
On or Before 04/01/1972	32.50%	32.25%	32.00%	31.75%	31.50%	31.25%	31.00%	30.75%	30.50%	30.25%
04/02/1972 to 04/01/1974	32.00%	31.75%	31.50%	31.25%	31.00%	30.75%	30.50%	30.25%	30.00%	29.75%
04/02/1974 to 04/01/1975	31.50%	31.25%	31.00%	30.75%	30.50%	30.25%	30.00%	29.75%	29.50%	29.25%
04/02/1975 to 04/01/1976	26.00%	25.75%	25.50%	25.25%	25.00%	24.75%	24.50%	24.25%	24.00%	23.75%
04/02/1976 to 04/01/1977	20.50%	20.25%	20.00%	19.75%	19.50%	19.25%	19.00%	18.75%	18.50%	18.25%
04/02/1977 to 04/01/1978	17.00%	16.75%	16.50%	16.25%	16.00%	15.75%	15.50%	15.25%	15.00%	14.75%
04/02/1978 to 04/01/1979	13.00%	12.75%	12.50%	12.25%	12.00%	11.75%	11.50%	11.25%	11.00%	10.75%
04/02/1979 to 04/01/1980	8.00%	7.75%	7.50%	7.25%	7.00%	6.75%	6.50%	6.25%	6.00%	5.75%
04/02/1980 to 04/01/1981	0.50%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Based on the ten-year projection, members who retired after April 1, 1981 are not eligible for STAR COLA.



Exhibit 2

Projected Benefit Payments

The expected benefit payments for the current and new STAR COLA recipients for the next ten years, commencing April 1, 2024, are provided in the following table:

	(1) Eligible for STAR COLA as of April 1, 2024	(2) Not Yet Eligible for STAR COLA as of April 1, 2024	(1) + (2)
1. April 1, 2024 - March 31, 2025	\$398,323	\$0	\$398,323
2. April 1, 2025 - March 31, 2026	368,472	0	368,472
3. April 1, 2026 - March 31, 2027	338,761	0	338,761
4. April 1, 2027 - March 31, 2028	310,571	0	310,571
5. April 1, 2028 - March 31, 2029	283,534	0	283,534
6. April 1, 2029 - March 31, 2030	257,868	0	257,868
7. April 1, 2030 - March 31, 2031	233,665	0	233,665
8. April 1, 2031 - March 31, 2032	210,954	0	210,954
9. April 1, 2032 - March 31, 2033	189,728	0	189,728
10. April 1, 2033 - March 31, 2034	169,949	0	169,949
Total Benefit Payments	\$2,761,825	\$0	\$2,761,825
Discounted Benefit Payments¹	\$2,108,401	\$0	\$2,108,401

¹ At 7.00% annual investment return assumption.

Exhibit 3

Projected Benefit Payments by Employer

The expected benefit payments for the current STAR COLA recipients from April 1, 2024 to March 31, 2025 broken down by employer, are provided in the following table:

	Orange County	U.C.I. (Bi-weekly)	Sanitation District	Total
April 1, 2024 - March 31, 2025	\$396,134	\$1,139	\$1,050	\$398,323
Number of Recipients	129	1	2	132

§31874.3. Determination; application of excess to allowances; effect on subsequent increases

(a)(1) Whenever the percentage of annual increase in the cost of living as of January 1 of each year as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers exceeds the maximum benefit increase provided in Section 31870, 31870.1, 31870.2, or 31870.3, whichever is applicable, the board of retirement may provide that all or part of the excess percentage increase shall be applied to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3. The board shall determine the amount of the excess to be applied, which amount shall not exceed an amount that can be paid from earnings of the retirement fund that are in excess of the total interest credited to contributions and reserves plus 1 percent of the total assets of the retirement fund.

(2) The supplemental increases in excess of the increases applied to the retirement allowances, optional death allowances, or annual death allowances pursuant to Section 31870, 31870.1, 31870.2, or 31870.3 shall not become a part of the retirement allowances, optional death allowances, or annual death allowances to be increased by subsequent increases under Section 31870, 31870.1, 31870.2, or 31870.3.

(3) This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section 31870, 31870.1, 31870.2, or 31870.3 applicable in that county.

(b)(1) The board of retirement may, instead of taking action pursuant to subdivision

(a), provide supplemental cost-of-living increases, effective on a date to be determined by the board, to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3; provided however, that only those members shall be eligible for this increase whose accumulations established by Section 31870, 31870.1, 31870.2, or 31870.3 shall equal or exceed 20 percent as of January 1 of the year in which the board of retirement adopts an increase under this subdivision.

(2) The supplemental increases to the retirement allowances, optional death allowances or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3 shall not become a part of the retirement allowances, optional death allowances or annual death allowances to be increased by subsequent increases under Section 31870, 31870.1, 31870.2, or 31870.3.

(3) This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section 31870, 31870.1, 31870.2, or 31870.3 applicable in that county.

(c)(1) The board of retirement may, instead of taking action pursuant to subdivision (a) or (b), provide supplemental cost-of-living increases, on a prefunded basis and effective on a date to be determined by the board, to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3; provided however, only those members shall be eligible for this increase whose accumulations established by Section 31870, 31870.1, 31870.2, or 31870.3 equal or exceed 20 percent as of January 1 of the year in which the board of retirement takes action pursuant to this subdivision.

(2) The supplemental increases to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3 shall become a part of the retirement allowances, optional death allowances, or annual death allowances and shall serve to reduce the accumulations established by Section 31870, 31870.1, 31870.2, or 31870.3, as applicable, by the same percentage as the payment that is made pursuant to this Section.

(3) Before the board of retirement provides benefits pursuant to this subdivision, the costs of the benefits shall be determined by a qualified actuary and the board of retirement shall, with the advice of the actuary, provide for the full funding of the benefits utilizing funds in the reserve against deficiencies established pursuant to Section 31592.2, using surplus earnings that exceed 1 percent of the total assets of the retirement system.

(4) This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section 31870, 31870.1, 31870.2, or 31870.3 applicable in that county.

(d) Upon adoption by any county providing benefits pursuant to this section, of Article 5.5 commencing with Section 31610) of this chapter, the board of retirement shall, instead, pay those benefits from the Supplemental Retiree Benefit Reserve established pursuant to Section 31618.

(Amended (as amended by Stats. 1983, Ch. 147, Sec. 2) by Stats. 1983, Ch. 886, Sec. 11)

(Amended by Stats. 2000, Ch. 317 (AB 2176), Sec. 4)

CA Govt Code § 7507 (2017)

(a) For the purpose of this section:

(1) "Actuary" means an actuary as defined in Section 7504.

(2) "Future annual costs" includes, but is not limited to, annual dollar changes, or the total dollar changes involved when available, as well as normal cost and any change in accrued liability.

(b) (1) Except as provided in paragraph (2), the Legislature and local legislative bodies, including community college district governing boards, when considering changes in retirement benefits or other postemployment benefits, shall secure the services of an actuary to provide a statement of the actuarial impact upon future annual costs, including normal cost and any additional accrued liability, before authorizing changes in public retirement plan benefits or other postemployment benefits.

(2) The requirements of this subdivision do not apply to:

(A) An annual increase in a premium that does not exceed 3 percent under a contract of insurance.

(B) A change in postemployment benefits, other than pension benefits, mandated by the state or federal government or made by an insurance carrier in connection with the renewal of a contract of insurance.

(c) (1) (A) With regard to local legislative bodies, including community college district governing boards, the future costs of changes in retirement benefits or other postemployment benefits, as determined by the actuary, shall be made public at a public meeting at least two weeks prior to the adoption of any changes in public retirement plan benefits or other postemployment benefits. If the future costs of the changes exceed one-half of 1 percent of the future annual costs, as defined in paragraph (2) of subdivision (a), of the existing benefits for the legislative body, an actuary shall be present to provide information as needed at the public meeting at which the adoption of a benefit change shall be considered. The adoption of any benefit to which this section applies shall not be placed on a consent calendar.

(B) The requirements of this paragraph do not apply to:

(i) An annual increase in a premium that does not exceed 3 percent under a contract of insurance.

(ii) A change in postemployment benefits, other than pension benefits, mandated by the state or federal government or made by an insurance carrier in connection with the renewal of a contract of insurance.

(2) With regard to the Legislature, the future costs as determined by the actuary shall be made public at the policy and fiscal committee hearings to consider the adoption of any changes in public retirement plan benefits or other postemployment benefits. The adoption of any benefit to which this section applies shall not be placed on a consent calendar.

(d) Upon the adoption of any benefit change to which this section applies, the person with the responsibilities of a chief executive officer in an entity providing the benefit, however that person is denominated, shall acknowledge in writing that he or she understands the current and future cost of the benefit as determined by the actuary. For the adoption of benefit changes by the state, this person shall be the Director of Human Resources.

(e) The requirements of this section do not apply to a school district or a county office of education, which shall instead comply with requirements regarding public notice of, and future cost determination for, benefit changes that have been enacted to regulate these entities. These requirements include, but are not limited to, those enacted by Chapter 1213 of the Statutes of 1991 and by Chapter 52 of the Statutes of 2004.

(Amended by Stats. 2016, Ch. 415, Sec. 4. (AB 2375) Effective January 1, 2017.)



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **OCERS PENSION ADMINISTRATION SYSTEM (V-3): A CONTINUING UPDATE**

Background/Discussion

On February 18, Ms. Sadoski and Mr. Lamberson continued our conversation with the Board on the current state of OCERS V3 Pension Administration System, and the reasons we are looking to a fuller discussion with the Board in the month of April regarding a possible launch of a new Pension Administration System that would be better able to take advantage of the incredible advancements we are seeing in AI technology, while simultaneously better fending off the increased skills of hackers and their kind.

At that February meeting, both Ms. Sadoski and Mr. Lamberson outlined challenges of our current system as it ages, being yet another reason for looking to a new Pension Administration System. During the course of the meeting, Mr. Prevatt expressed concerns over the risks that presently face our system, and wanted to be reassured that we are actively managing for those. While I assured the entire Board that we have in fact been sharing with the Trustees on a regular basis both challenges and opportunities since the September 2021 OCERS Board's Strategic Planning workshop with the launch of VISION 2030, I suggested we share a focus on risk and its management at the March 18 Board meeting.

The attached presentation from the December 2023 OCERS Board is one of the most recent examples of those long-term discussions which addressed some of these risk issues, especially as noted on slides 3 and 5.

On March 18 Ms. Sadoski, Mr. Lamberson, as well as Mr. Eakin will present a more fulsome discussion of our current risks, our management of those risks, and the opportunities we see possible with the move to a new Pension Administration System.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



Pension Administration System Brief

December 2023



PAS: Past, Present, and Future

- **Past**

- Technology changes quickly along with security risks; we can expect a PAS to last approximately 10 years before needing to upgrade or replace
- Each PAS upgrade has been a significant improvement in features, processes, efficiencies, and technology

- **Present**

- Many of the expected improvements moving from PG to V3 have been realized
- OCERS has **successfully used** V3 for the past 8 years to process member benefits

- **Future**

- Our next system will resolve some, but not all, of the challenges we face today
- The “perfect” system doesn’t currently exist, our next system is just one step closer to the perfect system



PensionGold to V3



Major benefits gained:

Past: PensionGold Issues	Present: V3 Improvements
End-of-life / old technology issues	Newer platform on more modern software
No opportunities for growth or improvement	Allowed for opportunities for growth and improvement
Vendor no longer investing in current version	Current version that vendor was investing in
Disparate systems and process with no integration	Incorporated more functions inside the system
System navigation was slow and time consuming	Web-based navigation was newer and faster
Lengthy processes and turnaround times	Significantly improved processing and turnaround times
No integrated imaging system	Included imaging system capabilities
No workflow capabilities	Included built-in workflow capabilities
No member or employer self-service portals	Included built-in member and employer self-service portals
OCERS processed payroll files, adjustments, and errors	Employers process payroll files, adjustments, and errors



V3 Implementation



2010

- Approval for \$10M for Software with understanding that lifespan is 12-15 years

2013

- OCERS makes conscious decision to extend PAS project by 2+ years and Board approved funding; incorporated personnel costs into the project

2012

- Premium Pay and Asset Reallocation project

2015-2016

- V3 implemented; cost avoidance of \$200k per year
- Total cost was 82% higher than earlier estimates
- \$26,742,880 vs \$14,670,368

• Total Timeline

- 1.8 times longer than original estimate
- 5.5 years actual timeline vs. 3 year estimated timeline



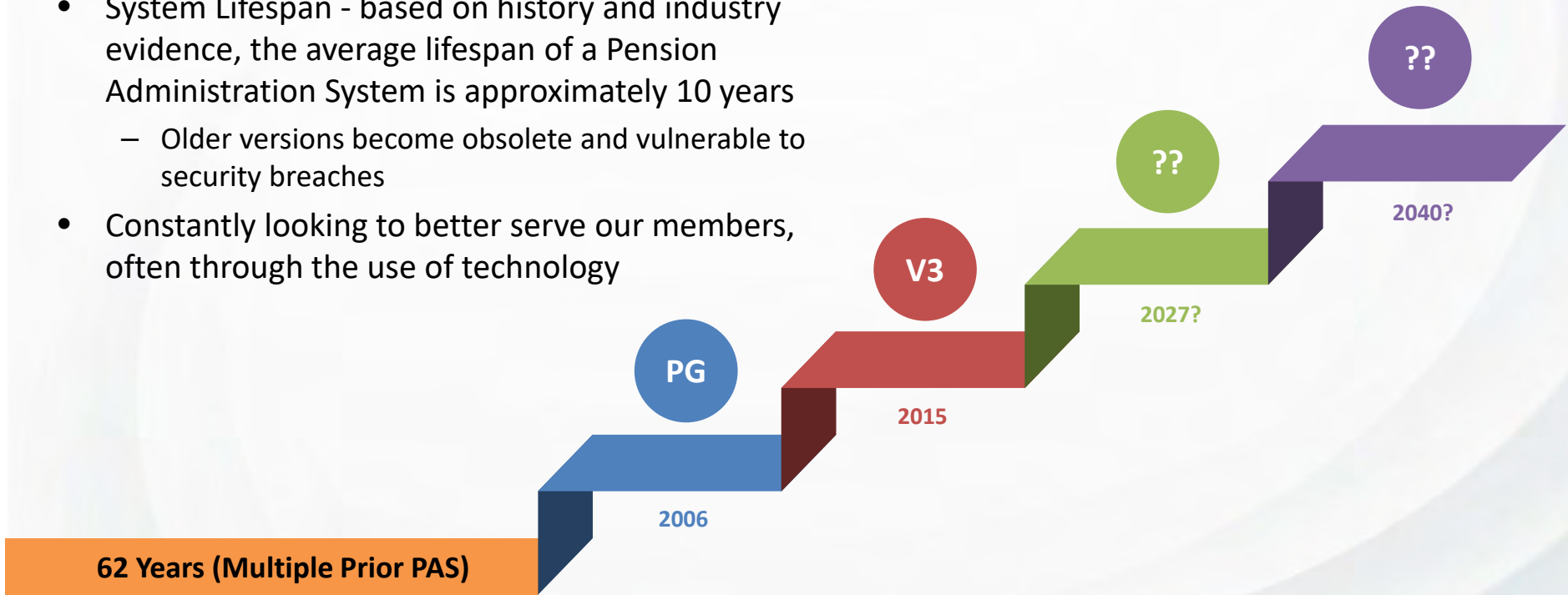
Future: Challenges on the Horizon

- **Current V3 Issues**
 - End-of-life / old technology issues (technology conflicts, security issues)
 - No opportunities for growth or improvement (not getting new features)
 - Vendor no longer investing in current version, continuing to reduce support (wants us to upgrade)
 - Lack of integration with other systems (no API) – limits automation opportunities
 - Difficult to make changes with current system (costly and time-consuming)
 - Lack of required data from employers will continue to limit our capabilities and efficiencies
- **Additional Features/Functionality We are Seeking**
 - Document Management (Enterprise Content Management System features)
 - Electronic Forms and Signatures
 - Intelligent Workflows
 - Improved Processes
 - Data Analytics and Business Intelligence
 - Automation, Artificial Intelligence, Machine Learning (system performs the task instead of a human)
 - Modular Design (system components can be added or removed without replacing entire system)



PAS: Past, Present, and Future

- Each upgrade/migration brings new improvements
- System Lifespan - based on history and industry evidence, the average lifespan of a Pension Administration System is approximately 10 years
 - Older versions become obsolete and vulnerable to security breaches
- Constantly looking to better serve our members, often through the use of technology





Way Forward

- Continue Simplification efforts
- Finish Master Repository Project
- Data Access and Completeness with Employers
- Continue to engage with Board
 - Start of New PAS process timeline (Mid-year?)



