

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

REGULAR MEETING  
Monday, May 14, 2018  
9:00 a.m.

AGENDA

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

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Board; and (2) any matter appearing on the Consent Agenda.

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

*In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed. Persons wishing to address items on the agenda should provide written notice to the Secretary of the Board prior to the Board's discussion on the item by signing in on the Public Comment Sign-In Sheet located at the back of the room.*

CONSENT AGENDA

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

**BENEFITS**

C-1 **[OPTION 4 RETIREMENT ELECTION](#)**

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

- (1) Mitchell Cherness
- (2) Joseph Smith

<b>ADMINISTRATION</b>
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**C-2**     [BOARD MEETING MINUTES](#)

Regular Board Meeting Minutes

April 18, 2018

**Recommendation:** Approve minutes.

**C-3**     [INVESTMENT COMMITTEE OUTCOMES FROM APRIL 24, 2018 MEETING](#)

**Recommendation:** The Investment Committee recommends that the Board of Retirement:  
(1) Adopt revisions to the Investment Committee Charter as approved by the Investment Committee.

**C-4**     [INVESTING FOR A SUSTAINABLE WORLD](#)

**Recommendation:** Approve Russell Baldwin's attendance and related expenses including overnight accommodations for the "Investing for a Sustainable World" Conference, May 30-June 1, 2018, at the Omni Shoreham in Washington D.C.

**ACTION ITEMS**

**NOTE:** Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Board's discussion of the item. Persons wishing to address items on the agenda should provide written notice to the Secretary of the Board prior to the Board's discussion on the item by signing in on the Public Comment Sign-In Sheet located at the back of the room.

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

**A-2**     [SACRS BUSINESS MEETING – DIRECTION TO OCERS VOTING DELEGATE RE: SB 1270](#)

*Presentation by Gina Ratto, General Counsel, OCERS*

**Recommendation:** Direct the OCERS' Voting Delegate and Alternate Delegates to vote **IN FAVOR** of SACRS' proposal to co-sponsor SB 1270 (Videk) at the SACRS business meeting on May 18, 2018.

**INFORMATION ITEMS**

**I-1**     [MEMBER MATERIALS DISTRIBUTED](#)

Written Report

[Application Notices](#)  
[Death Notices](#)

May 14, 2018  
May 14, 2018

**I-2 [CEO FUTURE AGENDAS AND 2018 OCERS BOARD WORK PLAN](#)**

Written Report

**I-3 [QUIET PERIOD – NON-INVESTMENT CONTRACTS](#)**

Written Report

**I-4 [LEGISLATIVE UPDATE](#)**

Written Report

**I-5 [2018 FIRST QUARTER BUDGET TO ACTUAL REPORT](#)**

Written Report

**I-6 [2018 FIRST QUARTER PRELIMINARY FINANCIAL STATEMENTS](#)**

Written Report

**I-7 [UPDATE TO BOARD ELECTION, SAFETY MEMBER AND ALTERNATE SAFETY MEMBER](#)**

Written Report

**I-8 [BOARD POLICY COMPLIANCE](#)**

Written Report

**I-9 [TRAVEL REPORT – CALIFORNIA RETIRED COUNTY EMPLOYEES ASSOCIATION \(CRCEA\) SPRING 2018](#)**

Written Report

**I-10 [TRAVEL REPORT – WOMEN’S PRIVATE EQUITY SUMMIT 2018](#)**

Written Report

**I-11 [PRELIMINARY DECEMBER 31, 2017 ACTUARIAL VALUATION](#)**

*Presentation by Andy Yeung, Segal Consulting*

**I-12 [REFRESHER ON THE NEW PROCESS FOR DISABILITY RETIREMENT DETERMINATIONS](#)**

*Presentation by Suzanne Jenike, Assistant CEO and Gina Ratto, General Counsel, OCERS*

**DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA**

11:00 A.M.

**NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO**

**DISCUSS MATTERS RELATING TO THE MEMBER'S APPLICATION OR APPEAL, PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.**

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**DISABILITY CONSENT AGENDA**

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

**D-1: Kevin Ward**

**Recommendation: Dismiss the appeal of the effective date of the Applicant's service connected disability retirement benefit without prejudice due to the Applicant's failure to cooperate. (General Member)**

**DISABILITY INDIVIDUAL AGENDA**

**D-2: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**D-3: Jeffrey Baclawski**

Firefighter, Orange County Fire Authority

Date of employee filed application for service connected disability retirement: 01/06/2017

**Recommendation: Grant service connected disability retirement with an effective date of January 6, 2017. (Safety Member)**

**D-4: Cheryl Cisowski**

Deputy Sheriff II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:  
10/26/2016

Date of employee filed application for service and non-service connected disability retirement:  
02/10/2017

**Recommendation: Grant service connected disability retirement with an effective date of April 14, 2017. (Safety Member)**

**D-5: Jonathan Lim**

Firefighter, Orange County Fire Authority

Date of employer filed application for service and non-service connected disability retirement:  
04/28/2017

Date of employee filed application for service and non-service connected disability retirement:  
08/08/2017

**Recommendation: Grant service connected disability retirement with an effective date of June 09, 2017. Find the Applicant is capable of performing other duties in the service of the Orange**

**County Fire Authority pursuant to Government Code Section 31725.65. Grant a supplemental disability retirement payment. Request that the Board require Mr. Lim to undergo the reexamination process in two years' time per Government Code section 31729. (Safety Member)**

**D-6: Claudine Otero-Murrietta**

Deputy Juvenile Correctional Officer I, Orange County Probation Department

Date of employee filed application for service connected disability retirement: 07/08/2016

**Recommendation: Grant service connected disability retirement with an effective date of December 7, 2007. Find the Applicant is capable of performing other duties in the service of the County of Orange pursuant to Government Code Section 31725.65. Grant a supplemental disability retirement payment allowance. (Safety Member)**

**D-7: Maritza Partida**

Senior Social Services Supervisor, Social Services Agency

Date of employee filed application for non-service connected disability retirement: 04/05/2018

**Recommendation: Grant non-service connected disability retirement with an effective date of April 13, 2018. (General Member)**

**D-8: Derek Peter**

Firefighter/Paramedic, Orange County Fire Authority

Date of employee filed application for service connected disability retirement: 07/18/2017

**Recommendation Grant service connected disability retirement with an effective date of September 29, 2017. (Safety Member)**

**D-9: Suzy Yasol**

Office Specialist, Health Care Agency

Date of employee filed application for service connected disability retirement: 10/4/2016

**Recommendation Grant service connected disability retirement with an effective date of October 4, 2016. (General Member)**

**D-10: Brian Petros**

Administrative Manager I, Orange County Health Care Agency

Date of employee filed application for service and non-service connected disability retirement: 07/26/2017

**Recommendation Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)**

**D-11: Paula Snyder**

Office Services Specialist, Orange County Fire Authority

Date of employee filed application for service connected disability retirement: 10/26/2016

