

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

**REGULAR MEETING
Monday, August 15, 2022
9:30 A.M.**

MINUTES

Chair Eley called the meeting to order at 9:35 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present via Zoom Video
conference pursuant to
Government Code §
54953, as amended by

AB 361: Frank Eley, Chair; Shawn Dewane, Vice Chair; Adele Tagalao, Charles Packard, Chris Prevatt, Richard Oates, Wayne Lindholm, Arthur Hidalgo, Jeremy Vallone

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, Chief Investments Officer; Gina Ratto, General Counsel; Manuel Serpa, Deputy General Counsel; David Kim, Director of Internal Audit; Tracy Bowman, Director of Finance; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Maytak Chin, ReedSmith

Absent: Shari Freidenrich

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.

- Stack, Robert E

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

July 18, 2022

Recommendation: Approve minutes.

MOTION by Mr. Dewane, **SECONDED** by Mr. Packard, to approve Consent Agenda items, C-1 and C-2.

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

DC-1: JEFFREY ANDERSON

Sergeant, Orange County Sheriff’s Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as the day after the last date of regular compensation.

DC-2: ANTHONY LIM

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

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as the day after the last date of regular compensation.

DC-3: ANTHONY McCOLLOUGH

Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as May 24, 2020.

MOTION by Mr. Prevatt, **SECONDED** by Mr. Packard, to approve the Disability Consent Agenda items, DC-1 through DC-3.

The motion passed **unanimously**.

END OF DISABILITY/MEMBER BENEFITS AGENDA

ACTION ITEMS

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

A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-08

Presentation by Gina Ratto, General Counsel, OCERS

Recommendation: That the Board:

- (1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:
 - i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; ***and/or***
 - ii. State or local officials continue to impose or recommend measures to promote social distancing; and
- (2) If the Board so determines, adopt Board of Retirement Resolution 2022-08 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

MOTION by Mr. Dewane, **SECONDED** by Mr. Packard, to adopt Resolution 2022-08, memorializing the Board’s findings that a state of emergency continues to exist and that state and local officials continue to impose or recommend measures to promote social distancing.

The motion passed **unanimously**.

A-3 INVESTMENT TEAM INCENTIVE COMPENSATION PROGRAM- PERSONNEL COMMITTEE RECOMMENDATION

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: The Personnel Committee recommends that the Board of Retirement approve and adopt the Incentive Compensation Program detailed in the Incentive Compensation Policy, effective for the calendar year ending December 31, 2022, with payment of the first 50% of the annual award made within 60 days of the benchmark becoming available in 2023 and payment of the remaining 50% of the annual award on or before March 31, 2024.

MOTION by Mr. Prevatt, **SECONDED** by Mr. Packard, to approve the Personnel Committee recommendations to implement the Investment Compensation Policy.

The motion passed **unanimously**

The Board recessed for break at 11:08 a.m.

The Board reconvened from break at 11:26 a.m.

Recording Secretary administered the Roll Call attendance.

A-4 ALAMEDA IMPLEMENTATION – ACTIVE MEMBER CONTRIBUTIONS REFUND METHOD - \$75 OR LESS

Presentation by Suzanne Jenike, Assistant Chief Executive Officer, OCERS

Recommendations: Direct staff to coordinate with the Employers to process refunds of contributions and interest to active members entitled to a refund of \$75 or less as a result of the *Alameda* decision.

MOTION by Mr. Packard, **SECONDED** by Ms. Tagaloo, to approve staff recommendation.

The motion passed **unanimously**.

INFORMATION ITEMS

Presentations

I-1 CEM 2022 BENCHMARKING REPORT

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Mr. Delaney presented to the Board an update on the CEM 2022 Benchmarking Report.

I-2 COVID-19 UPDATE

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Mr. Delaney presented to the Board an update on the effects of COVID-19 on 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

Written Report

Application Notices

August 15, 2022

Death Notices

August 15, 2022

R-2 COMMITTEE MEETING MINUTES

- April 2022 – Personnel Committee Minutes
- May 2022 – Governance Committee Minutes
- July 2022 – Personnel Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2022 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 SECOND QUARTER 2022 BUDGET TO ACTUALS REPORT**
Written Report
- R-8 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022**
Written Report
- R-9 OCERS BY THE NUMBERS (2022 EDITION)**
Written Report
- R-10 THE EVOLUTION OF OCERS' UAAL (2022 EDITION)**
Written Report
- R-11 2022 OCERS BOARD STRATEGIC PLANNING WORKSHOP – Final Agenda**
Written Report
- R-12 ELECTION UPDATE - GENERAL AND RETIRED BOARD MEMBER**
Written Report

Adjourn to closed session at 11:48am

CLOSED SESSION

- E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1))**
Robert Szewczyk and Rodney Morikawa v. OCERS; Steven Delaney, Board of Retirement of OCERS; Orange County Superior Court, Case No. 30-2022-01268984-CU-WM-CJC
Adjourn pursuant to Government Code section 54956.9(d)(1).

Recommendation: Take appropriate action.

- E-2 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1))**
Adjourn pursuant to Government Code section 54956.9(d)(1).
Nicholas Casson v. OCERS; California Court of Appeal, 4th Appellate District, Case No. G060950

Recommendation: Take appropriate action.

- E-3 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1))**
James Morell v. Board of Retirement, OCERS; Los Angeles County Superior Court, Case No. 22STCP02345
Adjourn pursuant to Government Code section 54956.9(d)(1).

Recommendation: Take appropriate action.

Return from Closed Session at 12:13pm.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

There were no reportable actions taken in Closed Session.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS - none

COUNSEL COMMENTS - none

BOARD MEMBER COMMENTS - none

Meeting **ADJOURNED** at 12:16pm in memory of the active members, retired members, and surviving spouses.

Submitted by:

Approved by:

DocuSigned by:

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Steve Delaney
Secretary to the Board

DocuSigned by:

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Frank Eley
Chairman