Questions?



OCERS PENSION ADMINISTRATION SYSTEM (V-3): A CONTINUING UPDATE

March 18, 2024

Steve Delaney

Chief Executive Officer, OCERS



Background

- September 9, 2021: Vision 2030 presented at Strategic Planning Workshop mentioning potential need for a new Pension Administration System (PAS)
- September 14, 2022: Vision 2030 presented and the need for a new PAS brought up again
- September 13, 2023: Strategic Workshop meeting briefly touched on the need for a new PAS
- December 12, 2023: Presented the Board with the history of the OCERS PAS
- February 21, 2024: Presented the Board with the current challenges of our PAS (V3) and the way forward towards a potential upgrade/new system



Vision 2030 (From Sept 2021)

2021 Vision 2030 Timeline

- Data Options
- Continue Outreach

2023

- Test RPA Bots

2027

- New PAS
- AI Growth Capabilities

“Dave, this conversation can serve no purpose anymore. Good bye.”

2030

- OCERS Jenny

2022

- Consultant
- PAS RFP
- Master Repository

2024

- Test RPA Bots

2028

- AI Test Process



Future: Challenges on the Horizon and Risks

- **Current V3 Issues**

- End-of-life / old technology issues (technology conflicts, security issues)
- No opportunities for growth or improvement (not getting new features)
- Vendor no longer investing in current version, continuing to reduce support (want us to upgrade)
- Lack of integration with other systems (no API) – limits automation opportunities
- Difficult to make changes with current system (costly and time-consuming)
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- **Additional Features/Functionality We are Seeking**

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- Modular Design (system components can be added or removed without replacing entire system)



Types of Challenges

- PAS solution and its component software are nearing end of life and are no longer supported
 - Many of the component software applications used as part of our PAS solution are not upgradeable with our current PAS version
 - Components that are upgradable may break functionality, so we are not always able to apply critical updates, and patches. This increases the risk and vulnerability of our systems.
- Limited support from Vendor for current version
 - Our vendor is focusing their resources and development on their new software platform, so enhancements to our version is limited. And it is more expensive and time consuming to get fixes and enhancements implemented.
- Unable to take advantage of newer technologies and automation tools to improve processes and grow our member service offerings.
 - We can't take advantage of cloud computing, Application Programming Interface (API) integration, intelligent functional workflows, online forms and electronic signatures, etc.
 - We can't improve our processes and service offerings to our members such as integrated voice response (IRV), virtual assistants and self-service options through call center and web portals, real time updates and improved processing times, mobile applications, etc.
 - We are not able to achieve true automation, nor make the leap to Artificial Intelligence (AI) and machine learning.



Mitigation of Risks

- Continued support from our Vendor
 - There is no stated date when our vendor will no longer support us, and we continue to actively work with them to remediate risks and system issues.
- Business Continuity Program
 - Each department proactively identifies risks that could disrupt our operations and impact our members and employers. We conduct annual business impact analysis and actively review and maintain our recovery plans and strategies to address risks, along with other identified events that could disrupt operations.
- Operational Risk and Compliance Programs
 - Risks are identified, assessed, monitored and reported on as part of our operational risk program. This includes risk mitigation, where we implement controls to prevent, detect, respond to and recover from identified risks. Our new compliance program will evaluate the effectiveness and performance of our compliance activities and report the findings to senior management and the Board.
- Audit Program
 - Our audit program evaluates the effectiveness of our controls and risk mitigation strategies. It also identifies risks and provides recommendations to improve risk management within our operations.





The Conversation Continues in April...



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: EMPLOYER ENGAGEMENT REGARDING MEMBER DATA

On March 18, Ms. Jenike and I will share an update regarding our efforts to improve the submission of member data by our participating employers, and what that means with regard to recent staff requests.

BACKGROUND – Requesting Additional Staff Positions

On September 18, 2023, OCERS staff heard from various trustees concerning the need to improve the timeliness of OCERS “final” benefit estimates.

On October 29, 2023, OCERS staff asked the Personnel Committee to approve a request for seven additional Retirement Program Specialist (RPS) positions (as a subset of a larger total request for 19 additional positions across the agency). The committee asked for further background.

On November 18, 2023, OCERS staff asked Personnel Committee to allow us to pause the request for seven RPS positions, providing the opportunity over the first half of 2024 for sharing the challenges faced in producing “final” benefit estimates on a shorter timeline.

On February 29, 2024, the Personnel Committee, having heard further from staff on the calculation challenges, and appropriately focusing on the part employer data plays in this issue, declined to approve the seven additional positions, and instead directed that staff continue to pursue improved employer reporting of data as the more efficient and cost-effective manner in reaching a goal of improved member services.

BACKGROUND – Obtaining Improved Employer Reporting of Data

The OCERS team had already begun looking into getting more of the data necessary to calculate final average salary from the employers on a biweekly basis so that it is available long prior to the member’s actual retirement.

On February 13, 2024, the OCERS Member Services team held a Zoom meeting for all employer and labor stakeholders. To ensure the decision makers were involved, the meeting invitation was sent to the executive teams of each participating employer. OCERS staff outlined a number of disparate reporting issues that needed to be addressed, with a special emphasis on the challenges faced in trying to calculate a timely “final” benefit estimate for our members when key member data is lacking. Presently OCERS staff will ask the member him or herself to obtain portions of the data, while staff simultaneously reaches out to the employer to obtain as much missing data as possible. This takes time and can easily lead to errors. In fact, the majority of the accuracy issues reported to the Audit Committee are a result of this manual calculation process. Immediately following that February 13 meeting a survey was sent to the attendees to confirm their understanding of the data being requested.

Having laid out what the challenges are, and requested the employer's assistance, OCERS staff then invited all to a series of upcoming quarterly Zoom meetings to better guide the employer's technical staff in understanding the member data that is needed as well as to give the employer time to plan and/or budget for any necessary changes to their payroll system(s). Prior to the next quarterly meeting OCERS staff is compiling information on each employer's data and will send targeted communications to each.

Ms. Jenike will be sharing details of that February outreach and our planned goals for improving data submission at the March 18 meeting of the Board.

Additionally, I and the Senior Executive Team will make this outreach a key component of our annual OCERS YEAR IN REVIEW meetings with their executive teams of every participating employer and labor group.

BOARD ASSISTANCE – A Policy

When meeting on February 29, the Personnel Committee felt it was so important to get employers to step up and provide the data necessary to improve member services without increasing staff, that they directed we place an action item on the March 18 Board agenda that would make that statement clear to all parties.

In subsequent discussions with Personnel Committee Chair Hilton, we are adjusting that request for the moment. As noted above, we are in the midst of an outreach project to help employers understand what we need by way of improved data, and why that is so important to improved services to their employees and our members. What seems appropriate for the OCERS Board to do is to approve a policy that makes clear the employers' obligations in reporting of data, and more importantly, what the penalty might be for those employers who fall short of that obligation.

With that background, Chair Hilton concurred with my request that we start by taking such a policy to the Governance Committee first.

We will develop a policy in the coming weeks, discuss it with stakeholders to obtain early input, and then take that to the Governance Committee when they meet on May 23, 2024. With Governance Committee input and direction, as well as an opportunity for final stakeholders comment to the committee, we would then bring an employer reporting policy forward to the full Board for action.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



Employer Engagement Regarding Member Data

March 18, 2024

Suzanne Jenike

Assistant Chief Executive Officer, OCERS



February Personnel Committee

When considering the staffing request the Personnel Committee heard:

- How long the calculation of Final Average Salary takes
- How we compare to our peers
- Regardless of the decision on staffing the calculation needs to be done

Directed Staff to work with Employers to get the data electronically.



Final Estimate: Full FAS calculation

Process	Minimum	Maximum	Average	Minutes
Part Acct Review	45	90	67.5	Minutes
Employment History	30	90	60	Minutes
MOU Review	20	45	32.5	Minutes
Time Sheet Review	15	80	47.5	Minutes
CAPS+ Verify Balances	30	30	30	Minutes
HC/AL Calcs	30	80	55	Minutes
FAS Workbook	45	90	67.5	Minutes
SharePoint Log	15	15	15	Minutes
Process in V3	45	45	45	Minutes
Total	<u>275</u>	<u>565</u>	<u>420</u>	Minutes
Total	4.6	9.4	7	Hours



CERL System Comparison

Alameda

- 6 hours
- Pension Administration System (PAS) is programmed to automatically cap the eligible Paid Time Off (PTO) hours on a biweekly basis.
- MOU review and PAS update done by ACERA staff.
- They use a spreadsheet to calculate the pension (4 factors) to verify PAS calculation.
- They do NOT verify Final Average Salary calculated by PAS.
- They do a peer review.

Contra Costa

- 4 hours
- The employer reports the PTO hours on the transmittal file either when cashed out or at retirement as a separate line item distinguished from terminal pay.
- Majority of members have a 12 month measuring period.
- Most Employers have the same MOU provisions for cash outs.
- Manual calculation of FAS is done on a spreadsheet
- They do a peer review.

OCERS

- 7 hours
- PTO hours are verified in the MOU as well as in payroll system.
- Most members have a 36 month measuring period.
- Most Employers have different MOU provisions for cash outs. One MOU can have multiple PTO scenarios.
- Manual calculation of FAS is done on a spreadsheet.
- Full QA review which consists of full replication calculation.



February Employer Meeting

OCERS team communicated several items that need to be addressed:

- Data anomalies today
- Work needed to be done as we gear up for a new Pension Administration System
- Time and budget considerations
- Future state – goal is to eliminate manual work



Current Challenges

- Missing Members –earnable salary must be reported biweekly, even if ZERO pay
- Status - leave and employment status is required
- Member Affidavits – information should match the transmittal file
- Separation Notices – date should be on transmittal file
- Retro Lump Sums – hours and service credits should be posted biweekly on an adjustment file
- Year to Date Compensation limits
- Importance of the Contribution Basis date field
- Reciprocity – self certification forms should include proof of prior membership status



Looking Ahead

OCERS needs everything that impacts Final Average Salary (FAS) reported biweekly.

PTO is included in FAS to the extent cashable annually per the MOU.

- 1/26th of the annual PTO amount that is cashable is included:
 - Ex. If 40 hours are cashable per year = 1.53846 hours/pp
 - Ex. If 120 hours are cashable per year = 4.61538 hours/pp





Retirement Board Meeting

March 18, 2024

Application Notices

MEMBER NAME	AGENCY/EMPLOYER	RETIREMENT DATE
ABROGAR, MARIA	OC Public Works	1/3/2024
ADAMS, JILL	Superior Court	1/12/2024
AGUILAR, RICHARD	Fire Authority (OCFA)	1/5/2024
AYALA, JOSE	OCTA	1/14/2024
BARAJAS, NORA	Health Care Agency	1/12/2024
BAYRON, DONOVAN	Social Services Agency	1/12/2024
BEAUDOIN, SUZANNE	Social Services Agency	12/29/2023
BISHOP, PAULA	Health Care Agency	12/29/2023
BRADY, AARON	Sheriff's Dept	1/12/2024
BRIBIESCA, PHIL	Sheriff's Dept	12/29/2023
BRUZAS-RANES, BIRUTE	Social Services Agency	1/12/2024
BURKHART, JENNIFER	Treasurer - Tax Collector	1/5/2024
CHAVEZ, LOURDES	Social Services Agency	1/12/2024
DAUR, LANCE	Health Care Agency	1/18/2024
DELGADO, MIA	Health Care Agency	1/5/2024
DENNEN, EVA	Health Care Agency	1/17/2024
DENNO, JAMES	Assessor	1/12/2024
DOUTHITT, DANIEL	Sheriff's Dept	1/12/2024
EUGENIO, JOAN	Health Care Agency	1/5/2024
GOLDSTEIN, MICHELLE	Health Care Agency	1/1/2024
GRAJEDA-ROMERO, AURORA	Social Services Agency	12/29/2023
GRANNIS, LILLY	Superior Court	1/18/2024
GUTIERREZ, GRACE	OC Community Resources	1/3/2024
HIMMLER, DAGMAR	Health Care Agency	1/5/2024
HO, JONATHAN	OCTA	1/8/2024
HUGHES, DONALD	OC Public Works	1/17/2024
JACOBSEN, JOANNE	OCTA	1/6/2024
JOHNSON, NASRIN	OC Community Resources	12/31/2023
KENNEALLY, BRADFORD	Sheriff's Dept	1/12/2024



Retirement Board Meeting

March 18, 2024

Application Notices

KNIGHT, ALLEN	OCTA	1/4/2024
KUSHNER, STEFANY	Child Support Services	1/12/2024
LEVINE, DIANE	OCTA	1/1/2024
LOPEZ, LILIA	Child Support Services	1/12/2024
MACIAS, ROBERTO	Social Services Agency	1/12/2024
MARTINEZ, LAWRENCE	Superior Court	1/6/2024
MARTINEZ, MARTIN	OCTA	1/18/2024
MARTINEZ, SONYA	Superior Court	12/29/2023
MONTAGHAMI, ALMA	Social Services Agency	12/29/2023
NAJERA, JOSE	Child Support Services	12/29/2023
NGUYEN, HANH PHUONG	OC Public Works	12/29/2023
NGUYEN, HUY	Sheriff's Dept	1/12/2024
NORHAUSEN, MICHELLE	Superior Court	1/12/2024
PAINDA, SHAIMA	Health Care Agency	1/5/2024
PALACIO, LUZ	Superior Court	1/12/2024
PE'A, RONDA	Health Care Agency	1/5/2024
PHUNG, KATHY	Social Services Agency	12/29/2023
PINA, CARLOS	Probation	1/12/2024
PYNCHON, MARK	OCTA	1/2/2024
QUINTANILLA, JOSE	Health Care Agency	1/12/2024
RAMOS, MARGARET	Sheriff's Dept	1/5/2024
RATTO, GINA	OCERS	1/12/2024
RIOS, DAVID	Sheriff's Dept	1/2/2024
ROJAS, TERESA	Social Services Agency	1/12/2024
SALAZAR, TINA	OCTA	12/31/2023
SCHAFFER, JERRY	District Attorney	1/17/2024
SCHMIDTBAUER, TERRY	OC Public Works	12/30/2023
SCHUSTER, NEAL	Sheriff's Dept	12/8/2023
SENTENO, JOHN	Health Care Agency	1/5/2024
SHAPIRO, FRAN	Health Care Agency	1/12/2024
SIGLER, MONA	Social Services Agency	12/4/2023