**Recommendation Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)**

**DISABILITY INDIVIDUAL AGENDA**

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**BOARD MEMBER COMMENTS**

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

**COUNSEL COMMENTS**

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

**NOTICE OF NEXT MEETINGS**

**INVESTMENT COMMITTEE MEETING**

**May 24, 2018**

**9:00 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

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

**SANTA ANA, CA 92701**

**AUDIT COMMITTEE MEETING**

**June 7, 2018**

**1:00 P.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

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

**SANTA ANA, CA 92701**

**REGULAR BOARD MEETING**

**June 18, 2018**

**9:00 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

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

**SANTA ANA, CA 92701**

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

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at [adminsupport@ocers.org](mailto:adminsupport@ocers.org) or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

C-1



## Memorandum

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**DATE:** May 18, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Adina Bercaru, Member Services Manager  
**SUBJECT:** **OPTION 4 RETIREMENT ELECTION – JOSEPH SMITH**

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### Recommendation

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

### Background/Discussion

This member has requested Option 4 as the benefit payment option for his service retirement allowance effective March 15, 2018. The Orange County Employees Retirement System (OCERS) was joined in the member's dissolution of marriage and under the terms of the Domestic Relations Order (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:



A. B. – APPROVED

Adina Bercaru  
Member Services Manager



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308  
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**DIRECT DIAL NUMBER**  
415-263-8254

**E-MAIL ADDRESS**  
mcalcagno@segalco.com

PERSONAL & CONFIDENTIAL

VIA EMAIL & USPS

May 3, 2018

Ms. Adina Bercaru  
Member Services Manager  
Orange County Employees Retirement System  
2223 Wellington Avenue  
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System  
Option 4 Calculation for Joseph Smith**

Dear Adina:

Pursuant to your request, we have determined the Option 4 benefits payable to Joseph Smith and his ex-spouse based on the unmodified benefit and other information provided in the System's request dated May 1, 2018.

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

Member's Date of Birth	
Ex-Spouse's Date of Birth	
Date of Retirement	March 15, 2018
Plan of Membership	General Plan B
Monthly Unmodified Benefit	\$3,500.27
Ex-Spouse's Share of Monthly Unmodified Benefit	50.00%
Retirement Type	Service Retirement

**Option 4 Benefit**

<b>The ex-spouse bears the cost of Option 4 reduction for the DRO benefit</b>	Payable while the Member is Alive	Payable After the Member's Death while the Ex-Spouse is Alive
Monthly Benefit Payable to Member		
Annuity:	\$449.32	
Pension:	<u>1,300.82</u>	
Total:	\$1,750.14	\$0

Monthly Benefit Payable to Ex-Spouse (or to the estate of the ex-spouse if the ex-spouse pre-deceases the member)	\$1,542.13*	\$1,542.13
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\* This is equal to 50.00% of the member's unmodified benefit (i.e., 50.00% \* \$3,500.27 or \$1,750.14) 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.

**Actuarial Assumptions**

Effective interest rate of 4.126214% per year, which is calculated using an investment return assumption of 7.25% per year together with a cost-of-living adjustment assumption of 3.00% per year.

RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 weighted 40% male and 60% female for members.

RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 weighted 60% male and 40% female for beneficiaries.

The actuarial calculations contained in this letter were performed under my supervision. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

Ms. Adina Bercaru  
May 3, 2018  
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,

A handwritten signature in cursive script that reads "Molly Calcagno".

Molly Calcagno, ASA, MAAA  
Assistant Actuary

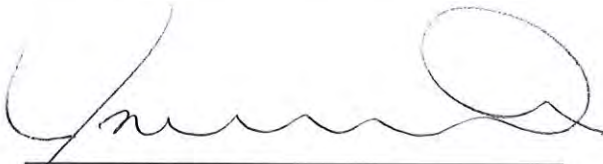
AW/gxk

**OCERS Retirement Benefit Payment Option Election**

**Please verify the information below, check the boxes, then sign and date.**

I, Joseph P. Smith understand that my retirement option is irrevocable. As required by my DRO, I must elect **Benefit Payment Option 4** upon retirement, in order to provide a continuance to my former spouse, Farrah Smith and the reduction amount is supported by him/her/both parties.

I choose to add no other beneficiary(ies) under Option 4 and understand that, should I become married upon retirement, my current spouse will receive no continuance in the event I predecease him/her.



Member Signature

5-7-18

Date

**RECEIVED**

**MAY 07 2018**

Orange County Employees  
Retirement System

**IMAGED**

**MAY 08 2018**

## Memorandum

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**DATE:** May 18, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Adina Bercaru, Member Services Manager  
**SUBJECT:** **OPTION 4 RETIREMENT ELECTION – MITCHELL CHERNESS**

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### Recommendation

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

### Background/Discussion

This member has requested Option 4 as the benefit payment option for his service retirement allowance effective March 30, 2018. The Orange County Employees Retirement System (OCERS) was joined in the member's dissolution of marriage and under the terms of the Domestic Relations Order (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:



A. B. – APPROVED

Adina Bercaru  
Member Services Manager



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PERSONAL and CONFIDENTIAL

VIA EMAIL and USPS

May 8, 2018

Ms. Adina Bercaru  
Member Services Manager  
Orange County Employees Retirement System  
2223 Wellington Avenue  
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System  
Option 4 Calculation for Mitchell B. Charness**

Dear Adina:

Pursuant to your request, we have determined the Option 4 benefits payable to Mitchell B. Charness and his ex-spouse based on the unmodified benefit and other information provided in the System's request dated May 4, 2018.

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

Member's Date of Birth	
Ex-Spouse's Date of Birth	
Date of Retirement	March 30, 2018
Plan of Membership	General Plan J
Monthly Unmodified Benefit	\$7,635.22
Ex-Spouse's Share of Monthly Unmodified Benefit	34.12%
Retirement Type	Service Retirement

**Option 4 Benefit**

<b>The ex-spouse bears the cost of Option 4 reduction for the DRO benefit</b>	Payable while the Member is Alive	Payable After the Member's Death while the Ex-Spouse is Alive
Monthly Benefit Payable to Member		
Annuity:	\$1,673.58	
Pension:	<u>3,356.50</u>	
Total:	\$5,030.08	\$0
Monthly Benefit Payable to Ex-Spouse (or to the estate of the ex-spouse if the ex-spouse pre-deceases the member)	\$2,396.89*	\$2,396.89

\* This is equal to 34.12% of the member's unmodified benefit (i.e., 34.12% \* \$7,635.22 or \$2,605.14) 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.

**ACTUARIAL ASSUMPTIONS**

Effective interest rate of 4.126214% per year, which is calculated using an investment return assumption of 7.25% per year together with a cost-of-living adjustment assumption of 3.00% per year.

RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 weighted 40% male and 60% female for members.

RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020 weighted 60% male and 40% female for beneficiaries.

The actuarial calculations contained in this letter were performed under my supervision. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.



Ms. Adina Bercaru  
May 8, 2018  
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,

A handwritten signature in black ink, appearing to read "Molly Calcagno". The signature is fluid and cursive, written in a professional style.

