

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

**REGULAR MEETING  
Monday, April 20, 2020  
9:30 a.m.**

**MINUTES**

Chair Hilton called the meeting to order at 9:34 a.m.

Attendance was as follows:

Present via Zoom video teleconference pursuant to Executive Order N-29-20 issued by Governor Newsom on March 17, 2020:

Roger Hilton, Chair; Shawn Dewane, Vice-Chair; Frank Eley, Shari Freidenrich, Chris Prevatt, Jeremy Vallone, Adele Tagaloa, Charles Packard, Wayne Lindholm and Arthur Hidalgo

Also Present via Zoom:

Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Gina Ratto, General Counsel; Jenny Sadoski, Director of Information Technology, Anthony Beltran, Visual Technician; Cammy Torres; Recording Secretary

Guests via Zoom:

Harvey Leiderman, ReedSmith

**CONSENT AGENDA**

**MOTION** by Packard, **seconded** by Tagaloa, to approve staff's recommendation on all of the following items on the Consent Agenda:

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

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

- (1) John Sprague
- (2) Lani Gervaise
- (3) Arlene Lovelace
- (4) Norman Valinches
- (5) Fernando Salas

**ADMINISTRATION**

**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

March 16, 2020

**Recommendation:** Approve minutes.

**C-3 OUTCOMES OF THE GOVERNANCE COMMITTEE MEETING ON MARCH 13, 2020**

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

- (1) Adopt revisions to the Governance Committee Charter, as approved by the Committee on March 13, 2020;
- (2) Adopt revisions to the Planning Policy, as approved by the Committee on March 13, 2020;
- (3) Adopt revisions to the SACRS Voting Delegate Policy, as approved by the Committee on March 13, 2020;
- (4) Adopt revisions to the Quiet Period Policy, as approved by the Committee on March 13, 2020;
- (5) Adopt revisions to the Budget Approval Policy, as approved by the Committee on March 13, 2020;
- (6) Adopt revisions to the Communications Policy, as approved by the Committee on March 13, 2020;
- (7) Adopt revisions to the Public Records Request Policy, including incorporating into the policy provisions of the Data Request Policy, and renaming the policy as the Public Records and Data Request Policy, as approved by the Committee on March 13, 2020; and
- (8) Rescind the Data Request Policy.

The motion passed **unanimously** on a Roll Call vote.

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**DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA**

**OPEN SESSION**

**CONSENT AGENDA**

**MOTION** by Dewane, **seconded** by Packard, to approve staff’s recommendation on all of the following items on the Disability/Appeals Consent Agenda:

**DC-1: Christopher Brown**  
Fire Captain, Orange County Fire Authority

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement pursuant to Government Code 31720.5 (Heart Presumption) with an effective date of March 29, 2019. (Safety Member)

**DC-2: Robert Carpenter**  
Sergeant, Orange County Sheriff's Department

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of the day after the last day of regular compensation. (Safety Member)

**DC-3: David R. Chaffey**  
Fee Station Attendant, Orange County Waste and Recycling

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 4, 2019. (General Member)

**DC-4: Steven Kircher**  
Firefighter, Orange County Fire Authority

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 15, 2019. (Safety Member)

**DC-5: Francis Price**  
Carpenter, Orange County Public Works

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of May 24, 2019. (General Member)

**DC-6: Brian Sims**  
Sergeant, Orange County Sheriff's Department

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 17, 2020. (Safety Member)

**DC-7: Tanisha Turner**  
Coach Operator, Orange County Transportation Authority

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of December 27, 2015. (General Member)

**DC-8: Frank Ybarra**  
Fire Apparatus Engineer, Orange County Fire Authority

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 29, 2019. (Safety Member)

The motion passed **unanimously** on a Roll Call vote.

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**ACTION ITEMS**

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

None.

**A-2 RECOMMENDATION OF THE GOVERNANCE COMMITTEE REGARDING THE “18 BASIS POINTS TEST” FOR THE OCERS BUDGET PROCESS**

*Presentation by Brenda Shott, Assistant CEO, Internal Operations and Finance*

**Recommendation:** The Governance Committee recommends that the Board approve discontinuing the practice of calculating and reporting the “18 basis points test” as part of the OCERS annual budget and quarterly budget to actual reporting.

Ms. Shott explained that the “18 basis points test” is no longer required by the CERL but has continued to be calculated by staff as a data point of interest for the Board. The Governance Committee agreed that since the test is not required for the decision making process, and it requires additional work for OCERS staff, the 18 basis points calculation should be discontinued.

**MOTION** by Eley, **seconded** by Packard, to approve discontinuing the practice of calculating and reporting the “18 basis points test” as part of the OCERS annual budget and quarterly budget to actual reporting.

Motion passed **unanimously** on a Roll Call vote.

**A-3 SACRS BOARD OF DIRECTORS ELECTION 2020-2021 – DIRECTION TO OCERS’ VOTING DELEGATE**

*Presentation by Gina Ratto, General Counsel, OCERS*

**Recommendation:** Consider the SACRS Nominating Committee’s recommended slate of candidates and the list of additional candidates interested in running for the election of SACRS Directors; and give direction to OCERS’ Voting Delegate and Alternate Delegates for the SACRS Board of Directors election to be held at the SACRS meeting on November 10-13, 2020.

Ms. Ratto presented the SACRS Nominating Committee’s recommended slate of candidates for the 2020-2021 SACRS Board of Directors, and also noted the additional candidates who were nominated but not included in the recommended slate.