Retirement Board Meeting

March 18, 2024

Application Notices

SMITH, CYRISE	OC Community Resources	12/29/2023
SPAULDING, LINDA	Health Care Agency	11/13/2023
STAMPER-TAYLOR, MARY	Superior Court	1/12/2024
TROTTIER, LAURA	Superior Court	1/2/2024
TURI, GRACE	Superior Court	1/2/2024
TURNA, BHUPINDER	Probation	1/12/2024
URBANO, JOE	OCTA	1/4/2024
VALDEZ, JUANA	Superior Court	1/12/2024
VUONG, JOHNNY	Probation	1/3/2024
WILK, JANAY	Fire Authority (OCFA)	12/31/2023
WINN, JASON	Probation	1/12/2024
ZUNIGA, FRANK O	Social Services Agency	1/12/2024



Retirement Board Meeting

March 18, 2024

Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
CASTANEDA, SANDRA	OCTA
YANG, KENT	OCTA

RETIRED MEMBERS	AGENCY/EMPLOYER
ABBORINO, VINCENT	Probation
AGNEW, ROBERT	Probation
ALEXANDER, WILLIAM	OCTA
ALLISON, RUTH	Assessor
ANDERSON, LEO	Health Care Agency
BAKER, FREDRICK	Probation
BERGER, GARY	Sanitation District
BITTNER, LAWRENCE	District Attorney
BOWMAN-PETERSON, RUBY	Health Care Agency
BULL, JACK	Assessor
CAMPBELL, WILLIAM	Probation
CARMONA, SAMUEL	Social Services Agency
CHANGALA, LUPE	OCTA
DE LAURA, RICHARD	Auditor Controller
EVANS, RICHARD	Sheriff's Dept
FORRESTER, JAMES	Fire Authority (OCFA)
HEISER, VERLAINE	Superior Court
MADRID, LUZ	Child Support Services
MAGNESS, LINDA	OCTA
MCLEMORE, LARRY	Sanitation District
MILLAN, GUILLE	District Attorney
MORGAN, BEVERLY	Probation
NGUYEN, ANDE	Social Services Agency
NGUYEN, HOANG	Social Services Agency
OTANEZ, JESUS	Health Care Agency
PELSE, MICHELLE	Social Services Agency
PRINCIPALE, GLORIA	Health Care Agency
ROBERTSON, WARREN	OC Public Works
ROSS, DOLORES	Superior Court
RUIZ, RAMON	OCTA
SAMSON, CYNTHIA	Social Services Agency
SAY, MICHAEL	Sheriff's Dept
SMITH-FRYER, MAUREEN	Sheriff's Dept
TODTMANN, MARA	Social Services Agency
TOLIVER, CYNTHIA	Health Care Agency
VANDEGRIFT, MARILYN	Treasurer - Tax Collector
VARGAS, MAGDA	Social Services Agency



Retirement Board Meeting

March 18, 2024

Death Notices

WADE, RONALD	Sanitation District
ZIEGLER, GEORGE	Treasurer - Tax Collector

SURVIVING SPOUSES	
ALAVA, IGNACIO	
BEARSE, RUTH	
CLARKE, JERRY	
HARTUNG, KERRAN	
HOOK, GERALDINE	
JUMP, LINDA	
KADOTA, FRANK	
LAM, LANH	
LIBUNAO, TIRSO	
MACNIVEN, W. MITCHELL	
POYNTER, KATY	
SMITH, SYDNEY	
THOMSIC, MARY	

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

**PERSONNEL COMMITTEE MEETING
Wednesday, November 15, 2023**

12:00 P.M., or immediately following the Investment Committee Meeting, whichever is later.

MINUTES

OPEN SESSION

Chair Packard called the meeting to order at 1:58 p.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Charles Packard, Chair; Roger Hilton, Board Member; Chris Prevatt, Board Member; Shawn Dewane, Board Member

Also Present: Steve Delaney, CEO; Suzanne Jenike, Assistant CEO of External Operations; Brenda Shott, Assistant CEO of Internal Operations; Molly Murphy, Chief Investment Officer; Manuel Serpa, General Counsel; Silviu Ardeleanu, Director of Member Services; Tracy Bowman, Director of Finance; David Beeson, Director of Investments; Matt Eakin, Director of Cyber Security; Cynthia Hockless, Director of Human Resources; Jeff Lamberson, Director of Member Services; Nicole McIntosh, Director of Disabilities; Will Tsao, E.M.P.O.; Marielle Horst, Recording Secretary; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Executive Secretary

PUBLIC COMMENT

None.

The committee recessed for lunch at 2:00 p.m.

Mr. Dewane arrived at 2:06 p.m.

The Committee reconvened from lunch at 2:34 p.m.

Recording Secretary administered the Roll Call attendance.

CONSENT AGENDA

C-1 COMMITTEE MEETING MINUTES:

Orange County Employees Retirement System
November 15, 2023
Personnel Committee Meeting

Approval of Meeting and Minutes

Personnel Committee Meeting Minutes

October 26, 2023

A **Motion** by Mr. Dewane, **seconded** by Mr. Prevatt, to approve the minutes.

The motion passed **unanimously**.

ACTION ITEMS

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

A-2 2024 AND BEYOND STAFFING PLAN

Presentation by Steve Delaney, CEO; and Cynthia Hockless, Director of Human Resources

Recommendation: Staff recommends that the Personnel Committee forward to the Board a recommendation to approve the following:

1. Approve the addition of 17 new positions to the 2024 budgeted headcount:
 - a. Add three positions to the Investments Division
 - b. Add two positions to the Disability Division
 - c. Add ten positions to the Member Services Department
 - d. Add one position to the Finance Department
 - e. Add one position to the Information Technology Division

At Mr. Delaney's request, a **Motion** by Mr. Dewane, **seconded** by Mr. Prevatt to bifurcate the recommendations, and forward to the board a recommendation to approve the following:

- a. Add three positions to the Investments Division
- b. Add two positions to the Disability Division
- e. Add one position to the Information Technology Division

The motion passed **unanimously**.

A **Motion** by Mr. Dewane, **seconded** by Mr. Prevatt, to forward to the Board a recommendation to approve the following:

- d. Add one position to the Finance Department

Ms. Shott and Ms. Bowman addressed the committee regarding the request for additional staffing to support the implementation of the Pension Administration System (PAS). Mr. Hilton expressed concern pertaining to the current number of ongoing projects and meeting operational needs. Mr. Tsao informed the committee of the new project management system which calculates the optimal number of projects according to current resources to improve efficiency and effectiveness.

The motion passed by **majority**, with Mr. Hilton voting nay.

Following discussion, at Mr. Delaney's request, a **Motion to delay** by Mr. Dewane, **seconded** by Mr. Prevatt to delay the following no later than July 2024:

- c. Add ten positions to the Member Services Department

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Orange County Employees Retirement System
November 15, 2023
Personnel Committee Meeting

The motion to delay passed **unanimously**.

- 2. Approve the creation of three career ladders:
 - a. Information Security Division:
 - i. Information Security Manager to Senior Information Manager
 - b. Disability Division
 - i. Two Office Specialists to Staff Assistants

A **Motion** by Mr. Dewane, **seconded** by Mr. Prevatt, to forward to the Board a recommendation to approve the creation of the three career ladders.

The motion passed **unanimously**.

- 3. Approve the following drop:
 - a. The following Member Services positions will go dark:
 - i. Three Retirement Program Specialist – Extra Help
 - ii. Member Services Manager – Extra Help

A **Motion to postpone** by Mr. Dewane, **seconded** by Mr. Prevatt, to postpone the approval of the drop positions.

The motion to postpone passed **unanimously**.

INFORMATION ITEMS

None.

COMMITTEE MEMBER/CEO/COUNSEL/STAFF COMMENTS

None.

ADJOURNMENT

Chair Packard adjourned the meeting at 4:04 p.m.

Submitted by:

DocuSigned by:
Cynthia Hockless
C3FEC83C3717411...
Cynthia Hockless
Liaison

Submitted by:

DocuSigned by:
Steve Delaney
C00D5744FF39463...
Steve Delaney
Secretary to the Board

Approved by:

DocuSigned by:
Roger Hilton
555A903001904F8...
Roger Hilton
Chair



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORKPLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

APRIL

- Ethics Training
- Quarterly 2024-2026 Strategic Plan Review
- SACRS Board of Directors Election
- Quarterly Travel and Training Expense Report
- CIO Comments

MAY

- Preliminary December 31, 2023 Valuation
- Review of OCERS Multiple Plans
- Quarterly Unaudited Financial Statements
- Quarterly Budget vs Actual Report

JUNE

- December 31, 2023 Valuation- Final Approval
- OCERS 2024 Business Plan Mid-year Review
- Strategic Planning Workshop – Proposed Agenda
- GASB 68 Valuation and Audit Report
- Audited Financial Statements and Annual Comprehensive Financial Reports
- CIO Comments

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2024 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
System Oversight	Receive Quality of Member Services Report (I)	STAR COLA Posting (I)	Approve 2024 STAR COLA (A)	SACRS Board of Directors Election (A)	Preliminary December 31, 2023 Valuation (I)	Mid-Year Review of 2024 Business Plan Progress (I)	Approve Early Payment Rates for Fiscal Year 2024-26 (A)	Review 2nd Quarter Budget to Actuals Financial Report (I)	Strategic Planning Workshop (I)	Adopt 2025 Board Meeting Calendar (A)	Review 3rd Quarter Budget to Actuals Financial Report (I)	
	Receive OCERS Innovation Report (I)	Approve 2024 COLA (A)	Quarterly Budget vs Actual Report (I)	Quarterly Travel and Training Expense Report (I)	Quarterly Unaudited Financial Statements (I)	Approve December 31, 2023 Actuarial Valuation & Funded Status of OCERS (A)	Quarterly Travel and Training Expense Report (I)	Receive OCERS by the Numbers (I)	Annual OCERS Employer Review (I)	Approve 2025-2027 Strategic Plan (A)	Approve 2025 Administrative (Operating) Budget (A)	
	Annual Disability Statistics Report (I)	Annual Overpaid And Underpaid Plan Benefits Report (I)	Quarterly Unaudited Financial Statements (I)	Quarterly 2024-2026 Strategic Plan Review (A)	Quarterly Budget vs Actual Report (I)	Approve 2023 Comprehensive Annual Financial Report (A)	Quarterly 2024-2026 Strategic Plan Review (A)	Receive Evolution of the UAAL (I)	State of OCERS (I)	Approve 2025 Business Plan (A)	Annual CEO Performance Review and Compensation (A)	
	Quarterly Travel and Training Expense Report (I)	Annual Report of Contracts >\$100,000 (I)						Quarterly Unaudited Financial Statements (I)	Annual 2024-2026 Strategic Plan Review (A)	Employer & Employee Pension Cost Comparison (I)	Quarterly Unaudited Financial Statements (I)	
	Quarterly 2024-2026 Strategic Plan Review (A)							Employer Employee Contribution Matrix (I)	Propose 2025 Board Meeting Calendar (I)	SACRS Business Meeting Direction (A)		
								Receive Quality of Member Services Report (I)	Quarterly Travel and Training Expense Report (I)			
Board Governance												Adopt Annual Work Plan for 2025 (A)
												Vice-Chair Election (A)
												Receive 2025 Board Committee Appointments (A)
Regulation / Policies	Communication Policy Fact Sheet (I)											
Compliance	Status of Board Education Hours for 2023 (I)	Annual Policy Compliance Report (I)	Semi Annual Business Continuity Disaster Recovery Updates (I)	Form 700 Due (A)		Receive Financial Audit (I)				Semi Annual Business Continuity Disaster Recovery Updates (I)		
	Annual Information Security Summary (closed session) (I)											

(A) = Action (I) = Information



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Jim Doezie, Contracts, Risk and Performance Administrator
SUBJECT: QUIET PERIOD – NON-INVESTMENT CONTRACTS

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 Requests for Proposals (RFP):

“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 and RFQ’s noted below are subject to the quiet period until such time as a contract is finalized.

- An RFP for Obituary Verification Services was distributed late June 2023. The current vendor contract will be expiring it’s six-year term in November, so this RFP is to review and select a vendor for the needed services. Thomson Reuters’ CLEAR software product was selected, and a contract has been executed.
- An RFP was distributed in September 2023 for a Pension Administration Project Oversight Consultant. The need for this consultant is to help guide OCERS into selecting and implementing a new Pension Administration System. Four proposals were received that are currently being evaluated.
- An RFP for SharePoint Migration Services was distributed in November 2023. These services are needed to help OCERS migrate/upgrade our current SharePoint (OCERS internal Intranet) solution. Seven Proposals were received. Evaluations continuing based on possible project scope changes.
- An RFQ for OCERS Replacement Headquarters Project was distributed in December 2023. This Request for Qualifications for Designer/Builder Entity (DBE) services will result in the submittal of Qualifications from teams interested in the DBE work. Finalists will be invited to participate in an upcoming RFP process. Six SOQs were received. Four vendors were selected to receive an RFP.



Memorandum

- Following the RFQ above, an RFP for OCERS Replacement Headquarters Project DBE Services was distributed in February 2024. This Request for Proposal was sent to the four qualified vendors as noted above. Proposals are due to OCERS March 22nd.
- An RFP was distributed in February 2024 for Employment Counsel Services. The current vendor six-year agreement expires late April, so we are bidding-out these services at this time. Proposals are due March 29th.

Submitted by:





Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: BOARD COMMUNICATIONS

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

From Steve Delaney:

- NASRA News Clips

From Mary-Joy Coburn, Director of Communications:

- NASRA short resource page linked here: <https://t.co/m2BATTIVgs>
- NIRS analysis of the economic impact in 2023: <https://www.nirsonline.org/resources/pensionomics-state-data/>
- For specific insights into California, key findings are linked here: [pensionomics2023_CA.pdf](#) (nirsonline.org)

Other Items: (See Attached)

- Monthly summary of OCERS staff activities and updates, starting with an overview of key customer service metrics, for the month of JANUARY 2024.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



OCERS Activities and Update Report

January 2024

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS' team activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for JANUARY 2024.

MEMBER SERVICES MONTHLY METRICS

Retirement Applications Received				Customer Service Statistics						
Month	2022	2023	2024	Month	Unplanned Recalculations	Member Satisfaction Approval Rate	Calls Received via Call Center	Calls Direct to Extension	Calls Received by Operator	Total Calls (monthly)
January	346	244	278	January	0	98%	2,528	3,143	857	6,528
February	151	152		February						
March	120	135		March						
April	47	54		April						
May	65	60		May						
June	73	45		June						
July	54	28		July						
August	58	45		August						
September	42	46		September						
October	70	54		October						
November	78	50		November						
December	86	39		December						
Grand Total	1190	952	278	Grand Total	0	98%	2,528	3,143	857	6,528

MEMBER SURVEY RESPONSES

“The RPS I spoke to was professional and very helpful. The RPS walked me through everything to get me the information I was after. I wanted to let management know what a valuable employee you had. But then you likely already know that.”

January 2024

“I am very happy with the customer service I have received from OCERS. I have found all the staff from reception to the supervisor to be helpful, understanding, and consistent about calling back when they say they will.”

December 2023

“I am so grateful that you have this customer service representative as a member of your team. We seldom get member service staff who SERVE. Not so with this representative. I had a challenging task to complete this morning for a federal agency about my retirement. I was frustrated, unfamiliar and a little bit angry when I phoned OCERS trying to figure out how I could acquire this information off the MyOCERS portal. But this representative answered my call. Her sweet, calming nature instantly reassured me that “we” could figure the issue out. Her professionalism, knowledgeable, and competent handling of the situation provided the information I needed in minutes! I was amazed. Furthermore, she went on to explain OCERS handling of my pension in ways NO ONE has in 17.25 years. She helped me learn how to print and provide this information for my meeting in no time. I can't



OCERS Activities and Update Report

January 2024

begin to express my gratitude for this representative's help. I hope you will extend a smile and pat on the back to her for her great work."