Molly K. Calcagno ASA, MAAA  
Assistant Actuary

AW/bqb

**OCERS Retirement Benefit Payment Option Election**

*Serving the Active and Retired Members of:*

CITY OF SAN JUAN  
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY  
CEMETERY DISTRICT

ORANGE COUNTY  
CHILDREN & FAMILIES  
COMMISSION

ORANGE COUNTY  
DEPARTMENT OF  
EDUCATION (CLOSED TO  
NEW MEMBERS)

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

UCI MEDICAL CENTER AND  
CAMPUS (CLOSED TO  
NEW MEMBERS)

**Please verify the information below, check the box, then sign and date.**

I, Mitchell Cherness, understand that my retirement option is irrevocable. As required by my DRO, I must elect **Benefit Payment Option 4** upon retirement, in order to provide a continuance to my former spouse, Claudia Cherness and the reduction amount is supported by him/her.

I choose to add no other beneficiary(ies) under Option 4 and understand that, should I become married upon retirement, my current spouse will receive no continuance in the event I predecease him/her.



Member Signature

5/9/18  
Date

C-2

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

REGULAR MEETING  
Wednesday, April 18, 2018  
9:00 a.m.

MINUTES

Chair Prevatt called the meeting to order at 9:03 a.m.

Attendance was as follows:

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

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Finance and Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, Chief Investment Officer; Jenny Sadoski, Director of Information Technology; Gina Ratto, General Counsel; Lee Fink, Deputy General Counsel; Anthony Beltran, Visual Technician; Megan Cortez; Disability Coordinator; Cammy Danciu, Recording Secretary.

Guests: Harvey Leiderman

*Mr. Hilton led the Pledge of Allegiance.*

CONSENT AGENDA

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

Ms. Freidenrich pulled item C-3 for discussion.

A **motion** was made by Mr. Ball **seconded** by Mr. Hilton to move the remainder of the consent agenda.

Motion passed **unanimously**.

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

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

- (1) Scott Jarvis
- (2) Brad Virgoe

<b>ADMINISTRATION</b>
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**C-2 BOARD MEETINGS AND COMMITTEE MEETINGS**

Governance Committee Minutes	March 7, 2018
Regular Board Meeting Minutes	March 19, 2018
Audit Committee Minutes	March 27, 2018

**Recommendation:** Authorize meeting and approve minutes.

**C-3 GOVERNANCE COMMITTEE OUTCOMES FROM MARCH 7, 2018 MEETING**

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

- (1) Adopt revisions to the Travel Policy as approved by the Governance Committee;
- (2) Adopt revisions to the CEO Charter as approved by the Governance Committee;
- (3) Adopt revisions to the Board Chair Charter as approved by the Governance Committee;
- (4) Adopt revisions to the OCERS Conflict of Interest Code as approved by the Governance Committee; and
- (5) Rescind the Early Retirement Funding Policy.

**ACTION ITEMS**

**NOTE:** Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Board's discussion of the item. Persons wishing to address items on the agenda should provide written notice to the Secretary of the Board prior to the Board's discussion on the item by signing in on the Public Comment Sign-In Sheet located at the back of the room.

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

*Item C-3*

Ms. Freidenrich discussed the travel policy portion of item C-3. She expressed her concerns about OCER's not following GSA requirements that the County adopted regarding meal reimbursements. She further expressed her concerns regarding airfare reimbursements.

Ms. Shott discussed the travel policy and OCERS requirements and the Governance Committee's decision to keep regular receipts instead of having the per-diem rate that the County currently uses.

Mr. Baldwin asked to confirm that he can get reimbursed for using Uber to and from OCERS Board meetings.

Staff stated that he can get reimbursed for using Uber to and from work.

Ms. Freidenrich stated that she does not support OCERS mileage reimbursements policy.

***Mr. Gilbert stepped out at 9:26am***

Mr. Eley asked staff to request the Governance Committee to clarify the issue regarding traveling a day before a conference and to add that portion into the OCERS travel policy.

***Mr. Gilbert returned at 9:29am***

Following further discussion, a **motion** was made by Mr. Baldwin **seconded** by Mr. Eley to move item C-3 from the consent agenda.

Motion passed **8-1** with Ms. Freidenrich voting “no”.

Mr. Prevatt clarified that OCERS funds are not taxpayer funds; they are members funds.

**A-2 SACRS BOARD OF DIRECTORS ELECTION 2018-2019 – DIRECTION TO OCERS VOTING DELEGATE**

*Presentation by Gina Ratto, General Counsel, OCERS*

**Recommendation:** Consider the SACRS Nominating Committee’s recommended slate of candidates and the list of additional candidates interested in running for the election of SACRS Directors; and give direction to OCERS’ Voting Delegate and Alternate Delegates for the SACRS Board of Directors election to be held at the SACRS meeting on May 18, 2018.

Ms. Ratto presented the SACRS Board of Director’s election for 2018-2019.

Following discussion, a **motion** was made by Mr. Packard **seconded** by Mr. Dewane to 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. The Board directed the Voting Delegate and Alternate Delegate to vote in favor of the SACRS Nominating Committee’s recommended ballot of directors to be held at the SACRS meeting on May 18, 2018.

Motion passed **unanimously**.

**A-3 OCERS FUNDING POLICY**

*Presentation by Paul Angelo, Segal Consulting*

**Recommendation:** Approve revisions to Appendix A of OCERS Actuarial Funding Policy which incorporate the demographic and economic assumptions approved by the Board of Retirement in October 2017 and affirm all other provisions of the existing policy.

At last month’s Board of Retirement meeting, Paul Angelo from Segal presented materials related to OCERS Funding Policy as an informational item. The Board did not indicate any specific terms within the policy that needed to be further discussed, however the policy was reviewed as part of the regular triennial review process.

Mr. Angelo stated that there was an amortization illustration slide added to the PowerPoint Presentation in comparison to last month's presentation.

Mr. Ball asked what the impact would be in the future if salaries do not grow at 3¼%.

Mr. Angelo stated that there were a lot of examples of this after the recession and went on to explain the three things that happen when salaries do not grow at 3¼%.

Mr. Lindholm asked Mr. Angelo to discuss the thinking process in which CALAPRS moved to level dollars.

Mr. Angelo stated that he had a discussion with CALAPRS as to why they moved to level dollars; however, there was not a clear picture as to why that change was made.

***Mr. Ball stepped out at 10:13am***

***Mr. Ball returned at 10:15am***

Ms. Freidenrich also discussed CALAPRS moving to level dollar, and stated that stability is very important to her. She further stated that she has brought the discussion of level dollar before to the Board and she believes that this method would result in cost savings to plan sponsors.

Mr. Angelo disagreed with Ms. Freidenrich's statement of stability. He doesn't believe that going to level dollar is more stable. In fact, he stated that it's less stable. He indicated that stability doesn't happen simply because one structures the payment one way or the other.