**MOTION** by Eley, **seconded** by Packard, to direct OCERS’ Voting Delegate and Alternate Delegates to vote in favor of the SACRS Nominating Committee’s recommended slate of candidates for the SACRS Board of Directors election to be held at the SACRS meeting on November 10-13, 2020.

Motion passed **unanimously** on a Roll Call vote.

**INFORMATION ITEMS**

**I-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices

April 20, 2020

Death Notices

April 20, 2020

**I-2 COMMITTEE MEETING MINUTES**

- Governance Committee Minutes – November 7, 2019

**I-3 CEO FUTURE AGENDAS AND 2020 OCERS BOARD WORK PLAN**

Written Report

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

Written Report

**I-5 BOARD COMMUNICATIONS**

Written Report

**I-6 STATE AND FEDERAL LEGISLATIVE UPDATE**

Written Report

**I-7 FIRST QUARTER 2020 TRAVEL AND TRAINING EXPENSE REPORT**

Written Report

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

Written Report

Chair Hilton pulled item I-8.

Chair Hilton and Ms. Shott thanked staff for their dedicated work and excellence in financial reporting and on receiving the GFOA award for another year.

**I-9 2020 AMERICAN ADVERTISING BRONZE AWARD FOR THE 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Written Report

Chair Hilton pulled item I-9.

Chair Hilton, Ms. Freidenrich and Ms. Shott thanked staff for their excellent work on the CAFR and congratulated staff on receiving the Bronze award.

**I-10 COVID-19 UPDATE**

*Presentation by Steve Delaney, Chief Executive Officer, OCERS*

Mr. Delaney presented the COVID-19 updates. He stated that on Monday, March 16, 2020 he spoke to the Board about the OCERS plan to practice remote work by going out on Wednesday, March 18 and returning on March 19 for a debrief. However, time and circumstances rapidly changed. On March 18, all OCERS staff worked remotely. On Thursday, March 19 the majority of OCERS staff remained out working remotely with the exception of a small skeleton crew together with one senior executive present. At that time OCERS staff was updated that remote work would continue until Friday, April 3<sup>rd</sup> with a review of any date change every two weeks. The OCERS office was also closed to the public indefinitely using guidance from the CDC, the Governor's Office and the County of Orange. Remote work was later pushed out further until Friday, May 1.

Thursday, April 23, OCERS management will review moving that date out yet again to May 15. These bi-weekly reviews will allow time for a full building cleaning prior to returning to the office.

Staff was allowed to check out chairs, monitors, and mouse cables to better equip them in working from home and half the staff have done so. Mr. Delaney has also completed welfare calls to all staff members and the investment department has been busy making calls and checking on managers. Management also focused on communication as much as possible. Posting to the website, sending letters to retirees, OCERS Informational meetings by conference call with Labor groups, employers and contract city representative are some of the examples that occurred these past few weeks.

Jon Gossard gave a brief background on OCERS' continuity program and specific actions taken during this pandemic.

"The OCERS business continuity program is built on ISO 22301 best practices to address losses of facility, personnel, technology and/or suppliers with the ultimate aim of making OCERS a resilient organization.

Our recovery plans offer a high-level decision-making framework which are intentionally adaptable to various scenarios and situations to offer the best chance of success at continuing operations and recovering over time.

Our business continuity program was rebooted, if you will, in 2015 and we've since conducted seven exercises in the intervening years, including a pandemic scenario in July 2018, always with two goals in mind: one, repeatedly familiarizing our team with the operations of the program and two, identifying improvements to the program.

A core component of our business continuity program is the Crisis Management Team, or CMT, which consists of our Senior Executives and representatives from a cross-section of OCERS operations. The principle purpose of the CMT is to ensure that OCERS continues operations in spite of situations such as we face today.

As news of the COVID-19 pandemic began to gather steam, our CMT met on March 5th to discuss the potential impacts to OCERS. By March 16th, we began to meet daily by teleconference, eventually activating our crisis management plan the afternoon of March 19th. That very evening, Governor Newsom issued the statewide stay-at-home order.

As an aside, I'd like to acknowledge the incredible effort of our IT team. Due to their tireless work, fully 95 percent of our staff was actively working from home by Friday, March 20. Really amazing work by that team.

Through April 2nd, the CMT held daily calls to keep our finger on the pulse as we navigated through this unprecedented situation. As it became clear that our work-from-home efforts were resulting in the desired continuity of operations, we have since moved to a twice-a-week schedule while continually evaluating needs.

Our CMT meetings follow a standard agenda, reviewing current statistics and guidance around the COVID-19 pandemic, ensuring action items are being addressed, and, what is really the heart of our meetings, receiving status reports from our department recovery teams. These reports allow all of us to ensure we are pulling in the same direction and addressing any impediments to recovery. Our CMT meetings also allow our team to brainstorm on issues such as our ultimate return to the office and all of the questions that that entails. Those are questions we have begun asking already.

As you well know, our primary mission at OCERS is the issuance of monthly retiree payroll and this focus is reflected in our recovery plans; everything is geared towards the continuance of payroll activities and we expect to meet that responsibility successfully.”

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

**BOARD MEMBER COMMENTS**

N/A

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

Ms. Murphy gave a brief overview on OCERS investments to date.

**COUNSEL COMMENTS**

Mr. Leiderman gave an update on the vested rights case that will be argued before the California Supreme Court on May 5, 2020.

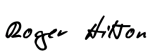
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The meeting **ADJOURNED** at 10:26 a.m. in memory of the active members, retired members, and surviving spouses who passed away during the past month.

Submitted by:

Approved by:

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

DocuSigned by:  
  
555A903001904F8...  
Roger Hilton  
Chairman