November 2023

"I am reaching out as I have had the pleasure of working with your customer support representative who has been assisting me with my recent Service Credit Purchase request. This representative has been very patient in assisting me with my many questions pertaining to purchase requests."

ACTIVITIES

1099 CHALLENGE FOR OTHER SYSTEMS, NOT FOR OCERS

As January got underway, a worried request came out from another CERL system, indicating their 1099 files were failing and asking if others were having the same issue. In the responses that flowed through, it appears many CERL systems were caught flatfooted by a change introduced by the IRS leading to a scramble to fix the issue. The original CERL system sent out this note once the issue had been understood by all:

"Thanks for sending! We are caught out on this and now in the process of resolution. I am very impressed and a bit embarrassed/green with envy over the fact that several of you caught this through normal testing.

We've now updated our payroll procedures to include that check every fall and will also add IRS registration to our position separation checks. "

OCERS was NOT caught unawares. I asked Ms. Reyes, who the Trustees met just this past month when she was introduced as OCERS Manager of the Year, to provide background as to how we succeeded where so many others failed.

Ms. Reyes provides this account

When 1099-R files are submitted through the IRS FIRE system, an email notification is sent to confirm the status of the files that were uploaded. When I received the email status for the 1099-R correction files that were uploaded, I noticed there was an alert on the top of the email. The alert read as follows:

ALERT: The August 1, 2023, deadline to claim your legacy Transmitter Control Code (TCC), assigned prior to September 26, 2021, has passed. If you did not start your IR TCC application by the deadline, and you have a requirement to file electronically, you must apply for a new TCC. Visit [IRS.gov/FIRE](https://www.irs.gov/FIRE), 'What's New' – IR TCC Application for FIRE, for more information.

When I saw the alert, I went on to the IRS website and did a search for the TCC application. It brought me to the following link: <https://www.irs.gov/tax-professionals/iris-application-for-tcc>. I followed the prompts to apply for the new TCC. I listed Brenda and Tracy as the Responsible Officials for OCERS and listed myself as an Authorized Delegate. Brenda and Tracy had to



OCERS Activities and Update Report January 2024

login online through the IRS website and verify their identify through ID Me and add a signature to the TCC application before it could be processed.

In January 2024, I logged in to the IRS website to check the status of the application and verified the application was in completed status and the new TCC was assigned. Then, I wanted to ensure our new TCC would work with the IRS FIRE Test System. I had to create a new account for myself on the IRS FIRE System using the new TCC. I created a test 1099-R web tax export file from V3 using the new TCC and uploaded it to the IRS FIRE Test System. Jenny helped me with a few minor issues we had with the file which impacted the totals number of records, but the file came back with a “good” file status a few days after it was uploaded and there are no issues with the new TCC.

COMBINING GENERAL AND SAFETY ELECTION ACTIVITIES (BUT NOT COMBINING THE VOTE)

During public comments at the end of the December 11 meeting of the OCERS Board of Retirement, OCERS staff shared with the Board a planned change to the timing of the General and Safety trustee elections, to allow for greater efficiency and possible cost-savings.

A summary of what was shared is included here as documentation:

OCERS would normally conduct two separate elections in 2024 – one for General Members another for Safety and an Alternate Safety Member. Traditionally, these elections have been held on separate dates. While this approach has served us well, Trustees Tagaloa and Prevatt suggested a more consolidated approach would be easier for the Registrar of Voters to oversee, being more efficient, and likely less costly.

On November 13, 2023, a meeting was held with representatives from the Orange County Employees Association (OCEA), the Association of Orange County Deputy Sheriffs (AOCDS), and Orange County Professional Firefighters Association (OCPFA) officials to review and discuss the change. During the discussion, it was observed that a combined process timeline brings the General Member election approximately five months earlier than our traditional date. With this alteration, the General Member election is scheduled for June, and the incoming incumbent will assume the seat the following January. No further significant adjustments were identified.

The OCERS Legal team thoroughly reviewed the existing Election policy and confirmed that this change falls within established policy guidelines.

After thorough discussions with multiple stakeholders, a decision was reached to consolidate the two election schedules into a unified calendar. The proposed change garnered unanimous agreement and support.

The elections for General and Safety Members will now take place on June 18, 2024, and allow for synchronized planning and execution.

OCERS has confirmed with the Registrar of Voters (ROV) that this change can be accommodated. OCERS plans to send an official notice to the ROV in mid-December to initiate the revised election process.



OCERS Activities and Update Report

January 2024

FACILITIES AND OPERATIONS SUPPORT

Mr. Tse reports:

- Processed and executed seventeen (17) contracts and agreements.
- Conducted fire protection system quarterly testing.
- Repaired malfunctioned elevators in the HQ building.
- Our property management vendor, Cushman & Wakefield, has notified staff of their intent to exit the Maintenance/Contracting portions of the property management contract for both HQ and medical office buildings, including site security and cleaning services. Staff is expected to assume this unexpected work starting in March 2024.

UPDATES

COMMUNICATIONS

Ms. Coburn reports:

The Communications Department now oversees the bi-monthly pre-retirement seminars, both in-person and online. We've reintroduced guest speakers featuring presenters from OCERS, REAOC, County Retiree Medical and Empower. This mirrors our pre-COVID-19 structure and offers increased support for members seeking information from these organizations.

Additionally, we're initiating meetings with our employers' communications teams to strengthen our relationship and better serve our members. In January, we visited the Orange County Fire Authority (OCFA) headquarters in Irvine, meeting with the Public Relations Manager and her multi-media team. We toured their studio and discussed potential collaborations, such as featuring our OCFA members in our upcoming newsletter and social media posts.

DIGITAL OUTREACH

myOCERS Social Media Chart

Platform	Number of Subscribers
LinkedIn	678 (↑ 47 since December 2023)
Twitter (X)	604 (↑ 1 since December 2023)
Instagram	134 (2 since December 2023)
Facebook	206 (↑4 since December 2023)

For the latest updates, visit our official OCERS accounts on LinkedIn, Twitter, Instagram, and Facebook @myOCERS.

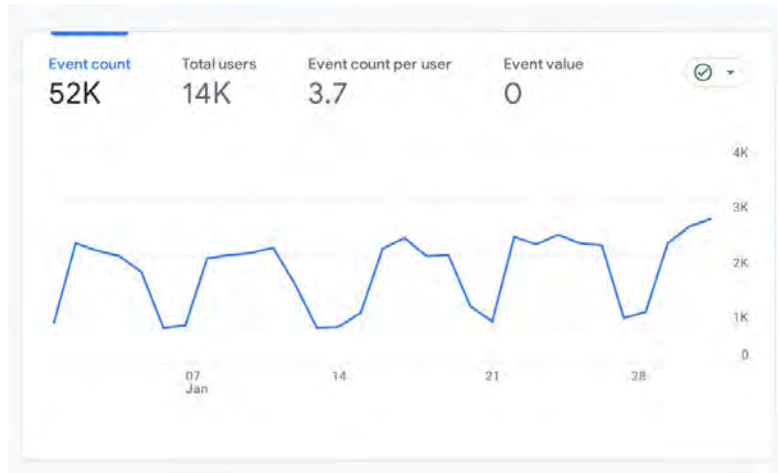


OCERS Activities and Update Report

January 2024

OCERS Website

For the period between January 1st and January 31st, the agency website had 51,907 views.



MEMBER SERVICES

Mr. Ardeleanu reports:

The Customer Service team participated in several events during the month of January 2024.

The Seminars and REOC Luncheon were well attended, with members fully engaged and asking lots of great retirement-related questions.

- 01.10.2024 – OCERS in-person Pre-Retirement Seminar – Nicholas Holt
- 01.24.2024 – OCERS online Pre-Retirement Seminar – Gema Garcia
- 01.24.2024 – REAOC Luncheon – Aileen Daag

SERVICE CREDIT PURCHASE UPDATE

Mr. Lamberson Reports:

This is the first report to the Board of Retirement regarding the status of our Service Credit Purchase (“SCP” “buyback”) project. The chart below reflects our numbers as of December 31, 2023, where we had 218 SCP requests in queue to process which were received in 2023. We received an additional 88 requests in January 2024 and processed 66 requests leaving 240 requests in our queue as of the end of January.

We have been working on improvements to the process as well as hiring temporary staff to assist in further reduce outstanding requests.



OCERS Activities and Update Report January 2024

We believe this chart below will provide you a visual of our progress for this project.

OCERS SCP PROJECT REPORT		
Status	2023	2024
	As of 12/31/23	Jan
New		88*
In Queue	218	218
Processed		(66)
Ending	218	240

*January 2024 reflects an elevated number of SCP requests received due to members filing for retirements to meet the 4/1/2024 COLA.

INVESTMENTS

Ms. Walander-Sarkin reports:

As of October 31, 2023, the portfolio year-to-date is up 3.4% net of fees, while the one-year return is up 4.6%. The fund value now stands at \$20.7 billion. The OCERS Investments Team closed on one re-up private equity fund and one re-up real estate fund during November. OCERS' Investments Team completed the real assets asset class review during the month. In addition, the OCERS Investments Team and Aksia finished the real assets pacing plan for 2024 which includes committing between \$350 million and \$400 million within the asset class (with a range of commitments of \$50 to \$100 million across 3-5 funds). Two Investments Team members attended the SACRS Fall Conference in November. Finally, the OCERS Investments Team held finalist interviews for the Secondary Sale Advisory Services RFP during the month of November.

HUMAN RESOURCES

Ms. Hockless provides a number of updates:

January Achievements:

In January, the HR Department seamlessly welcomed the first addition to the 2024 team – an Investment Analyst. Furthermore, we take great pleasure in announcing the well-deserved promotion of an Investment Analyst to Senior Investment Analyst.

Throughout the month, the HR Department diligently screened 405 applications and proctored five exam sessions for 89 candidates. We also conducted 14 Spark Hire interviews, eight Zoom interviews, and 22 onsite interviews.



OCERS Activities and Update Report

January 2024

Year-to-Date Overview:

As of January 31, 2024, OCERS had a budgeted workforce of 132 positions. At that time, there were 111 employees on payroll, leaving 21 vacancies and resulting in a **vacancy rate of 15.91%**. January experienced three separations, bringing the year-to-date total to three and yielding a **turnover rate of 2.7%**.

Upcoming HR Initiatives:

Looking ahead, the HR Department will continue collaborating closely with hiring teams. We aim to fulfill the staffing requirements outlined in the 2024 Staffing Plan, encompassing seven new positions and three career ladders.

Classification & Compensation Study

Koff & Associates met with the Senior Executive team in January. This meeting updated the team on Koff's findings after assessing the team members' submitted position description questionnaires and comparing their responses to the market.

Currently, Koff & Associates is in the process of drafting job descriptions based on their findings. The Senior Executives will have an opportunity to review them before moving to the compensation portion of the study.



As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the March 18, 2024, meeting of the OCERS Board of Retirement.



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: LEGISLATIVE UPDATE

Written Report

State Legislative Update

The California Legislature reconvened on January 3, 2024, for the second year of the 2023 – 24 Legislative Session. The last day to introduce new bills was February 16th. The Legislature will adjourn for Spring Recess on March 21st and reconvene on April 1st.

New or updated information since the last report to the Board is indicated in bold text.

SACRS Sponsored Bills

None to report.

Bills That Would Amend the CERL or Other Laws (PEPRA, the Brown Act, etc.) That Apply to OCERS

AB 817 (Pacheco, Wilson)

The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Existing law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions). Existing law imposes different requirements for notice, agenda, and public participation, as prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and require the legislative body to specific means by which the public may remotely hear and visually observe the meeting.

This bill, until January 1, 2026, would authorize a subsidiary body, defined as a legislative body that serves exclusively in an advisory capacity and that is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/16/23. Re-referred to Com. on L. GOV. on 03/20/23. In committee: Hearing postponed by committee on 04/25/23. From committee: Amend, and do pass as amended on 01/16/24. Read second time and amended. Ordered returned to second reading on 01/17/24. Read second time. Ordered to third reading 01/18/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 01/25/24.)

Bills That Would Amend the CERL or Other Laws (PEPRA, the Brown Act, etc.) That Apply to OCERS

AB 739 (Lackey) – Died in Assembly. This bill will not move forward.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA prohibits a public employer's contribution to a defined benefit plan, in combination with employee contributions to the plan, from being less than the normal cost rate, as defined, for the plan in a fiscal year. Existing law authorizes a public retirement system to suspend contributions if certain conditions are satisfied, one of which is that the plan be funded by more than 120%, based on a computation by the retirement system actuary in accordance with specified standards, that is included in the annual valuation. This bill would revise the conditions for suspending contributions to a public retirement system defined benefit plan to increase the threshold percentage amount of plan funding to more than 130%.

(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. on P.E. & R. on 02/23/23. In committee: Set, first hearing; hearing cancelled at the request of author on 03/13/23. **Died in Assembly on 01/31/24.**)

AB 1379 (Papan) – Died in Assembly. This bill will not move forward.

The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference

location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would instead provide that, for purposes of establishing a quorum of the legislative body, members of the body may participate remotely, at the designated physical location, or at both the designated physical meeting location and remotely. The bill would require the legislative body to have at least two meetings per year in which the legislative body's members are in person at a singular designated physical meeting location.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing provisions without complying with the general teleconferencing requirements that agendas be posted at each teleconference, that each teleconference location be identified in the notice and agenda, and that each teleconference location be accessible to the public, if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. Under existing law, these alternative teleconferencing provisions require the legislative body to provide at least one of two specified means by which the public may remotely hear and visually observe the meeting. Under existing law, these alternative teleconferencing provisions authorize a member to participate remotely if the member is participating remotely for just cause, limited to twice per year, or due to emergency circumstances, contingent upon a request to, and action by, the legislative body, as prescribed. Existing law specifies that just cause includes travel while on official business of the legislative body or another state or local agency.

This bill would revise the alternative provisions, operative until January 1, 2026, to make these provisions operative indefinitely. The bill would delete the restriction that prohibits a member, based on just cause, from participating remotely for more than two meetings per calendar year. The bill would delete the requirement for the legislative body to provide at least one of two specified means by which the public may remotely hear and visually observe the meeting. The bill would also delete a provision that requires a member participating remotely to publicly disclose at the meeting before action is taken whether there are individuals 18 years of age present in the room at the remote location and the general nature of the member's relationship to those individuals. The bill would further delete a provision that prohibits a member from participating remotely for a period of more than three consecutive months or 20% of the regular meetings within a calendar year, or more than two meetings if the legislative body regularly meets fewer than ten times per calendar year. The bill would expand the definition of just cause to include travel related to a member of a legislative body's occupation. The bill would make related, conforming changes.

(STATUS: Introduced; read first time on 02/17/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/23/23. Re-referred to Com. on L. GOV. on 03/27/23. In committee: Set, first hearing; hearing canceled at the request of author on 04/24/23. **Died in Assembly on 01/31/24.**)

Other Bills of Interest

SB 908 (Cortese)

The California Public Records Act requires a state or local agency to make public records available for public inspection, except as specified. Under existing law, a public record includes any writing containing

information relating to the conduct of the public's business prepared, owned, used, or retained by a state or local agency regardless of physical form or characteristics. This bill would prohibit an elected or appointed official or employee of a public agency from creating or sending a public record using a nonofficial electronic messaging system unless the official or employee sends a copy of the public record to an official electronic messaging system, as specified. By imposing additional duties on local agencies, the bill would create a state-mandated local program.