Following discussion, a **motion** was made by Mr. Ball **seconded** by Mr. Dewane to approve revisions to Appendix A of OCERS Actuarial Funding Policy which incorporate the demographic and economic assumptions approved by the Board of Retirement in October 2017 and affirm all other provisions of the existing policy.

Motion passed **unanimously**.

***Board recessed for break at 10:19am***

***Back reconvened from break at 10:38am***

**A-4 FIDUCIARY COUNSEL SERVICES CONTRACT WITH REEDSMITH**

*Presentation by Steve Delaney, Chief Executive Officer, OCERS and Gina Ratto, General Counsel, OCERS*

**Recommendation:** Exercise the optional three-year extension provision of the Board's contract with ReedSmith for Fiduciary Counsel Services (a Named Service Provider contract) to extend the term of the contract for a period of three additional years, to March 31, 2021.

Mr. Leiderman excused himself from the Board Room.

On April 28, 2015, OCERS entered into an Engagement for Legal Services with ReedSmith, effective April 1, 2015, whereby ReedSmith agreed to perform services as fiduciary counsel to the Board.

The CEO recommends that the Board exercise the optional three-year extension provision of the Board’s contract with ReedSmith for fiduciary counsel services to extend the term of the contract for a period of three additional years, to March 31, 2021, representing a total contract term of six years.

Ms. Ratto presented details of the Fiduciary Counsel Services contract with ReedSmith. She indicated that ReedSmith had requested a 3% increase for the new term.

Following discussion, a motion was made by Mr. Ball seconded by Mr. Packard to exercise the optional three-year extension provision of the Board’s contract with ReedSmith for Fiduciary Counsel Services (a Named Service Provider contract) to extend the term of the contract for a period of three additional years, to March 31, 2021 and a three percent increase in billable rates.

Motion passed unanimously.

### **INFORMATION ITEMS**

**I-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices  
Death Notices

April 18, 2018  
April 18, 2018

**I-2 CEO FUTURE AGENDAS AND 2018 OCERS BOARD WORK PLAN**

Written Report

**I-3 QUIET PERIOD – NON-INVESTMENT CONTRACTS**

Written Report

**I-4 LEGISLATIVE UPDATE**

Written Report

**I-5 CONFERENCE REPORT - GARTNER CIO LEADERSHIP FORUM**

Written Report

**I-6 DISASTER RECOVERY AND BUSINESS CONTINUITY PROJECT UPDATE**

Written Report

**I-7 FIRST QUARTER 2018 EDUCATION AND TRAVEL EXPENSE REPORT**

Written Report

**I-8 BOARD ELECTION, SAFETY MEMBER AND ALTERNATE SAFETY MEMBER**

Written Report

**I-9 SCHEDULED REVIEW OF BOARD POLICY COMPLIANCE**

Written Report



**I-10 AUDIT COMMITTEE OUTCOMES FROM MARCH 27, 2018 MEETING**

Written Report

**I-11 CONTRACT STATUS OF NAME SERVICE PROVIDER**

Written Report

**I-12 BOARD COMMUNICATION**

Written Report

**I-13 ANNUAL BROWN ACT AND CONFLICTS OF INTEREST EDUCATION**

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

Ms. Ratto presented the annual Brown Act Training to the OCERS Board of Retirement.

Mr. Leiderman presented the annual Conflicts of Interest Education training.

***Mr. Ball stepped out at 11:37am***

***Mr. Ball returned at 11:40am***

***Mr. Lindholm left at 11:40am***

***Mr. Hilton stepped out at 11:46am***

***Mr. Hilton returned at 11:49am***

***Mr. Eley stepped out at 11:58am***

***Mr. Eley returned at 12:02pm***

***Mr. Ball left at 12:02pm***

***Mr. Baldwin stepped out at 12:04pm***

***Mr. Baldwin returned at 12:07pm***

***Mr. Gilbert stepped out at 12:09pm***

***Mr. Gilbert returned at 12:10pm***

***Mr. Hilton left at 12:11pm***

**\*\*\*\*\* END OF INDIVIDUAL ITEMS AGENDA \*\*\*\*\***

**DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA**

**11:00 A.M.**

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

**DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.**

**DISABILITY CONSENT AGENDA**

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

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

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

**D-1: Ronald Kennedy**

Lieutenant, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:  
10/28/2016

**Recommendation: Deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (Safety Member)**

**D-2: Michael V. Nguyen**

Office Specialist, Orange County Community Resources

Date of employer filed application for service and non-service connected disability retirement:  
09/19/2016

Date of employee filed application for service connected disability retirement: 03/15/2017

**Recommendation: Deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (General Member)**

**D-3: Patricia Wieczorek**

Senior Office Supervisor, Social Services Agency

Date of employee filed application for service connected disability retirement: 03/05/2012

**Recommendation: Dismiss the appeal of service connected disability retirement without prejudice due to the Applicant's failure to cooperate. (General Member)**

**DISABILITY INDIVIDUAL AGENDA**

**D-4: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

Megan Cortez, Disability Coordinator, presented item D-5.

**D-5: James Hobson**

Deputy Juvenile Correctional Officer II, Orange County Probation Department

Date of employee filed application for service connected disability retirement: 01/05/2017

**Recommendation: Grant service connected disability retirement with an effective date of January 5, 2017. (Safety Member)**

A **motion** was made by Mr. Hilton, **seconded** by Mr. Packard to grant service connected disability retirement with an effective date of January 5, 2017. The motion carried **9-0** with voting as follows:

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

Megan Cortez, Disability Coordinator, presented item D-6.

**D-6: Anthony Manzo**

Fire Captain, Orange County Fire Authority

Date of employee filed application for service connected disability retirement: 02/27/2017

**Recommendation: Grant service connected disability retirement with an effective date of February 27, 2017. (Safety Member)**

A **motion** was made by Mr. Gilbert, **seconded** by Mr. Packard to grant service connected disability retirement with an effective date of February 27, 2017. The motion carried **9-0** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Chair Prevatt			
Mr. Dewane			
Mr. Ball			
Mr. Baldwin			
Mr. Packard			
Mr. Eley			
Mr. Gilbert			

Mr. Lindholm  
Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-7.

**D-7: Linda Sutton**

Staff Assistant, Orange County Sheriff's Department

Date of employee filed application for service connected disability retirement: 03/20/2017

**Recommendation: Grant service connected disability retirement with an effective date of March 23, 2017. (General Member)**

A **motion** was made by Mr. Eley, **seconded** by Mr. Packard to grant service connected disability retirement with an effective date of March 23, 2017. The motion carried **9-0** with voting as follows:

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

Megan Cortez, Disability Coordinator, presented item D-8.

