

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

**REGULAR MEETING
Monday, May 18, 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, 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

Absent:

Chris Prevatt

CONSENT AGENDA

MOTION by Eley, **seconded** by Dewane, to approve staff's recommendation on all of the following items on the 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.

- Richard Graf
- Joseph Hunt

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

April 20, 2020

Recommendation: Approve minutes.

C-3 OUTCOMES OF THE AUDIT COMMITTEE MEETING ON APRIL 20, 2020

Recommendation: The Audit Committee recommends that the Board adopt the revisions to the Ethics, Compliance, and Fraud Hotline Policy.

The motion passed **unanimously**.

CONSENT ITEMS: DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT ITEMS

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

DC-1: SUSAN HARKINS
Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 5, 2017. (General Member)

DC-2: MARK RODRIGUEZ
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 December 14, 2018. (Safety Member)

DC-3: DAVID TALBERT
Fire Captain, Orange County Fire Authority

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

The motion passed **unanimously**.

CLOSED SESSION

(Government Code sections 54957 and 54956.9)

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

The Board adjourned into Closed Session at 9:41 a.m.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

DISABILITY/MEMBER BENEFITS AGENDA

DA-2: BENEFIT APPEAL – LORRAINE DELFIN

Recommendation: Staff recommends that the Board approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 18, 2020 (Recommendations), and require the Member to repay the amount of \$17,273.66, which is the difference in the amount by which the Member funded her pension and the amount which the Member was required by statute to fund her pension.

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

Recommendation: Staff recommends that the Board approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 23, 2020 (Recommendations), and deny the Applicant's application for disability retirement.

DA-4: BENEFIT APPEAL – ROBERT SZEWCZYK; JESSE OLLER; AND RODNEY MORIKAWA

Recommendation: Staff recommends that the Board approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 26, 2020

(Recommendations), and find that the Applicants' pay, earned working a half hour extension of each regularly scheduled work shift at the Correctional Medical Services ("CMS") Unit at the Anaheim Global Medical Center of the Theo Lacey Facility, is properly excluded by OCERS from "compensation earnable," as defined in California Government Code Section 31461, because the half hour extension is "overtime" that is not worked by other members in the same grade and class as the Applicants.

OPEN SESSION

The Board reconvened into Open Session at 10:48 a.m.

ACTION ITEMS

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

Chair Hilton reported that the Board took the following actions in Closed Session:

DA-2: BENEFIT APPEAL – LORRAINE DELFIN

MOTION by Dewane, **seconded** by Eley to approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 18, 2020 (Recommendations), and require the Member to repay the amount of \$17,273.66, which is the difference in the amount by which the Member funded her pension and the amount which the Member was required by statute to fund her pension. The motion passed **unanimously**.

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

MOTION by Eley, **seconded** by Lindholm to approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 23, 2020 (Recommendations), and deny the Applicant's application for disability retirement. The motion passed **unanimously** with Lindholm marked as absent.

DA-4: BENEFIT APPEAL – ROBERT SZEWCZYK; JESSE OLLER; AND RODNEY MORIKAWA

MOTION by Hidalgo, **seconded** by Tagaloa to approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 26, 2020 (Recommendations), and find that the Applicants' pay, earned working a half hour extension of each regularly scheduled work shift at the Correctional Medical Services ("CMS") Unit at the Anaheim Global Medical Center of the Theo Lacey Facility, is properly excluded by OCERS from "compensation earnable," as defined in California Government Code Section 31461, because the half hour extension is "overtime" that is not worked by other members in the same grade and

class as the Applicants. The motion passed 7-1 with Chair Hilton voting “No” and Vallone marked as absent.

The Board recessed for a break at 10:49 a.m.

The Board reconvened at 11:06 a.m.

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

No items were trailed from the Consent Agenda.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices

May 18, 2020

Death Notices

May 18, 2020

I-2 COMMITTEE MEETING MINUTES

- Audit Committee Minutes – January 13, 2020

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 BUDGET TO ACTUALS REPORT

Written Report

I-8 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED MARCH 31, 2020

Written Report

I-9 PRELIMINARY DECEMBER 31, 2019 ACTUARIAL VALUATION

Presentation by Paul Angelo, Senior Vice President, Actuary, Segal Consulting

Mr. Paul Angelo presented the Preliminary December 31, 2019 Actuarial Valuation to the Board.

I-10 COVID-19 UPDATE

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Steve Delaney presented the COVID-19 updates. He stated that mandatory remote telework will continue through May 31, 2020 and the Executive Team will decide Thursday, May 21, 2020 if mandatory remote telework will continue through June 15, 2020. He read the County of Orange advice article related to employee's return to work:

"When having employees return to the workplace, determine the reasons it is necessary to have an employee return from telecommuting. Consider the following questions, "Is it operationally necessary and can you ensure social distancing if employees return to the workplace in the near future?"

OCERS plans a return to work phased in process with volunteers returning first. OCERS won't be the first to fully be back nor the last.

Mr. Delaney described what "fully back" entails.

Mr. Delaney stated that before staff volunteers to return to the office, OCERS management needs to decide what the building will look like. OCERS is relying on experts such as Cushman Wakefield as well as the Orange County Department of Health, and also the County of Orange HR Department in determining what the necessary modifications will be in order to provide a safe work environment.

Mr. Delaney gave kudos to Cynthia Hockless who is in continuous contact with County HR and in turn informs the Executive Team of any issues. Also, he gave kudos to Gina Ratto who is monitoring a number of different legal sources including ReedSmith and CalPERS.

OCERS Executives have discussed how to keep up staff morale as well as track productivity. Furthermore, the Senior Executive Team meets every Monday to work out return to office details as well as the Crisis Management Team continues to meet twice weekly to review any COVID-related issues.

Mr. Delaney stated that OCERS is continuing to provide communication to stakeholders and retirees via the website, emails, and letters as well as via Zoom meetings. OCERS is still closed to the public but that will change at some future date.

I-11 OCERS HQ BUILDING

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, OCERS

Ms. Shott updated the Board on the OCERS future headquarter building project and her discussion regarding the progress that occurred with the Ad Hoc Building Committee Meeting on May 12, 2020.

She also updated the Board on the plans that are underway for implementing measures that will help reduce employee risk to COVID-19 spread in the workplace once the mandatory telework conditions are lifted.

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

BOARD MEMBER COMMENTS

N/A

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

Ms. Jenike introduced Jeff Lamberson, Member Services Director to the OCERS Board.

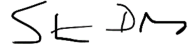
COUNSEL COMMENTS

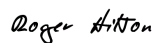
Mr. Leiderman gave an update on the vested rights case that was argued before the California Supreme Court on May 5, 2020.

The meeting **ADJOURNED** at 1:07 p.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:

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Steve Delaney
Secretary to the Board

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Roger Hilton
Chairman