The Legislative Open Records Act requires that legislative records be open to inspection at all times during normal business hours of the Legislature and that any person has the right to inspect any legislative record, except as specified. Existing law defines legislative records to mean any writing prepared on or after December 2, 1974, that contains information relating to the conduct of the public's business prepared, owned, used, or retained by the Legislature. This bill would prohibit a Member of the Legislature, legislative officer, standing, joint, or select committee or subcommittee of the Senate and Assembly, or agency or employee of the Legislature from creating or sending a legislative record using a nonofficial electronic messaging system unless the Member of the Legislature, legislative officer, standing, joint, or select committee or subcommittee of the Senate and Assembly, or agency or employee of the Legislature sends a copy of the legislative record to an official electronic messaging system, as specified.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make a legislative finding to that effect.

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 no reimbursement is required by this act for a specified reason.
(STATUS: Introduced; read first time on 01/30/24.)

SB 962 (Padilla) Applies only to San Diego Unified Port District

PEPRA generally requires a public retirement system, as defined, to modify its pension plan or plans to comply with the act and, among other things, requires a public employer that offers a defined benefit pension plan to provide specified retirement formulas for new members, as defined. PEPRA permits a public employer to adopt a new defined benefit formula, on or after January 1, 2013, that is not consistent with PEPRA, if that formula is determined and certified by the chief actuary and the board of that employer's retirement system to not have a greater risk or greater cost to the sponsoring employer than the defined benefit formula required by PEPRA, and the plan is approved by the Legislature. This bill would approve a specified defined benefit formula applicable to employees of the San Diego Unified Port District. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced; read first time on 01/30/24. Referred to Com. On L., P.E. & R. on 02/14/24.)

Bills that Apply to CalPERS and/or CalSTRS Only

AB 1997 (McKinnor)

Teachers' Retirement Law establishes the CalSTRS and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, creditable service, and age at retirement, subject to certain variations. CalSTRS is administered by the Teachers' Retirement Board. Existing law requires employers and employees to make contributions to

the system based on the member's creditable compensation. Existing law defines terms for the purposes of CalSTRS.

Existing law defines "annualized pay rate" to mean the salary or wages, as described, a person could earn during a school term for an assignment if creditable service were performed for that assignment on a full-time basis. Existing law establishes a pay rate when creditable service is not performed on a full-time basis because a member is performing activities pursuant to specified law.

This bill would redefine "annualized pay rate" to mean the salary, as described, a person could earn during a school term in a position subject to membership if creditable service were performed for that position on a full-time basis, to be determined pursuant to a publicly available pay schedule by a prescribed method. The bill, if no annualized pay rate exists for a position subject to membership, would deem all compensation earned in that position "supplemental pay," as prescribed.

Existing law defines "compensation earnable" for these calculations to be the sum of the average annualized pay rate, determined as the quotient obtained when salary or wages, as described, paid in a school year is divided by the service credited for that school year and remuneration that is paid in addition to salary or wages for the school year, as prescribed.

This bill would revise the definition of "compensation earnable" to be the sum of the average annualized pay rate, determined as the quotient obtained when salary earned in a school year is divided by the service credited for that salary and special pay, as prescribed.

Existing law defines "creditable compensation" to mean cash payments from an employer to all persons in the same class of employees for performing creditable service in that position of salary or wages pursuant to contract and remuneration that is paid in addition to salary or wages, as prescribed. Existing law alternatively defines "creditable compensation" for members who are subject to PEPPRA, as prescribed.

This bill would repeal both of those provisions and redefine "creditable compensation" to mean cash remuneration that includes base pay and supplemental pay, as prescribed.

Existing law defines "creditable service" to mean specified activities relating to education performed for employers, including specified K-12 employers, community college employers, and charter school employers. This bill would redefine "creditable service" to mean service in a position subject to membership. The bill would for this purpose define "position subject to membership" to mean prescribed positions at various educational institutions. The bill would also include in that definition certain positions in which a member performed creditable service before the operative date of the added definition of "position subject to membership," provided that the same member remains continuously employed to perform service in that position on and after that date.

Existing law establishes alternate definitions for "credited service" for members based on whether they are subject to PEPPRA. This bill would instead define "credited service" to mean service for which the required contributions have been paid and service for which required contributions would have been paid in absence of prescribed limits.

Existing law defines "service" to mean work performed for compensation in a position subject to coverage under the defined benefit program, except as otherwise specifically provided in existing law, providing the contributions on compensation for that work are not credited to a defined benefit supplement program.

This bill would redefine “service” to mean work performed for compensation, except as otherwise specifically provided in existing law.

Existing law establishes a cap on the amount of compensation that is taken into account in computing benefits payable for a member who first joins the program on or after July 1, 1996. This bill would additionally specify a cap for a member subject to PEPPRA.

Existing law provides for the computation of service to be credited for service performed before July 1, 1972, or on or after July 1, 1972. This bill would provide for the computation of service to be credited for service performed on or after a date determined by the board as described below. This bill would require the board to determine a date when CalSTRS has the capacity to implement the above-described changes and to post the date on the STRS internet website no later than July 1, 2028. The bill would make those provisions with the changes operative on the date determined by the board, would make the existing provisions inoperative on that same date, and would repeal those existing provisions on July 1, 2028. The bill would provide that the changes are consistent with prescribed principles that support the integrity of the retirement fund. The bill would require the board to adopt regulations to the extent required in order to continue to administer the bill accordingly.

Existing law creates the Teachers’ Retirement Fund, which is continuously appropriated for specified purposes, into which certain moneys are deposited, including employee contributions. By making the changes to creditable compensation that affect contributions to the fund, the bill would make an appropriation. (STATUS: Introduced; read first time on 01/30/24. May be heard in committee March 1. Referred to Com. On P.E. & R. on 02/12/24.

SB 660 (Alvarado-Gil) – This bill will not move forward.

The PERL prescribes various definitions of final compensation based on employment classification, bargaining unit, date of hire, and date of retirement, among other things. The PERL authorizes public agencies to join CalPERS and prescribes the rights and duties of agencies participating in CalPERS. Existing law authorizes CalPERS to enter into agreements with specified public retirement systems to establish reciprocity between CalPERS and those public retirement systems. Existing law provides that an agency that has entered into an agreement establishing reciprocity with CalPERS is deemed to have obtained the same rights and limitations that apply to all other public agencies that have entered into similar reciprocal agreements with CalPERS.

This bill would establish the California Public Retirement System Agency Cost and Liability Panel, located in the Controller’s office, with members as defined. The bill would assign responsibilities to the panel related to retirement benefit costs, including determining how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same public retirement system or when a member concurrently retires with 2 or more retirement systems that have entered into reciprocity agreements. The bill would require the panel to meet no later than March 31, 2024, and quarterly beginning on April 1, 2024, and to submit a report to the Legislature, no later than December 31, 2024, providing information regarding the financial impact a public agency assumes when an employee transfers to another public agency within the same retirement system or when an employee transfers to a public agency in a reciprocal retirement system and concurrently retires under 2 or more systems.

(STATUS: Introduced; read first time on 02/16/23. Referred to Com. on RLS. on 03/01/23. From committee with author’s amendments; read second time and amended; re-referred to Com. on RLS. on 03/21/23. Re-referred to

Com. on L., P.E. & R. on 03/29/23. From committee: Do pass and re-refer to Com. on APPR. on 04/20/23. Set for hearing May 1 on 04/21/23. Placed on APPR suspense file on 05/01/23. Held in committee and under submission on 05/18/23. **Returned to Secretary of Senate pursuant to Joint Rule 56 on 02/01/24.)**

Divestment Proposals (CalPERS and CalSTRS Only)

None to report.

Attachments:

2024 Tentative Legislative Calendar

Submitted by:



Manuel D. Serpa
General Counsel

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/22

DEADLINES

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

- [Jan. 1](#) Statutes take effect (Art. IV, Sec. 8(c)).
- [Jan. 3](#) **Legislature Reconvenes** (J.R. 51(a)(4)).
- [Jan. 10](#) Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- [Jan. 12](#) Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the **odd-numbered year** (J.R. 61(b)(1)).
- [Jan. 15](#) Martin Luther King, Jr. Day.
- [Jan. 19](#) Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year (J.R. 61(b)(2)).

Last day to **submit bill requests** to the Office of Legislative Counsel.
- [Jan. 31](#) Last day for each house to **pass bills introduced** in that house in the odd-numbered year (J.R. 61(b)(3), (Art. IV, Sec. 10(c)).

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

- [Feb. 16](#) Last day for bills to be **introduced** (J.R. 61(b)(4), (J.R. 54(a)).
- [Feb. 19](#) Presidents' Day.

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	<u>21</u>	22	23
24	25	26	27	28	<u>29</u>	30
31						

- [Mar. 21](#) **Spring Recess** begins upon adjournment of this day's session (J.R. 51(b)(1)).
- [Mar. 29](#) Cesar Chavez Day observed.

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

- [Apr. 1](#) Legislature Reconvenes from **Spring Recess** (J.R. 51(b)(1)).
- [Apr. 26](#) Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house (J.R. 61(b)(5)).

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	<u>20</u>	21	22	23	<u>24</u>	25
26	<u>27</u>	<u>28</u>	29	30	31	

- [May 3](#) Last day for **policy committees** to hear and report to the floor **non-fiscal** bills introduced in their house (J.R. 61(b)(6)).
- [May 10](#) Last day for **policy committees** to meet prior to May 28 (J.R. 61(b)(7)).
- [May 17](#) Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61(b)(8)).

Last day for **fiscal committees** to meet prior to May 28 (J.R. 61(b)(9)).
- [May 20-24](#) **Floor Session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(b)(10)).
- [May 24](#) Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).
- [May 27](#) Memorial Day.
- [May 28](#) Committee meetings may resume (J.R. 61(b)(12)).

*Holiday schedule subject to Senate Rules committee approval

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/22

JUNE						
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	29
30						

[June 15](#) Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(e)(3)).

[June 27](#) Last day for a legislative measure to qualify for the Nov. 5 General Election ballot (Elections Code Sec. 9040).

JULY						
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	29	30	31			

[July 3](#) Last day for **policy committees** to meet and report bills (J.R. 61(b)(13)).

Summer Recess begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).

[July 4](#) Independence Day.

AUGUST						
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	29	30	31

[Aug. 5](#) Legislature Reconvenes from **Summer Recess** (J.R. 51(b)(2)).

[Aug. 16](#) Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(14)).

[Aug. 19-31](#) **Floor Session only.** No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(b)(15)).

[Aug. 23](#) Last day to **amend** on the floor (J.R. 61(b)(16)).

[Aug. 31](#) Last day for **each house to pass bills.** (Art. IV, Sec. 10(c), (J.R. 61(b)(17)).

Final Recess begins upon adjournment (J.R. 51(b)(3)).

*Holiday schedule subject to Senate Rules committee approval

IMPORTANT DATES OCCURRING DURING FINAL STUDY RECESS

2024

[Sept. 30](#) Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor’s possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).

[Nov. 5](#) General Election

[Nov. 30](#) Adjournment *Sine Die* at midnight (Art. IV, Sec. 3(a)).

[Dec. 2](#) 12 Noon convening of the 2025-26 Regular Session (Art. IV, Sec. 3(a)).

2025

[Jan. 1](#) Statutes take effect (Art. IV, Sec. 8(c)).



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**

Written Report

Background/Discussion

At the Board's request, OCERS' executive staff produced a calendar and running list of upcoming OCERS Travel Policy approved conferences and Board education opportunities.

Attachment:

1. Annual Calendar with Travel Policy Section 10 conferences (dates boxed in red) and scheduled Board and Committee meeting dates
2. Legend and details for Travel Policy Section 10 conferences
3. Appendix of additional pre-approved conferences and Board education opportunities.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

2024 Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
	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	29	30	31			

February						
Su	Mo	Tu	We	Th	Fr	Sa
				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	29		

March						
Su	Mo	Tu	We	Th	Fr	Sa
					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	29	30
31						

April						
Su	Mo	Tu	We	Th	Fr	Sa
	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	29	30				

May						
Su	Mo	Tu	We	Th	Fr	Sa
			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	29	30	31	

June						
Su	Mo	Tu	We	Th	Fr	Sa
						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	29
30						

July						
Su	Mo	Tu	We	Th	Fr	Sa
	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	29	30	31			

August						
Su	Mo	Tu	We	Th	Fr	Sa
				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	29	30	31

September						
Su	Mo	Tu	We	Th	Fr	Sa
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
29	30					

October						
Su	Mo	Tu	We	Th	Fr	Sa
		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	29	30	31		

November						
Su	Mo	Tu	We	Th	Fr	Sa
					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	29	30

December						
Su	Mo	Tu	We	Th	Fr	Sa
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
29	30	31				

Federal Holidays 2024

Jan 1	New Year's Day	May 27	Memorial Day	Sep 2	Labor Day	Nov 28	Thanksgiving Day
Jan 15	Martin Luther King Day			Sep 27	Native American Day	Dec 25	Christmas Day
Feb 19	Presidents' Day	Jul 4	Independence Day	Nov 11	Veterans Day		

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Federal Holidays
Regular Board Meeting
Disability Committee Meeting
Strategic Planning Workshop
Investment Committee Meeting

Audit Committee Meeting
Building Committee Meeting
Governance Committee Meeting
Personnel Committee Meeting
Informational Update Meeting

03-18-2024 REGULAR BOARD MEETING - R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1/21/2024	1/22/2024	NCPERS	Pension Comm Summit	Washington DC	
1/22/2024	1/24/2024	NCPERS	Legislative Conference	Washington DC	
1/28/2024	1/30/2024	NAPO	Annual Pension and Benefits Seminar	Las Vegas, NV	
2/24/2024	2/26/2024	NASRA	Winter Meeting	Washington DC	
2/26/2024	2/27/2024	NIRS	Annual Conference	Washington DC	
3/2/2024	3/5/2024	CALAPRS	General Assembly	Rancho Mirage	
5/7/2024	5/10/2024	SACRS	Spring Conference	Santa Barbara, CA	
5/19/2024	5/22/2024	NCPERS	Annual Conference & Exhibition (ACE)	Seattle WA	
6/17/2024	6/19/2024	NCPERS	Chief Officers Summit	Nashville, TN	
7/14/2024	7/17/2024	NAPO	Annual Convention	Nashville, TN	
8/3/2024	8/7/2024	NASRA	Annual Conference	Pittsburgh, PA	
8/18/2024	8/20/2024	NCPERS	Public Pension Funding Forum	Boston, MA	
9/24/2024	9/26/2024	NCPERS	Public Pension HR Summit	Denver, CO	
10/27/2024	10/30/2024	NCPERS	Public Safety Conference	Palm Springs, CA	
11/3/2024	11/6/2024	CRCEA	Contra Costa (CCREA)	Contra Costa	
11/12/2024	11/15/2024	SACRS	Fall Conference	Monterey, CA	
N/A	N/A	NCPERS	FALL Conference	N/A	None in 2024

The following are upcoming conferences and Board education opportunities, pre-approved under the Travel Policy section 12 (highlighted in yellow) and section 14. Note that conferences pre-approved under section 14 AND require overnight accommodations are subject to the limit of three events per year.