**D-8: Christopher Wax**

Investigator, Orange County Sheriff's Department

Date of employee filed application for service and non-service connected disability retirement: 07/17/2017

**Recommendation: Grant service connected disability retirement with an effective date of the day after the last day of regular compensation. (Safety Member)**

A **motion** was made by Mr. Hilton, **seconded** by Mr. Packard to grant service connected disability retirement with an effective date of the day after the last day of regular compensation. The motion carried **9-0** with voting as follows:

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

Mr. Lindholm  
Ms. Freidenrich

**D-9: Glenn Johnson**

Correctional Services Technician, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:  
04/20/2014

Date of employee filed application for service and non-service connected disability retirement:  
05/15/2014

**Recommendation: Deny service and non-service connected disability retirement for conditions 1 and 2 due to insufficient evidence of permanent incapacity. (General Member)**

Item D-9 was **pulled** from the agenda.

Megan Cortez, Disability Coordinator, presented item D-10.

**D-10: Jacki Livingston**

Eligibility Technician, Orange County Social Services Agency

Date of employee filed application for service and non-service connected disability retirement:  
10/28/2015

**Recommendation Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)**

A **motion** was made by Mr. Lindholm, **seconded** by Mr. Packard to deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. The motion carried **9-0** with voting as follows:

**AYES**

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

**NAYS**

**ABSTAIN**

**ABSENT**

Megan Cortez, Disability Coordinator, presented item D-11.

**D-11: Kelly Rehnberg**

Deputy Public Guardian II, Health Care Agency

Date of employee filed application for service connected disability retirement: 11/7/2016

**Recommendation Deny service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)**

Item D-11 was **pulled** from the agenda.

\*\*\*\*\*

**PUBLIC COMMENTS:** At this time members of the public may address the Board of Retirement regarding any items within the subject matter jurisdiction of the Board, provided that no action may be taken on non-agendized items unless authorized by law.

N/A

**BOARD MEMBER COMMENTS**

Mr. Eley thanked Segal and ReedSmith for their services.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

Ms. Hockless updated the Board on OCERS staffing status as of April 18, 2018.

**COUNSEL COMMENTS**

N/A

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

**Active Members**

Galasso, Jennifer  
Rios, Eric  
Thomas, Todd  
Vigil, Joseph

**Retired Members**

Beckham, Kathryn  
Biggins, Richard  
Fallon, Noeline  
Genovese, Annette  
Guido, John  
Guzman, Laura  
Heal, Robert  
Hernandez, Bonifacio  
Jacques, Irene  
Kramer, Reinhold  
Krewson, Margaret  
Lacher, Rose  
Lagache, Joseph  
Lewandowski, Mary

Mc Quaid, Mary  
Mcintyre, John  
Montoya, Wilfred  
Nedza, Joseph  
Nguyen, Minh  
Page, Glenda  
Patton, Georgia  
Recupero, Amy  
Richardson, Margie  
Sanchez, Carlos  
Siebert, Eleonor  
Sogan-Ray, Patricia  
Stout, Terri  
Sullivan, Joseph  
Tunstall, Robert  
Wright, Carrol  
Young, Jimmy

**Surviving Spouses**

Hanson, Daniel

There being no further business to bring before the Board, the meeting adjourned at 12:18 p.m.

Submitted by:

Approved by:

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Steve Delaney  
Secretary to the Board

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Chris Prevatt  
Chairman

C-3



## Memorandum

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**DATE:** May 14, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Molly A. Murphy, CFA, Chief Investment Officer  
**SUBJECT:** **INVESTMENT COMMITTEE OUTCOMES FROM APRIL 24, 2018 MEETING**

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### Recommendation

Approve the amendments to the Investment Committee Charter, as approved by the Investment Committee at the January 24, 2018 Investment Committee meeting and the April 24, 2018 Investment Committee meeting.

### Background

At the January Investment Committee meeting, the Investment Committee approved an amended Investment Committee Charter.

At the April Investment Committee meeting, the Investment Committee approved the additional bullet point to "Duties and Responsibilities": "Establish and approve asset class and sub-asset class targets, ranges and structures."

### Submitted by:



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Molly A. Murphy, CFA  
Chief Investment Officer

### Approved by:



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Steve Delaney  
Chief Executive Officer

## Introduction

The Investment Committee (“Committee”) has been established by the OCERS Board of Retirement (“Board”) to administer all matters relating to the investment and management of the Fund’s assets. The Committee will carry out its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims. The Committee has final authority with regard to the duties, responsibilities and other matters described in this Charter and OCERS investment-related matters generally. Notwithstanding the foregoing, the Committee is an advisory committee to the Board and the Committee’s recommendations regarding this Charter (“Charter”) are subject to final approval by the Board.

## Goals and Objectives

The Committee is charged with direction and oversight of the investments of the system solely in the interest of, and for the exclusive purposes of providing benefits to, plan participants and their beneficiaries, while minimizing employer contributions and defraying reasonable expenses of administering the system.

The Committee’s core objective is to ensure that the OCERS investment program aims to achieve and maintain a fully funded status with regard to the actuarial liability of the system.

## Membership and Leadership

The Committee shall be comprised of all Board members. The Board Chair will appoint the Committee Chair and Vice Chair.

## Meetings

The Committee will meet once a month and otherwise on an as needed basis as determined by the Committee Chair in consultation with the Board Chair.

## Duties and Responsibilities

The Committee has responsibility for the OCERS’ investment portfolios and must set investment parameters, monitor investment activities, and allocate assets and risk. The Committee may delegate authority to appropriate staff and/or third parties such as investment consultants. The Committee’s responsibilities include:

- Establish OCERS’ overall investment beliefs, goals and objectives, risk tolerance and performance standards.
- Establish and approve investment-related charters and policies.
- Conduct, with the input of the investment staff, investment consultant and actuary, an annual strategic review of asset allocation and associated risks and approve changes as necessary.
- Establish and approve asset class and sub-asset class targets, ranges and structures.

## Investment Committee Charter

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- Review asset performance and strategy relative to actuarial liabilities in concert with the actuarial tri-ennial study, or as needed. Approve, monitor and terminate investment managers, funds, consultants and custodians as necessary.
- Oversee and monitor OCERS' participation in securities litigation cases. Ensure that investments are made in compliance with the applicable investment policies.
- Review the investment performance of the OCERS' total portfolio and the underlying asset classes and the performance of individual investment managers retained by OCERS.
- Review OCERS' investment program fees and expenses and administrative costs on an annual basis.
- Perform any other duties assigned by the Board Chair.

### Manager Monitoring Subcommittee

The Committee establishes a subcommittee, the Manager Monitoring Subcommittee ("MMS"), to perform any additional oversight responsibilities pertaining to incumbent investment advisors and managers. The MMS shall consist of four members of the Committee, appointed by the Board Chair, serving a one-year term. The MMS Chair and Vice-Chair shall also be appointed by the Board Chair.

The MMS shall meet at least quarterly as determined by the MMS Chair. The Committee recognizes that OCERS staff and its investment consultants serve in the primary due diligence role within OCERS' structure. The MMS will provide an additional layer of review and will focus on investment managers that are on the OCERS' Watch List, are facing sector or industry challenges or are in areas that are new or have the potential for future opportunities.