March 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
3/3/2024	3/6/2024	WithIntelligence	Women's Private Equity Summit	Phoenix, AZ	Section 14
3/4/2024	3/6/2024	CII	2024 Spring Conference: Governance as a Guidepost	Washington DC	Section 14
3/6/2024	3/7/2024	IFEBP	Investments Institute	Rancho Mirage	Section 14
3/6/2024	3/7/2024	Pacific Pension Inst (PPI)	2024 Winter Roundtable	Napa, CA	Section 14
3/6/2024	3/6/2024	Markets Group	8TH ANNUAL REAL ESTATE WEST FORUM	San Francisco, CA	Section 14
3/10/2024	3/12/2024	P&I	2024 Defined Contribution East Conference	Orlando, FL	Section 14
3/17/2024	3/19/2024	Opal	Real Estate Investment Summit 2024	West Palm Beach, FL	Section 14
3/17/2024	3/19/2024	Opal	ESG & Impact Investing Forum 2024	West Palm Beach, FL	Section 14
3/18/2024	3/20/2024	Markets Group	ALTSLA	Los Angeles, CA	Section 14
3/19/2024	3/21/2024	IREI	2024 Editorial Advisory Board Meeting – Real Assets Adviser	New Orleans	Section 14
3/21/2024	3/22/2024	PREA	2024 Spring Conference	Nashville, TN	Section 14
3/27/2024	3/29/2024	CALAPRS	Advanced Principals of Pension Governance for Trustees at UCLA	Los Angeles, CA	Section 12

April 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
4/7/2024	4/8/2024	Opal	Data and AI Executive Summit 2024	Atlanta, GA	Section 14
4/7/2024	4/10/2024	Investment and Wealth Inst	Investment and Wealth Experience 2024	Las Vegas, NV	Section 14
4/8/2024	4/10/2024	IREI	2024 Spring Editorial Advisory Board Meeting – Institutional Real Estate Americas	Charleston, SC	Section 14
4/9/2024	4/10/2024	P&I	2024 Private Markets Conference	Chicago	Section 14
4/9/2024	4/10/2024	SuperReturn	SuperReturn US West	Los Angeles, CA	Section 14
4/15/2024	4/19/2024	Wharton	Investment Strategies and Portfolio Management	Philadelphia	Section 12
4/15/2024	4/17/2024	WithIntelligence	Pension Bridge The Annual 2024	Half Moon Bay, CA	Section 14
4/21/2024	4/24/2024	PRISM	2024 PRISM Conference	Austin, TX	Section 14

May 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
5/7/2024	5/7/2024	Markets Group	8TH ANNUAL PACIFIC NORTHWEST INSTITUTIONAL FORUM	Seattle WA	Section 14
5/18/2024	5/19/2024	NCPERS	Trustee Educational Seminar (TEDS)	Seattle WA	Section 12
5/18/2024	5/19/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 1&2	Seattle WA	Section 12
5/18/2024	5/19/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 3&4	Seattle WA	Section 12
5/29/2024	5/29/2024	Institutional Investor	2024 Asia Single Family Office Roundtable	Singapore	Section 14

June 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
6/4/2024	6/4/2024	Markets Group	3RD ANNUAL SOUTHERN CALIFORNIA INSTITUTIONAL FORUM	Los Angeles, CA	Section 14
6/5/2024	6/7/2024	IREI	2024 Visions, Insights & Perspective (VIP) Infrastructure	Washington DC	Section 14
6/11/2024	6/12/2024	P&I	2024 Sustainable Returns Conference	Chicago	Section 14
6/11/2024	6/13/2024	WithIntelligence	Women's Private Credit Summit	Chicago	Section 14
6/18/2024	6/18/2024	P&I	2024 Retirement Income Conference	Chicago	Section 14
6/22/2024	6/23/2024	IFEBP	Trustee Institute: Level 2	Las Vegas, NV	Section 14
6/24/2024	6/26/2024	IFEBP	Advanced Trustees and Administrators Institute	Las Vegas, NV	Section 14
6/24/2024	6/26/2024	IFEBP	Trustee Institute: Level 1 (New Trustees)	Las Vegas, NV	Section 14

July 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
7/10/2024	7/12/2024	Pacific Pension Inst (PPI)	2024 SUMMER ROUNDTABLE	Amsterdam, Netherlands	Section 14
7/14/2024	7/17/2024	SACRS	SACRS/UC Berkeley	Berkeley, CA	Section 12
7/22/2024	7/24/2024	Opal	Public Funds Summit East 2024	Newport, RI	Section 14
7/22/2024	7/24/2024	WithIntelligence	Pension Bridge Private Equity Exclusive 2024	Chicago	Section 14

August 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
8/26/2024	8/29/2024	CALAPRS	Principles of Pension Governance for Trustees at Pepperdine University	Malibu	Section 12

September 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
9/9/2024	9/11/2024	CII	2024 Fall Conference: Brooklyn, NY	Brooklyn, NY	Section 14
9/9/2024	9/11/2024	IREI	2024 Fall Editorial Advisory Board Meeting – Institutional Real Estate Americas	Half Moon Bay, CA	Section 14
9/12/2024	9/12/2024	P&I	2024 Influential Women in Institutional Investing	Chicago	Section 14
9/24/2024	9/27/2024	CALAPRS	Administrators Institute	Carmel-By-The-Sea	Section 12

October 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
10/14/2024	10/18/2024	Wharton	Investment Strategies and Portfolio Management	Philadelphia	Section 12
10/15/2024	10/16/2024	Markets Group	7TH ANNUAL PRIVATE EQUITY SAN FRANCISCO FORUM	San Francisco, CA	Section 14
10/16/2024	10/17/2024	WithIntelligence	Pension Bridge Alternatives 2024	NY, NY	Section 14
10/21/2024	10/23/2024	Global ARC	21st Annual Global ARC Boston	Boston, MA	Section 14
10/23/2024	10/25/2024	PREA	34th Annual Institutional Investor Conference	Washington DC	Section 14
10/23/2024	10/25/2024	Pacific Pension Inst (PPI)	2024 ASIA PACIFIC ROUNDTABLE	Hong Kong	Section 14
10/26/2024	10/27/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 1&2	Palm Springs, CA	Section 12
10/26/2024	10/27/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 3&4	Palm Springs, CA	Section 12
10/26/2024	10/27/2024	NCPERS	Program for Advanced Trustee Studies (PATS)	Palm Springs, CA	Section 12

November 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
11/10/2024	11/13/2024	IFEBCP	70th Annual Employee Benefits Conference	San Diego, CA	Section 14
11/12/2024	11/12/2024	Inst Limited Partners Association	ILPA Summit 2024	TBD	Section 14

11/12/2024	11/12/2024	Markets Group	8TH ANNUAL PRIVATE WEALTH SOUTHERN CALIFORNIA FORUM	Los Angeles, CA	Section 14
11/20/2024	11/22/2024	IREI	2024 iREOC Annual Membership Meeting	Austin, TX	Section 14

December 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
12/4/2024	12/6/2024	Opal	CLO Summit 2024	Dana Point, CA	Section 14
12/4/2024	12/4/2024	Markets Group	11TH ANNUAL REAL ESTATE GLOBAL FORUM	NYC	Section 14
12/10/2024	12/11/2024	Markets Group	11TH ANNUAL NORTHERN CALIFORNIA INSTITUTIONAL FORUM	Napa, CA	Section 14

Ad Hoc/No schedule available yet

Global Financial Markets Inst	Ad Hoc	Section 12
IFEBP	Public Employee Benefits Institute- Not Yet Scheduled	Section 14
Inst Shareholder Services Media Solutions	No Schedule Available Yet	Section 14



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: **FOURTH QUARTER 2023 BUDGET TO PRELIMINARY ACTUALS REPORT**

Written Report

Highlights

Fourth Quarter Target: 100% Used /0% Remaining

	Actuals to Date	Budget	Budget Remaining (\$)	Budget Remaining (%)
Administrative Expenses				
Personnel Costs	\$ 21,571,507	\$ 23,697,171	\$ 2,125,664	9.0 %
Services and Supplies	12,329,367	14,951,725	2,622,358	17.5 %
Capital Expenditures	534,866	1,226,000	691,134	56.4 %
Grand Total	\$ 34,435,740	\$ 39,874,896	\$ 5,439,156	13.6 %

Background/Discussion

The Board of Retirement approved OCERS' Administrative Budget for Fiscal Year 2023 (FY23) on November 14, 2022, for \$39,874,896 to fund administrative expenses.

OCERS' budgeting authority, which is regulated by California Government Code Sections 31580.2 and 31596.1, includes a provision that limits the OCERS' budget for administrative expenses to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system. This provision (commonly referred to as the 21-basis points test) excludes investment related costs and expenditures for computer software, hardware, and related technology consulting services. The approved FY23 administrative budget represents 10.73 basis points of the projected actuarial accrued liability.

The Chief Executive Officer, or the Assistant CEO, has the authority to transfer funds within the three broad categories of the budget: 1) Personnel Costs, 2) Services and Supplies, and 3) Capital Expenditures. Funds may not be transferred from one broad category to another without approval from the Board of Retirement.

Administrative Summary

For the year ended December 31, 2023, year-to-date actual administrative expenses were \$34,435,740 or 86.4% of the \$39,874,896 administrative budget and below budget at the end of the year by approximately \$5.4 million. A summary of all administrative expenses and explanations of significant variances are below:

	Actual to Date	Budget	Budget Remaining (\$)	Budget Used (%)
Administrative Expenses				
Personnel Costs	\$ 21,571,507	\$ 23,697,171	\$ 2,125,664	91.0 %
Services and Supplies				
Building Property Management and Maintenance	773,694	975,000	201,306	79.4 %
Due Diligence Expenses	36,788	130,000	93,212	28.3 %
Equipment - Rent and Leases	39,396	50,000	10,604	78.8 %
Equipment and Software	922,972	1,081,100	158,128	85.4 %
Infrastructure	1,579,557	1,957,140	377,583	80.7 %
Legal Services	1,401,795	1,100,000	(301,795)	127.4 %
Meetings and Related Costs	41,142	54,300	13,158	75.8 %
Memberships	92,790	91,245	(1,545)	101.7 %
Office Supplies	96,155	100,000	3,845	96.2 %
Postage and Delivery Costs	116,170	161,000	44,830	72.2 %
Printing Cost	86,428	67,000	(19,428)	129.0 %
Professional Services	6,325,656	8,149,340	1,823,684	77.6 %
Subscriptions and Periodicals	59,416	56,300	(3,116)	105.5 %
Telephone and Internet	358,496	391,200	32,704	91.6 %
Training and Related Costs	398,912	588,100	189,188	67.8 %
Total Services and Supplies	12,329,367	14,951,725	2,622,358	82.5 %
Administrative Expense - Subtotal	33,900,874	38,648,896	4,748,022	87.7 %
Capital Expenditures*	534,866	1,226,000	691,134	43.6 %
Grand Total	\$ 34,435,740	\$ 39,874,896	\$ 5,439,156	86.4 %

*Capital expenditures represent purchase of assets to be amortized in future periods.

Personnel Costs

Personnel Costs as of December 31, 2023, were approximately \$21.6 million or 91.0% of the annual budget for this category and under budget by \$2,125,664. In 2023, 14 new positions were budgeted. Several of the new positions budgeted were filled in the third and fourth quarters, but additional positions have become available due to attrition and promotions. These open positions continue to be actively recruited. Accrued payroll liabilities included in personnel costs are the annual leave liability and the incentive pay liability. Annual leave expense and liability accounts adjust each quarter based on the annual leave balances of OCERS employees. The annual leave liability and the associated expense for the year increased by approximately \$123,000. The incentive compensation liability included at the end of the year is approximately \$524,000 representing payments due in March 2024 for the second installment of the award based on 2022 performance metrics and the first installment of the award based on 2023 estimated performance metrics. Personnel costs are within budget for the year.

Services and Supplies

Expenditures for services and supplies were approximately \$12.3 million or 82.5% of the annual budget for this category. The positive variance of \$2.6 million between the annual budget and year-to-date actuals in this category is primarily due to the following:

- Building Property Mgmt./Maintenance costs utilized 79.4% of the annual budget and were lower than the budget by \$201,306. The lower than budgeted costs are attributed to lower overall building costs such as repairs and maintenance costs. Maintenance costs do not occur evenly and tend to fluctuate throughout the years.
- Due Diligence costs are \$36,788 or 28.3% of the annual budget. Although the investment team has increased their travel to investment conferences and meetings with investment managers from the prior year the lower than budgeted cost is due to the investment team continuing to conduct due diligence meetings by telephone or video conference as well as in-person meetings and travel.
- Equipment – Rents and Leases expenditures are at 78.8% of the annual budget, and lower than the budget by \$10,604. Equipment rents and lease expense includes the rental and copy usage of the copiers, and rental for the postage meter. Copier usage varies and the copiers have been set to reduce the amount of unnecessary color printing. Additionally, the number of paper copies printed continues to decrease.
- Equipment/Software expense utilized 85.4% of the annual budget, and is lower than the budget by \$158,128. A 2023 business plan initiative was to replace aging Surface tablet computers with upgraded laptops. Most of our team members are utilizing the new laptops. Other costs included in this category are miscellaneous computer accessories, firewall software applications, and security equipment/software contingency. The lower-than-expected expenditures are the result of lower costs than anticipated and not utilizing the contingency.
- Infrastructure costs are at 80.7% of the annual budget resulting in an unused budget of \$377,583. Infrastructure costs include costs for cloud subscriptions, equipment and software maintenance, and the maintenance of the pension administration system. The lower than budgeted costs are due to the timing of maintenance agreement renewals, which renew throughout the year, the number of licenses that were required at time of renewal, as well as various costs associated with software and hardware support services that are utilized on an as-needed basis.
- Legal Services are at 127.4% of the budget and are higher than the annual budget by \$301,795. Legal services for investments, litigation, and general and tax counsel are utilized on an as-needed basis. Investment legal services are lower than the annual budget by approximately \$65,000 at the end of the year. General board, tax counsel and outside counsel services are over the annual budget by \$123,000. The overage is due to greater than expected cost related to various contract negotiations. Other litigation costs, including settlements, are over the annual budget by approximately \$244,000. The higher-than-expected fees are related to various disability claims and a negotiated settlement. The CEO or Assistant CEO has the authority to move budget dollars within the Services and Supplies category to cover the shortfall and as of the end of the year, there are sufficient dollars available in other Services and Supplies line items to offset this overage.
- Meetings and Mileage costs are \$41,142 or 75.8% of the annual budget, and under budget by \$13,158. This category represents expenditures related to Board and Committee meetings and team member meetings, which are being held both virtually and in-person. The cost savings is attributed to fewer in-person meetings than anticipated.
- Memberships expense is at 101.7% of the annual budget, and is slightly over budget by \$1,545. The amount over budget is primarily due to one annual membership for two prior years had not been made and was paid in 2023. The CEO or Assistant CEO has the authority to move budget dollars within the Services and Supplies category to cover the shortfall and as of the end of the year, there are sufficient dollars available in other Services and Supplies line items to offset this overage.