The MMS shall have the following responsibilities and powers:

- Receive and review investment manager presentations, consultant due diligence reports, performance histories and reports, and staff reports concerning specific managers invited to make presentations to the MMS.
- Review investment managers' performance on an absolute and relative basis, inclusive of fees.
- Recommend or provide guidance to the OCERS' Chief Investment Officer regarding investment managers' mandates.
- Record minutes of meetings and report to the full Investment Committee as a Consent Agenda item the following month.
- Make oral reports to the Committee as requested by the Committee Chair.
- Recommend to the Committee that an individual investment manager be placed on watch or removed from watch status, or terminated for reason.
- Recommend that the Committee review an individual manager with exceptional performance, either above or below its peer group.



# Investment Committee Charter

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## Charter Review

The Investment Committee will review the Investment Committee 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

This Charter was adopted by the Board of Retirement on November 18, 2002, and amended on May 21, 2012, October 29, 2014, July 20, 2015, April 27, 2016, November 13, 2017 and May 14, 2018.

## 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".

Steve Delaney, Secretary of the Board

5/14/2018

Date

# OCERS Board Charter Investment Committee Charter

## Introduction

The Investment Committee (“Committee”) has been established by the OCERS Board of Retirement (“Board”) to administer all matters relating to the investment and management of the Fund’s assets and investment management. ~~The Committee is charged with investing the assets of the system solely for the benefit of plan participants and beneficiaries while attempting to minimize employer contributions and investment and administration costs.~~ The Committee will carry out its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

~~The Committee’s core objective is to ensure that the investment program aims to achieve and maintain a fully funded status with regard to the actuarial liability of the system.~~

~~The Committee shall be comprised of all Board members. The Retirement Board Chair will appoint the Chair and Vice Chair for the Committee.~~

The Investment Committee has final authority on with regard to the duties, responsibilities and other matters described in this Charter and on OCERS investment-related matters generally. Notwithstanding the preceding sentence foregoing, with respect to this Investment Committee Charter, the Investment Committee is an advisory committee to the Board of Retirement and the Investment Committee’s recommendations regarding this Investment Committee Charter (“Charter”) are subject to final approval by the Board.

## Goals and Objectives

~~The Committee is charged with investing the assets direction and oversight of the investments of the system solely in the interest of, and for the exclusive purposes of providing benefits to, of plan participants and their beneficiaries, while attempting to minimize employer contributions and defraying reasonable expenses of administering the system. investment and administration costs.~~

~~The Committee’s core objective is to ensure that the OCERS investment program aims to achieve and maintain a fully funded status with regard to the actuarial liability of the system.~~

## Membership and Leadership

~~The Committee shall be comprised of all Board members. The Retirement Board Chair will appoint the Committee Chair and Vice Chair for the Committee.~~

## Meetings

~~The Committee will meet once a month and otherwise on an as needed basis as determined by the Committee Chair in consultation with the Board Chair.~~

## Duties and Responsibilities

~~The Committee has responsibility for the OCERS’ investment portfolios and must set investment parameters, monitor investment activities, and allocate assets and risk. The Committee may delegate~~

# Investment Committee Charter

authority to appropriate staff and/or third parties such as investment consultants. The Committee's responsibilities include:

- Responsible for the oversight of OCERS investments.
- Establish OCERS' overall investment beliefs, goals and objectives, risk tolerance and performance standards.
- Establish and approve investment-related charters and policies.
- Conduct, with the input of the investment staff, investment consultant and actuary, an annual strategic review of asset allocation and associated risks and approve changes as necessary.
- Establish and approve asset class and sub-asset class targets, ranges and structures.
- Review asset performance and strategy relative to actuarial liabilities in concert with the actuarial tri-ennial study, or as needed.
- Set the Fund's overall investment objectives, risk tolerance and performance standards.
- Responsible for the oversight of OCERS' monitoring of and participation in securities litigation cases.
- Conduct a study of the relationship between the assets and liabilities of OCERS not less than every three years.
- Set the Fund's overall investment objectives, risk tolerance and performance standards.
- Approve an Investment Policy Statement including investment objectives, review and confirm or amend such policy on an as needed basis.
- Approve, monitor and terminate the hiring of investment managers, funds, consultants and custodians as necessary.
- Oversee and monitor OCERS' participation in securities litigation cases.
- Oversee and monitor OCERS' participation in securities litigation cases.
- Approve the hiring of investment managers.
- Review and approve the Chief Investment Officer Charter and all of the policies assigned to Investment Committee (i.e., all investment policies and investment strategic plans) at least once every three years in accordance with the schedule set forth in the OCERS Charters and Policies Review Schedule.
- Meetings
- The Committee will meet once a month and otherwise on an as needed basis as determined by the Committee Chair in consultation with the Board Chair.

# OCERS Board Charter Investment Committee Charter

## Monitoring and Reporting

- Ensure that investments are made in conformance compliance with the applicable investment policies.
- Review the investment performance of the OCERS' total portfolio as a whole and the underlying asset classes and the performance of individual investment managers retained by OCERS.
- ~~Monitor the investment consultants retained to advise the Committee.~~
- Review OCERS' investment program fees and expenses and administrative costs on an annual basis.
- ~~Provide oversight for OCERS' participation in securities litigation cases.~~
- ~~Review investments related costs.~~
- Perform any other duties assigned by the Retirement Board Chair.

## Manager Monitoring Subcommittee

~~The Committee establishes a subcommittee, the~~ The Manager Monitoring Subcommittee ("MMS"), ~~has been established to perform any additional the Investment Committee's oversight responsibilities of pertaining to incumbent investment advisors and managers. The Manager Monitoring Subcommittee is an advisory subcommittee to the Investment Committee.~~ The subcommittee MMS shall consist of four members of the Investment Committee, ~~to be~~ appointed by the Board Chair, ~~and~~ serving a one-year term. The subcommittee MMS Chair and ~~Vice-Chair~~ shall also be appointed by the Board Chair.

The subcommittee MMS shall ~~generally meet monthly at least quarterly as determined by the MMS Chair. The Committee recognizes that OCERS staff and its investment consultants serve in the primary due diligence role within OCERS' structure. The MMS will provide an additional layer of review and will focus on investment managers that are on the OCERS' Watch List, are facing sector or industry challenges or are in areas that are new or have the potential for future opportunities. with such frequency as necessary to assure that all investment managers are reviewed by the subcommittee every three years three years unless waived by the Subcommittee for consistent satisfactory performance or other good cause, and that underperforming managers are reviewed more frequently if deemed necessary by the CIO, the staff coordinator, the subcommittee or the Investment Committee.~~

The Subcommittee MMS shall have the following responsibilities and powers:

- ~~To receive and review investment manager presentations, consultant due diligence reports, performance histories and reports, and staff reports concerning specific managers invited to present make presentations to before the subcommittee MMS.~~
- ~~To review investment managers' performance on an absolute and relative basis, and their inclusive of fees.~~

# Investment Committee Charter

- ~~To make Recommendations~~ or provide guidance to the ~~CIO~~ OCERS' Chief Investment Officer regarding ~~the investment~~ managers' mandates.
- ~~To have Record~~ minutes of ~~the meetings~~ be and reported to the full Investment Committee as a Consent ~~a~~ Agenda item the following month.
- ~~To m~~ake oral reports to the ~~full Investment~~ Committee as requested by the Committee Chair.
- ~~To r~~ecommend to the ~~Investment~~ Committee that an individual investment manager be placed on watch or removed from watch status, or terminated for ~~good~~ reason.
- ~~To r~~ecommend that the ~~Investment~~ Committee review an individual manager with exceptional performance, either above or below its peer group.

## Charter Review and Amendment of Charter

The Investment Committee will review ~~this the~~ Investment Committee 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

This Charter was adopted by the Board of Retirement on November 18, 2002, and amended on May 21, 2012, October 29, 2014, July 20, 2015, April 27, 2016, ~~and~~ November 13, 2017 and January 24, 2018 May 14, 2018.

## Secretary's Certificate

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

Steve Delaney, Secretary of the Board

11/13/17/24/20185/14/2018

Date



C-4



## Memorandum

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**DATE:** May 14, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Steve Delaney, Chief Executive Officer  
**SUBJECT:** INVESTING FOR A SUSTAINABLE WORLD

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### Recommendation

Approve Russell Baldwin's attendance and related expenses including overnight accommodations for the "Investing for a Sustainable World" Conference, May 30-June 1, 2018, at the Omni Shoreham in Washington D.C.

### Background/Discussion

The Forum for Sustainable and Responsible Investment is the leading voice advancing sustainable, responsible and impact investing across all asset classes.

Their mission is to rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts. Their vision is a world in which environmental, social and governance impacts are meaningfully assessed in all investment decisions resulting in a more sustainable and equitable society.

The "Investing For A Sustainable World" conference is not a pre-approved educational event as identified in the OCERS Board's Education & Travel policy. Approval of conference related expenses therefore requires OCERS Board action.

The cost for Mr. Baldwin's attendance includes lodging (\$890) and airfare (\$480) and registration (\$975) for an approximate total of \$2,345.

### Submitted by:

A handwritten signature in blue ink that reads "Steve Delaney". The signature is written in a cursive style and is positioned above a horizontal line.

Steve Delaney  
Chief Executive Officer

# INVESTING FOR A SUSTAINABLE WORLD

## WHAT IS US|SIF?



The Forum for Sustainable and Responsible Investment

**US | SIF:** The Forum for Sustainable and Responsible Investment is the leading voice advancing sustainable, responsible and impact investing across all asset classes.

**OUR MISSION** is to rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

**OUR VISION** is a world in which environmental, social and governance impacts are meaningfully assessed in all investment decisions resulting in a more sustainable and equitable society.

**US | SIF's** members include investment management and advisory firms, mutual fund companies, pension funds, foundations, other asset owners, research firms, financial planners and advisors, broker-dealers, community investing institutions, and non-profit associations.

Tim Smith of Walden Asset Management 2



## CONFERENCE OVERVIEW

The **US | SIF** Annual Conference offers a unique opportunity to network with leaders of sustainable, responsible and impact investing, to hear from leading investors, CEO's and policymakers, and to learn about new approaches, trends and policy developments in the field. The conference attracts representatives of investment management and advisory firms, research firms, financial planners and advisors, broker-dealers, community development institutions and asset owners such as pension funds and foundations, along with policymakers and corporate leaders.

Members-only programming is **May 30<sup>th</sup> and the morning of May 31st**. Both US SIF members and non-members are welcome at our national conference on **May 31st - June 1st**. To join **US | SIF** and take advantage of special member opportunities and discounts for this event, please visit our [membership page](#).

## 2018 SPONSORSHIP OPPORTUNITIES

We also invite you to become a sponsor of *Investing for a Sustainable World*. Sponsorship is a wonderful way to gain visibility for your firm and to support the field of sustainable, responsible and impact investing. Many terrific sponsorship opportunities are available. More information can be found in the [2018 sponsorship brochure](#).

Please visit our [conference page](#) to learn more about our past events, including attendee lists, sponsors, and agendas.


**WHEN**.....  
Wednesday, May 30, 2018 - Friday, June 1, 2018  
8:00 AM - 3:30 PM  
Eastern Time  
**WHERE**.....  
Omni Shoreham Hotel  
2500 CALVERT STREET NW  
Washington, District of Columbia 20008  
USA  
(202) 234-0700  
**PLANNER**.....  
[Suzy Martin](#)

# INVESTING FOR A SUSTAINABLE WORLD

## AGENDA

Closed  | Optional 

Wednesday, May 30, 2018

7:00 AM - 5:00 PM	<p><b>Member Day Check-in and Onsite Registration</b>  <b>West Lobby</b>            Event Check-in and Registration Desk Open</p>	
7:30 AM - 8:30 AM	<p><b>Capitol Hill Day Attendee Breakfast</b>  <b>Palladian Ballroom</b>            Breakfast for attendees registered for Capitol Hill Day</p>	
9:00 AM - 12:30 PM	<p><b>Capitol Hill Day</b>  <b>Offsite</b>  <b>Note: Only available to members who are registering for Member Day + Conference, not Conference only attendees.</b>            Capitol Hill Visits are an invaluable opportunity to connect with your Members of Congress and to advance knowledge of sustainable and responsible investment in the US House and Senate. You will be able to educate staff in these offices on policy priorities that help shape a more sustainable world. Prior to the Hill visits, we will hold a training, which covers policy issues as well as tips on effective advocacy. Both first time and experienced participants are welcome. We are looking forward to a productive day on Capitol Hill!</p>	
1:00 PM - 6:00 PM	<p><b>Exhibit Hall Open</b>  <b>Ambassador Ballroom</b></p>	
1:00 PM - 1:15 PM	<p><b>Member Day Lunch</b>  <b>Palladian Ballroom</b>  <b>Grab lunch and join a concurrent session!</b></p>	
1:15 PM - 2:30 PM	<p><b>Investors Addressing Injustice and Inequality</b>  <b>Congressional A/B</b>            This session will address gun violence, mass incarceration and economic inequality, especially in communities of color. Speakers will provide a better understanding of these complex issues as well as a range of strategies for addressing them. Join us for an interactive discussion.            Panelists: <a href="#">Robin Lloyd</a>,  <a href="#">Zachary Norris</a>,  <a href="#">Mari Schwartzler</a>            Moderator: <a href="#">Danyelle Solomon</a></p>	
1:15 PM - 2:30 PM	<p><b>Stepping Up When the Government Steps Back: What Can We Expect of the Private Sector?</b>  <b>Executive</b>            In a policy environment marked by a rush to deregulate and federal government indifference to pressing societal issues such as health care, climate change, guns and human rights, some corporations have opposed controversial policies such as bathroom bills and the Muslim ban and advocated for thoughtful climate policy and gun control. What are realistic expectations around corporations "stepping up" on social and environmental issues given their often competing interests? Is there a litmus test that corporations use in deciding which issues are worth taking on?            Panelists: <a href="#">Ellen Dorsey</a></p>	
2:40 PM - 3:45 PM	<p><b>Plenary Roundtable: Lisa Woll in Conversation With Early Adopters</b></p>	