- Office Supplies are at 96.2% of the annual budget and lower than budget by \$3,845. In addition to office supplies this category includes the purchase of furniture for the training room and new team members.
- Postage and Delivery Costs are at 72.2% of the annual budget and under budget by \$44,830. Postage costs include the mailing of the quarterly newsletters. Also included in the incurred costs is the postage for the mailing of 1099-R Forms to our members, and other Alameda mailings. Postage usage fluctuates based on current needs. The cost of the mailing of the quarterly newsletters has increased. This increase is offset by a reduction of regular daily postage requirements.
- Printing Services is at 129% of the annual budget and over budget by \$19,428. Printing costs primarily include the costs for the quarterly newsletters, additional mailings related to Alameda correspondence and the Annual Comprehensive Financial Report. Printing costs for the quarterly newsletters have increased as the number of members increased. Although this category is over budget for the year, a budget amendment is not required as the total category for Services and Supplies is underbudget for the year.
- Professional Services utilized 77.6% of the annual budget and are lower than budget by \$1,823,684. At the end of the year many departments are under budget for professional services. Consulting and professional services are used on an as needed basis which results in costs fluctuating throughout the year. Some professional services budgeted with less than anticipated or no costs incurred include white board video consulting; information security policy development and cyber security assessment services; and the pension administrative system consulting. Other projects that are currently underway and are incurring costs include the master repository project and compensation study.
- Subscriptions and Periodicals are at 105.5% of the annual budget, over budget by \$3,116. Subscriptions and periodicals are purchased on a department basis as needed. With the increase in team members the cost incurred for subscriptions and periodicals is slightly over the amount budgeted. As of the end of the year, there are sufficient dollars available in other Services and Supplies line items to offset this overage.
- Telephone and Internet expenditures were 91.6% of the annual budget and under budget by \$32,704. Internet costs were approximately \$26,000 less than budgeted, and telephone costs were approximately \$6,000 lower. The 2023 budget was increased over the prior years to accommodate the increase in team members and the increase in the number of OCERS issued phones. OCERS' security provisions only allow access to OCERS email with an authorized OCERS issued device.
- Training and Related Costs are at 67.8% of the annual budget and lower than budget by \$189,188. Training costs are trending higher when compared with the prior year. More board members and team members are attending in-person conferences now that the pandemic restrictions are lifted, although virtual training is also being utilized. Several LOD (Learning and Organizational Development) training programs are in process including executive and director coaching, and the launch of the Leadership Edge Program for OCERS mid-level leaders.

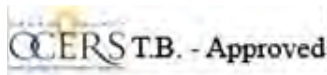
Capital Expenditures

Capital Expenditures incurred as of the end of the year are \$534,866, 43.6% of the annual budget. The costs incurred include \$166,797 for the data center server virtual replacement, which is budgeted at \$250,000, \$22,426 for additional board room audio-visual enhancement which is budgeted at \$215,000 and \$311,323 for the new headquarter project program management and related costs which is budgeted in \$511,000 for building needs and property improvement. No costs have been charged against the budget of \$250,000 for electronic content and document management.

Conclusion:

As of the end of the year, the actual administrative expenses are at 86.4 % of the annual budget. As actual administrative expenses are under the annual budget, OCERS complies with the 21-basis point test.

Submitted by:



Tracy Bowman
Director of Finance



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: **FOURTH QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

Written Report

Background/Discussion

The attached financial statements reflect the unaudited financial activity for the year ended December 31, 2023. These reports are preliminary and do not reflect the reclassification of certain investments for financial reporting purposes and timing/market differences between investment manager statements and custodian bank statements. These, and other potential year-end adjustments that may result from the upcoming year-end audit, will be recorded if it is determined to have a material impact in the final Annual Comprehensive Financial Report (ACFR). The ACFR, the official financial statements of OCERS, will be available on our website, www.ocers.org, after the anticipated completion of the audit at the end of June 2024.

Summary

Statement of Fiduciary Net Position (Unaudited)

As of December 31, 2023, the net position restricted for pension, other postemployment benefits and employer is \$22.3 billion, an increase of \$2.1 billion, or 10.2%, from December 31, 2022. The change is a result of an increase in total assets of \$2 billion and a decrease in total liabilities of \$111 million as described below:

The \$2 billion increase in total assets can be attributed to increases of \$92.1 million in total cash and short-term investments, \$24.5 million in total receivables and \$1.8 billion in total investments at fair value, offset by a decrease of \$2.2 million in capital assets.

The increase of \$92.1 million in total cash and short-term investments consists of a \$124.2 million increase in securities lending collateral driven by an increase in demand in the securities lending program for OCERS' U.S. corporate bond and equity positions, offset by a decrease of \$32.1 million in cash and cash equivalents due to the timing of investing employee and employer contributions received during the quarter.

The increase of \$24.5 million in total receivables consists primarily of contributions, which increased by \$25.6 million. This is attributed to the County of Orange opting to not participate in the FY 2023-2024 contribution prepayment program resulting in a higher accrual for contributions earned, but not yet received.

Total investments at fair value increased \$1.8 billion, or 9.1% from December 31, 2022 to December 31, 2023. The total portfolio reported a net return of 11.4% for the one-year period ending December 31, 2023, compared to a

net loss of -7.8% for the same one-year period ending December 31, 2022. The fourth quarter for 2023 saw a rally across the public markets as inflation began easing and the Federal Reserve hinted at future interest rate cuts. Global public equity increased by \$1.6 billion, private equity increased by \$206.9 million, real assets increased by \$137.2 million, risk mitigation increased by \$56.7 million and unique strategies increased by \$46.7 million. These increases were offset by a decrease in income strategies of \$185.9 million. Global public equity saw the strongest performance coming from U.S. Large Cap Stocks and reported a one-year return of 22.9%, which exceeded the benchmark of 21.6%. Private equity reported a one-year return of 2.5% as investment managers continue to digest the higher interest rate environment. Income strategies, which is a new investment category that started in July 2023 and combines the core fixed income and credit categories, reported a one-year return of 6.7% with future interest rate cuts acting as a possible factor that may lift this asset class in the short and medium term. Real assets reported a loss of -0.4% for the one-year period. The real estate portfolio has continued to post losses due to the higher interest rate environment posting losses of -10.5% compared to positive returns for its peers in energy and infrastructure of 13.8% and 11.2%, respectively. Risk mitigation, designed to protect the portfolio during down periods, reported a return of 1.5% for the one-year period. Unique strategies reported a one-year return of 2.9% with a strong contribution from a general partner stake investment.

The decrease in capital assets of \$2.2 million from the prior year represents depreciation expense, which is primarily attributed to the Pension Administration System Solution (PASS).

Total liabilities decreased \$111 million, or -13%, from December 31, 2022 to December 31 2023, primarily due to unearned contributions, which decreased \$281.5 million due to the County of Orange opting to not participate in the FY 2023-2024 contribution prepayment program, as mentioned earlier. This decrease was offset by an increase of \$40.1 million related to the timing of securities purchased and an increase in obligations under the securities lending program of \$124.2 million, as previously discussed.

Statement of Changes in Fiduciary Net Position (Unaudited)

The ending net position restricted for pension, other postemployment benefits and employer as of December 31, 2023, increased by \$2.1 billion or 10.2%, when compared to the same period ending December 31, 2022.

Total additions to fiduciary net position increased 413.4% or \$4.4 billion from the previous year. Net investment income for the year ended December 31, 2023, was \$2.3 billion versus a loss of -\$2.1 billion for the year ended December 31, 2022, an increase of \$4.4 billion or 209.2%. The main cause of the increase is due to the net appreciation in fair value of investments, which increased \$4.6 billion from the prior year, slightly offset by a decrease in dividends, interest, and other investment income of \$203.8 million. The fourth quarter in 2023 reported a year-to-date net return of 11.4%, compared to a year-to-date net loss of -7.8% for the fourth quarter in 2022. This can be attributed to stronger year-to-date returns in 2023 compared to year-to-date returns in 2022 across most investment categories, including global public equity and income strategies, which reported positive year-to-date returns in 2023 compared to negative year-to-date returns in 2022. Private equity also reported a slightly higher year-to-date return in comparison to last year. These gains were offset by real assets, which reported a year-to-date loss for the fourth quarter in 2023 in comparison to year-to-date returns in 2022. Risk mitigation also reported a lower year-to-date return in 2023 compared to 2022. Total investment fees and expenses, including securities lending borrower rebates and bank charges, increased by \$25.8 million in December

2023 primarily due to a \$19.9 million increase in other fund expenses, which includes indirect flow-through investment expenses in limited partner structures. Security lending rebate fees increased \$8.0 million due to increases in the “risk free rate,” such as the Federal Funds Target Range or Overnight Bank Funding Rate (OBFR), that are used to negotiate rebates to borrowers. These increases were slightly offset by a net decrease of \$3.3 million in investment management fees, primarily due to a decrease in returns for the risk mitigation and real assets categories.

Total contributions increased \$19.1 million over the prior year due to employer contributions, which increased \$11.5 million, and employee contributions, which increased \$7.5 million. These increases can be attributed to increases in contribution rates.

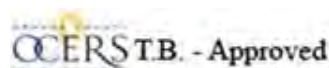
Total deductions from fiduciary net position increased 6.8%, or \$82.4 million, from the previous year. Participant benefits increased by \$84.7 million, which is expected due to the continued growth in member pension benefit payments, both in the total number of OCERS’ retired members receiving a pension benefit and an increase in the average benefit received. In December 2023, there were 20,966 payees with an average benefit payment of \$4,824 compared to 20,391 payees with an average benefit payment of \$4,653 in December 2022. Administrative expenses increased by \$5.5 million, primarily due to an increase in personnel services and professional services.

Other Supporting Schedules

In addition to the basic financial statements for the year ended December 31, 2023, the following supporting schedules are provided for additional information pertaining to OCERS:

- Total Plan Reserves
- Schedule of Contributions
- Schedule of Investment Expenses
- Schedule of Administrative Expenses
- Administrative Expense Compared to Projected Actuarial Accrued Liability

Submitted by:



Tracy Bowman
Director of Finance



Orange County Employees Retirement System

Unaudited Financial Statements

For the Year Ended December 31, 2023

Orange County Employees Retirement System

Unaudited Financial Statements For the Year Ended December 31, 2023

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Statement of Fiduciary Net Position (Unaudited)

As of December 31, 2023

(with summarized comparative amounts as of December 31, 2022)

(Dollars in Thousands)

	Pension Trust Fund	Health Care Fund- County	Health Care Fund- OCFA	Custodial Fund - OCTA	Total Funds	Comparative Totals 2022
Assets						
Cash and Short-Term Investments						
Cash and Cash Equivalents	\$ 370,080	\$ 7,976	\$ 1,326	\$ 628	\$ 380,010	\$ 412,122
Securities Lending Collateral	<u>318,271</u>	<u>6,859</u>	<u>1,140</u>	<u>-</u>	<u>326,270</u>	<u>202,096</u>
Total Cash and Short-Term Investments	688,351	14,835	2,466	628	706,280	614,218
Receivables						
Investment Income	20,747	447	74	-	21,268	15,320
Securities Sales	128,360	2,766	460	-	131,586	141,477
Contributions	41,072	-	-	-	41,072	15,437
Foreign Currency Forward Contracts	1,614	35	6	-	1,655	-
Other Receivables	<u>8,783</u>	<u>189</u>	<u>31</u>	<u>-</u>	<u>9,003</u>	<u>7,880</u>
Total Receivables	200,576	3,437	571	-	204,584	180,114
Investments at Fair Value						
Global Public Equity	10,136,607	218,458	36,307	13,293	10,404,665	8,828,613
Private Equity	3,422,713	73,764	12,260	-	3,508,737	3,301,871
Income Strategies	3,119,961	67,239	11,175	5,543	3,203,918	3,389,808
Real Assets	2,969,682	64,001	10,637	-	3,044,320	2,907,077
Risk Mitigation	1,769,352	38,132	6,337	-	1,813,821	1,757,155
Unique Strategies	<u>118,083</u>	<u>2,545</u>	<u>423</u>	<u>-</u>	<u>121,051</u>	<u>74,365</u>
Total Investments at Fair Value	21,536,398	464,139	77,139	18,836	22,096,512	20,258,889
Capital Assets, Net	<u>6,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,927</u>	<u>9,088</u>
Total Assets	<u>22,432,252</u>	<u>482,411</u>	<u>80,176</u>	<u>19,464</u>	<u>23,014,303</u>	<u>21,062,309</u>
Liabilities						
Obligations Under Securities Lending Program	318,272	6,859	1,140	-	326,271	202,096
Securities Purchased	238,481	5,140	854	-	244,475	204,403
Unearned Contributions	38,502	-	-	-	38,502	320,009
Foreign Currency Forward Contracts	16	-	-	-	16	2,367
Retiree Payroll Payable	98,751	5,011	716	-	104,478	98,325
Other	<u>26,019</u>	<u>561</u>	<u>93</u>	<u>-</u>	<u>26,673</u>	<u>24,142</u>
Total Liabilities	<u>720,041</u>	<u>17,571</u>	<u>2,803</u>	<u>-</u>	<u>740,415</u>	<u>851,342</u>
Net Position Restricted for Pension, Other Postemployment Benefits and Employer	<u>\$21,712,211</u>	<u>\$ 464,840</u>	<u>\$ 77,373</u>	<u>\$ 19,464</u>	<u>\$22,273,888</u>	<u>\$20,210,967</u>

Statement of Changes in Fiduciary Net Position (Unaudited)

For the Year Ended December 31, 2023

(with summarized comparative amounts for the Year Ended December 31, 2022)

(Dollars in Thousands)

	Pension Trust Fund	Health Care Fund- County	Health Care Fund- OCFA	Custodial Fund - OCTA	Total Funds	Comparative Totals 2022
Additions						
Contributions						
Employer	\$ 749,776	\$ -	\$ 26,245	\$ -	\$ 776,021	\$ 764,512
Employee	277,455	-	-	-	277,455	269,999
Employer OPEB Contributions	-	-	-	794	794	655
Total Contributions	1,027,231	-	26,245	794	1,054,270	1,035,166
Investment Income						
Net Appreciation/(Depreciation) in Fair Value of Investments	2,106,526	46,098	6,823	2,982	2,162,429	(2,463,745)
Dividends, Interest, & Other Investment Income	296,403	6,388	1,062	24	303,877	507,687
Securities Lending Income						
Gross Earnings	12,219	263	44	-	12,526	4,406
Less: Borrower Rebates and Bank Charges	(11,294)	(243)	(40)	-	(11,577)	(3,612)
Net Securities Lending Income	925	20	4	-	949	794
Total Investment Income/(Loss)	2,403,854	52,506	7,889	3,006	2,467,255	(1,955,264)
Investment Fees and Expenses	(163,590)	(3,525)	(586)	(3)	(167,704)	(149,896)
Net Investment Income/(Loss)	2,240,264	48,981	7,303	3,003	2,299,551	(2,105,160)
Total Additions	3,267,495	48,981	33,548	3,797	3,353,821	(1,069,994)
Deductions						
Participant Benefits	1,200,308	36,837	7,157	-	1,244,302	1,159,589
Death Benefits	1,189	-	-	-	1,189	1,558
Member Withdrawals and Refunds	14,752	-	-	-	14,752	22,239
Employer OPEB Payments	-	-	-	1,531	1,531	1,466
Administrative Expenses	29,056	24	23	23	29,126	23,614
Total Deductions	1,245,305	36,861	7,180	1,554	1,290,900	1,208,466
Net Increase/(Decrease)	2,022,190	12,120	26,368	2,243	2,062,921	(2,278,460)
Net Position Restricted For Pension, Other Postemployment Benefits and Employer, Beginning of Year	19,690,021	452,720	51,005	17,221	20,210,967	22,489,427
Ending Net Position Restricted For Pension, Other Postemployment Benefits and Employer	\$ 21,712,211	\$ 464,840	\$ 77,373	\$ 19,464	\$ 22,273,888	\$ 20,210,967

Total Plan Reserves

For the Year Ended December 31, 2023

(with summarized comparative amounts for the Year Ended December 31, 2022)

(Dollars in Thousands)

	2023	2022
Pension Reserve	\$ 13,115,567	\$ 11,947,372
Employee Contribution Reserve	3,915,650	3,794,047
Employer Contribution Reserve	3,214,949	3,443,588
Annuity Reserve	2,900,053	2,625,821
Health Care Reserve	542,213	503,725
Custodial Fund Reserve	19,464	17,221
County Investment Account (POB Proceeds) Reserve	146,109	140,991
OCSD UAAL Deferred Reserve	16,025	14,399
Contra Account and Actuarial Deferred Return	<u>(1,596,142)</u>	<u>(2,276,197)</u>
Total Net Position Restricted for Pension, Other Postemployment Benefits and Employer	<u>\$ 22,273,888</u>	<u>\$ 20,210,967</u>

Schedule of Contributions

For the Year Ended December 31, 2023

(with summarized comparative amounts for the Year Ended December 31, 2022)

(Dollars in Thousands)

	2023		2022	
	Employee	Employer	Employee	Employer
Pension Trust Fund Contributions				
County of Orange	\$ 205,958	\$ 587,980	\$ 202,014	\$ 572,012
Orange County Fire Authority	31,508	84,071 ¹	30,119	89,729 ¹
Orange County Superior Court of California	15,971	44,704	14,961	41,375
Orange County Transportation Authority	11,860	33,340	11,226	33,081
Orange County Sanitation District	8,539	8,887	8,371	8,686
Orange County Employees Retirement System	1,363	4,477	1,141	3,614
UCI - Medical Center and Campus	-	2,980 ²	-	3,223 ²
City of San Juan Capistrano	624	2,261	718	2,139
Transportation Corridor Agencies	871	867	769	895
Cypress Recreation and Parks District	-	-	-	596 ³
Orange County Department of Education	-	317 ²	-	367 ²
Orange County Cemetery District	198	274	191	285
Orange County Local Agency Formation Commission	57	237	46	195
Orange County In-Home Supportive Services Public Authority	160	202	147	197
Children and Families Commission of Orange County	174	254	131	208
Orange County Public Law Library	172	130	165	128
Contributions Before Prepaid Discount	277,455	770,981	269,999	756,730
Prepaid Employer Contributions Discount	-	(21,205)	-	(37,039)
Total Pension Trust Fund Contributions	277,455	749,776	269,999	719,691
Health Care Fund - County Contributions	-	-	-	41,889
Health Care Fund - OCFA Contributions	-	26,245	-	2,932
Custodial Fund - OCTA OPEB Contributions	-	794	-	655
Total Contributions	\$ 277,455	\$ 776,815	\$ 269,999	\$ 765,167

¹ Unfunded actuarial accrued liability payments were made in 2023 for \$13.8 million and 2022 for \$11.8 million for the Orange County Fire Authority.

² Unfunded actuarial accrued liability payments have been made in accordance with a separate 20-year level dollar payment schedule to include liabilities for employee benefits related to past service credit.

³ This balance reflects the unfunded actuarial accrued liability obligation payment made in July 2022 to fund the obligations for the ongoing benefits owed to Cypress Recreation & Parks District's retired and disabled employees and their survivors and beneficiaries.

Schedule of Investment Expenses

For the Year Ended December 31, 2023

(with summarized comparative amounts for the Year Ended December 31, 2022)

(Dollars in Thousands)

	2023	2022
Investment Management Fees*		
Global Public Equity	\$ 12,336	\$ 15,287
Income Strategies	15,045	12,190
Real Assets	29,497	32,314
Private Equity	39,269	31,508
Risk Mitigation	10,034	19,186
Unique Strategies	2,163	1,049
Short-Term Investments	123	201
Total Investment Management Fees	108,467	111,735
Other Fund Expenses¹	51,695	31,823
Other Investment Expenses		
Consulting/Research Fees	2,272	2,310
Investment Department Expenses	4,226	2,865
Legal Services	435	539
Custodian Services	580	580
Investment Service Providers	26	41
Total Other Investment Expenses	7,539	6,335
Security Lending Activity		
Security Lending Fees	245	204
Rebate Fees	11,332	3,408
Total Security Lending Activity	11,577	3,612
Custodial Fund - OCTA Investment Fees and Expenses	3	3
Total Investment Expenses	\$ 179,281	\$ 153,508

* Does not include undisclosed fees deducted at source.

¹ These costs include, but are not limited to, foreign income tax and other indirect flow-through investment expenses such as organizational expenses in limited partnership structures.

Schedule of Administrative Expenses

For the Year Ended December 31, 2023

(with summarized comparative amounts for the Year Ended December 31, 2022)

(Dollars in Thousands)

	2023	2022
Pension Trust Fund Administrative Expenses		
Expenses Subject to the Statutory Limit		
Personnel Services		
Employee Salaries and Benefits	\$ 17,829	\$ 14,578
Board Members' Allowance	13	13
Total Personnel Services	<u>17,842</u>	<u>14,591</u>
Office Operating Expenses		
Depreciation/Amortization	2,695	2,626
Professional Services	3,266	2,179
General Office and Administrative Expenses	2,750	1,841
Rent/Leased Real Property	813	740
Total Office Operating Expenses	<u>9,524</u>	<u>7,386</u>
Total Expenses Subject to the Statutory Limit	<u>27,366</u>	<u>21,977</u>
Expenses Not Subject to the Statutory Limit		
Information Technology Professional Services	617	558
Information Security Professional Services	144	123
Finance Software Professional Services	9	52
Actuarial Fees	377	339
Equipment/Software	543	497
Total Expenses Not Subject to the Statutory Limit	<u>1,690</u>	<u>1,569</u>
Total Pension Trust Fund Administrative Expenses	29,056	23,546
Health Care Fund - County Administrative Expenses	24	23
Health Care Fund - OCFA Administrative Expenses	23	22
Custodial Fund - OCTA Administrative Expenses	23	23
Total Administrative Expenses	<u>\$ 29,126</u>	<u>\$ 23,614</u>

Administrative Expense Compared to Projected Actuarial Accrued Liability

For the Year Ended December 31, 2023

(Dollars in Thousands)

Actuarial Accrued Liability (AAL) as of 12/31/23	\$	26,477,040
Maximum Allowed for Administrative Expense (AAL * 0.21%)		55,602
Actual Administrative Expense ¹		<u>27,366</u>
Excess of Allowed Over Actual Expense	\$	<u>28,236</u>
Actual Administrative Expense for the year ended 12/31/23 as a Percentage of Actuarial Accrued Liability as of 12/31/23		0.10%
Actual Administrative Expense for the year ended 12/31/22 as a Percentage of Actuarial Accrued Liability as of 12/31/22		0.09%
¹ Administrative Expense Reconciliation		
Administrative Expense per Statement of Changes in Fiduciary Net Position	\$	29,056
Less: Administrative Expense Not Considered per CERL Section 31596.1		<u>(1,690)</u>
Administrative Expense Allowable Under CERL Section 31580.2	\$	<u>27,366</u>



Memorandum

DATE: March 18, 2024
TO: Members of the Board of Retirement
FROM: Cynthia Hockless, Director of Human Resources
SUBJECT: **UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER, AND GENERAL MEMBER**

WRITTEN REPORT

Background:

On December 21, 2024, the Orange County Employees Retirement System (OCERS) requested that the Registrar of Voters conduct elections for the Board of Retirement's Safety Member, Alternate Safety Member, and General Member positions. The request was for two separate elections held on the same date.

- The Registrar of Voters has provided OCERS with an election schedule.

According to the attached schedules, OCERS notified eligible members that an election would be conducted for the Board of Retirement on June 18, 2024. The Election Notices were distributed with the March 1, 2024, and March 15, 2024, payrolls and mailed to the home of each eligible member via US mail.

The nomination period begins on March 18, 2024, and will end at 5:00 P.M. on April 17, 2024. We are currently on schedule and will continue to provide updates as we progress.

Attachments:

1. OCERS Election Notice for Safety Member
2. OCERS Election Notice for General Member

Submitted by:



CH – Approved

Cynthia Hockless
Director of Human Resources



March 01, 2024

Active Participating Employers:

CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN
& FAMILIES COMMISSION

ORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEM

ORANGE COUNTY FIRE
AUTHORITY

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES
PUBLIC AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC
LAW LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

ELECTION NOTICE

BOARD OF RETIREMENT – SAFETY MEMBER AND ALTERNATE MEMBER

Pursuant to OCERS' Election Procedures Policy, notice is hereby given that an election will be conducted among OCERS Safety Membership for the Seventh and Alternate Seventh Trustee positions on the Board of Retirement. This election will decide who fills these Safety Member Trustee positions for a three-year term beginning on July 1, 2024, and expiring on June 30, 2027.

Any current member of OCERS Safety Membership who wishes to be considered for certification as a candidate for this election must file (1) a **Nomination Petition for Election** that includes the signatures of at least seventy-five (75) members of OCERS Retired Membership and (2) a **Statement of Willingness to Serve**. These documents will be available starting on March 11, 2024, from the Registrar of Voters Office, located at 1300 South Grand Avenue, Bldg. C, Santa Ana, California, 92705.

Candidates may also, at their option, submit to the Registrar of Voters a **Biographical Statement** consisting of no more than four hundred (400) words on a single sheet of 8 ½ by 11-inch paper of scanner/camera-ready quality.

The deadline for filing the Nomination Petition for Election, the Statement of Willingness to Serve, and the Biographical Statement (if any) will be April 17, 2024, at 5:00 p.m.

Ballots will be mailed to all members of the OCERS Safety Membership beginning on May 13, 2024. Voted ballots must be received by the Registrar of Voters Office on or before 5:00 p.m. on June 18, 2024. Ballots that are mailed must be postmarked on or before June 18, 2024, and received by the Registrar no later than seven (7) calendar days after the election, which is June 25, 2024.

OCERS will advise the Registrar which of the eligible candidates are engaged in active law enforcement (Law Enforcement Group), which are engaged in active fire suppression (Fire Suppression Group), and which are in any other safety group (Other Safety Group).

The candidate with the most votes will be certified as the Seventh Member of the Board of Retirement. The candidate with the second most votes who is in a group other than that of the winner will be certified as the Alternate Seventh Member.

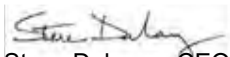
PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org

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

However, if there is a candidate from the Fire Suppression or Law Enforcement Group, a candidate from the Other Safety Group cannot become the Alternate Member regardless of vote count.





The schedule/timeline for this election is attached. For additional information, please call Registrar of Voters at (714) 567-7600 and ask for the Candidate Filing Section.

Sincerely,



Steve Delaney, CEO
Orange County Employees Retirement System

Stay informed with the most recent developments! Visit www.OCERS.org

Connect with us on social media:     @myOCERS

The election schedule is as follows:

1 SAFETY MEMBER AND 1 ALTERNATE MEMBER

March 1 and March 15 (E-109 and E-95)	The Orange County Retirement office shall notify the Safety Members of the Retirement System that an election will be conducted on June 18, 2024. The notice shall include the filing period, qualifications and requirements to be a candidate for Safety Member and Alternate Member of the Orange County Retirement Board of Directors and shall be provided with the payrolls on March 1, 2024, and March 15, 2024.
March 11 (E-99)	The Retirement Office shall provide the number of eligible Safety Members to the Registrar of Voters' Office.
March 11 (E-99)	The Retirement Office shall provide the Registrar of Voters' Office with Willingness to Serve forms.
March 18 (E-92)	First day the Nomination Petition is available for pick up from the Registrar of Voters' Office. A Safety Member requires 75 nomination signatures.
April 17 (E-62)	Last day to file the Nomination Petition, Willingness to Serve Form, and Biographical Statement with the Registrar of Voters' office by 5:00 p.m.
April 18 (E-61)	Random draw will be held to determine the candidate placement on the ballot.
April 29 (E-50)	Retirement Office shall provide the Registrar of Voters with names and addresses of eligible Safety Members in an electronic format.
May 13 (E-36)	Mailing of ballots begins.
June 18 (E-0)	Tally voted ballots at the Registrar of Voters' Office.
June 25 (E+7)	Deadline to receive mailed ballots. Ballots that are mailed must be postmarked on or before election day and received by the Registrar of Voters no later than seven (7) calendar days after Election Day.
July 1 (E+13)	Term begins for Safety Member and Alternate Member. Term expires on June 30, 2027.



March 01, 2024

Active Participating Employers:

CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN
& FAMILIES COMMISSION

ORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEM

ORANGE COUNTY FIRE
AUTHORITY

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES
PUBLIC AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC
LAW LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

ELECTION NOTICE

BOARD OF RETIREMENT – GENERAL MEMBER

Pursuant to OCERS' Election Procedures Policy, notice is hereby given that an election will be conducted among OCERS General Membership for the Second Trustee position on the Board of Retirement. This election will decide who becomes this General Member Trustee for a three-year term beginning on January 01, 2025, and expiring on December 31, 2027.

Any current member of OCERS General Membership who wishes to be considered for certification as a candidate for this election must file (1) a **Nomination Petition for Election** that includes the signatures of at least seventy-five (75) members of OCERS General Membership and (2) a **Statement of Willingness to Serve**. These documents will be available starting on March 11, 2024, from the Registrar of Voters Office, located at 1300 South Grand Avenue, Bldg. C, Santa Ana, California, 92705.

Candidates may also, at their option, submit to the Registrar of Voters a **Biographical Statement** consisting of no more than four hundred (400) words and provided in pdf format or on a single sheet of 8 ½ by 11-inch paper of scanner/camera-ready quality.

The deadline for filing the Nomination Petition for Election, the Statement of Willingness to Serve, and the Biographical Statement (if any) will be April 17, 2024, at 5:00 p.m.

Ballots will be mailed to all members of the OCERS General Membership beginning on May 13, 2024. Voted ballots must be received by the Registrar of Voters Office on or before 5:00 p.m. on June 18, 2024. Ballots that are mailed must be postmarked on or before June 18, 2024, and received by the Registrar no later than seven (7) calendar days after the election, which is June 25, 2024.

The candidate with the most votes will be certified as the Second Member of the Board of Retirement.

The schedule/timeline for this election is attached. For additional information, please call Registrar of Voters at (714) 567-7600 and ask for the Candidate Filing Section.

Sincerely,

Steve Delaney, CEO
Orange County Employees Retirement System

The election schedule is as follows:

1 GENERAL MEMBER

- March 1 and March 15 (E-109 and E-95)

The Orange County Retirement office shall notify the General Members of the Retirement System that an election will be conducted on June 18, 2024. The notice shall include the filing period, qualifications and requirements to be a candidate for General Member of the Orange County Retirement Board of Directors and shall be provided with the payrolls on March 1, 2024, and March 15, 2024.
- March 11 (E-99)

The Retirement Office shall provide the number of eligible General Members to the Registrar of Voters' Office.
- March 11 (E-99)

The Retirement Office shall provide the Registrar of Voters' Office with Willingness to Serve forms.
- March 18 (E-92)

First day the Nomination Petition is available for pick up from the Registrar of Voters' Office. A General Member requires 75 nomination signatures.
- April 17 (E-62)

Last day to file the Nomination Petition, Willingness to Serve Form, and Biographical Statement with the Registrar of Voters' office by 5:00 p.m.
- April 18 (E-61)

Random draw will be held to determine the candidate placement on the ballot.
- April 29 (E-50)

Retirement Office shall provide the Registrar of Voters with names and addresses of eligible General Members in an electronic format.
- May 13 (E-36)

Mailing of ballots begins.
- June 18 (E-0)



Tally voted ballots at the Registrar of Voters' Office.
- June 25 (E+7)

Deadline to receive mailed ballots. Ballots that are mailed must be postmarked on or before election day and received by the Registrar of Voters no later than seven (7) calendar days after Election Day.
- July 23 (E+35)

Certificate of Election on Board of Supervisors' agenda.
- January 1, 2025 (E+197)

Term begins for General Member. Term expires on December 31, 2027.

Stay informed with the most recent developments! Visit www.OCERS.org

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March 2024 Board of Retirement Meeting

CLOSED SESSION ITEMS

- E-1 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2))**
One potential case

Recommendation: Take appropriate action.

Information on the case can be found in the "Closed Session" tab in Diligent.