45/217

	<p><b>Palladian Ballroom</b></p> <p>Join me for a conversation with four notable early practitioners of sustainable, responsible and impact investing. We will discuss their goals and hopes when the field began decades ago, where we are today and their predictions for the future.</p> <p>Panelists: <a href="#">Frank Coleman</a>,  <a href="#">Amy Domini</a>,  <a href="#">Tim Smith</a>,  <a href="#">Cheryl Smith</a></p>	
3:45 PM - 4:00 PM	<p><b>Break</b></p> <p><b>Ambassador Ballroom</b></p>	
4:00 PM - 5:15 PM	<p><b>US SIF Annual Meeting</b></p> <p><b>Palladian Ballroom</b></p>	◆
5:15 PM - 6:00 PM	<p><b>Networking and Exhibit Fair</b></p> <p><b>Ambassador Ballroom</b></p>	
6:30 PM - 9:00 PM	<p><b>Member Day Reception—China Chilcano</b></p> <p><b>Offsite</b></p> <p><a href="#">China Chilcano</a> is part of the restaurant group of Chef José Andrés who was named <a href="#">2018 Humanitarian of the Year</a> by The James Beard Foundation. The food and atmosphere represents the native Criollo, Chinese Chifa and Japanese Nikkei cultures of Peru..</p> <p><b>*Offsite Reception for US SIF Members registered for Member Day on May 30th. Note: This reception is not included as part of Non-Member and US SIF Member Conference only (May 31 - June 1) registrations.</b></p>	◆

Thursday, May 31, 2018

7:00 AM - 5:30 PM	<p><b>Check-in and Registration Open</b></p> <p><b>West Lobby</b></p>	
7:00 AM - 5:30 PM	<p><b>Exhibit Hall Open</b></p> <p><b>Ambassador Ballroom</b></p>	
7:30 AM - 8:45 AM	<p><b>Breakfast</b></p> <p><b>Diplomat</b></p> <p><b>Breakfast only for attendees who are registered for Member Day.</b></p>	
8:00 AM - 11:15 AM	<p><b>Fundamentals of Sustainable and Impact Investment Live Course</b></p> <p>Led by expert instructors, the course is for investment advisors, financial planners and other financial professionals who want to learn the basics of sustainable, responsible and impact investment. Pre-registration is recommended to attend the course; onsite registrations will be accommodated if capacity allows. Fees are not included with conference registration unless you either select a registration option that includes the course or select the course in addition to your registration option. A course-only registration option is also available.</p> <p>Course Speakers: <a href="#">Frank Coleman</a>,  <a href="#">Mary Gregory</a>,  <a href="#">Paul Hilton</a>,  <a href="#">Tim Smith</a></p>	🔒 ◆
9:00 AM - 10:15 AM	<p><b>US SIF Strategic Plan Discussion: US SIF members only</b></p> <p><b>Congressional A/B</b></p>	◆
10:30 AM - 11:15 AM	<p><b>Non-Member and New Conference Attendee Information Session</b></p> <p><b>Executive</b></p>	
11:30 AM - 11:55 AM	<p><b>Conference Welcome and Kickoff</b></p>	

	<p><b>Regency Ballroom</b></p> <p><b>Lisa Woll, CEO and Craig Metrick, Board Chair</b></p>
11:55 AM - 12:30 PM	<p><b>Finding the Funds to Invest in Nature</b></p> <p><b>Regency Ballroom</b></p> <p>The Nature Conservancy has a long history of land conservation, which has included, more recently, cross-sector collaborations with corporations, investors and governments to improve corporate environmental practices and address green infrastructure needs and climate change. Its CEO, drawing on his finance experience, will share his ideas on what it means to invest for a sustainable world and how to make progress in the current political environment.</p> <p>Plenary Speaker: <a href="#">Mark Tercek</a></p>
12:30 PM - 1:10 PM	<p><b>Lunch</b></p> <p><b>Regency Ballroom</b></p>
1:10 PM - 2:00 PM	<p><b>The SEC in 2018: Opportunities and Challenges for Sustainable Investors</b></p> <p><b>Regency Ballroom</b></p> <p>Plenary Speaker: <a href="#">Robert J. Jackson Jr.</a></p>
2:15 PM - 3:15 PM	<p><b>Tax Avoidance and Transparency</b></p> <p><b>Executive</b></p> <p>The US corporate tax rate is now one of the lowest among developed countries, but the incentives to shift profits to even lower tax jurisdictions remains. Countries around the world continue to lose billions of dollars each year to aggressive corporate tax avoidance, spurring governments, NGOs, consumers and investors to respond. In February, the B Team, working with a group of global corporations and other stakeholders, launched a set of responsible tax principles. Oxfam has been convening roundtable discussions with companies, and the UN PRI has launched an ambitious global engagement effort, focused on a set of investor expectations for corporate income tax disclosure. Meanwhile, the AFL-CIO is challenging companies to account to investors for the risks of their tax practices. Hear from a panel of experts that is helping to chart a course through this rapidly changing landscape.</p> <p>Panelists: <a href="#">Maria Martinez</a>, <a href="#">Brandon Rees</a></p> <p>Moderator: <a href="#">Adam Kanzer</a></p>
2:15 PM - 3:15 PM	<p><b>The Myth of Underperformance</b></p> <p><b>Palladian Ballroom</b></p> <p>As interest in sustainable, responsible and impact investing has increased, many studies and meta-studies have confirmed that these funds do not underperform. This session will focus on the "next generation" performance studies that assess how environmental, social and governance (ESG) factors affect risk, and how asset managers and advisory practices can benefit from their findings. Viewing ESG through the lens of downside risk and volatility, experts in fixed income and equity investing will shed light on how ESG factors are influencing credit downgrades and have led to financially significant effects, but also how to differentiate between correlation and causality.</p> <p>Panelists: <a href="#">Mike Chen</a>, <a href="#">Raina Oberoi</a>, <a href="#">Lukasz Pomorski</a></p> <p>Moderator: <a href="#">Tony Hay</a></p>
2:15 PM - 3:15 PM	<p><b>The Rise of ESG Passive Investing by Asset Owners</b></p> <p><b>Congressional A/B</b></p> <p>With the rise of passive investing by ESG-focused investors, this session will explore the advantages and opportunities of ESG factors in active and passive investing. Discussion will include managing the risks of incorporating ESG as well as how investors seek environmental and social impact including a focus on water. You will hear from experts including a large asset owner, an investment consultant, and an investment manager.</p> <p>Panelists: <a href="#">Hugh Brown</a>,</p>

	<p><a href="#">Daniel Kern</a>, <a href="#">George Wong</a></p> <p>Moderator: <a href="#">Wendy Walker</a></p>
3:20 PM - 3:50 PM	<p><b>Networking and Exhibit Fair</b> <b>Ambassador Ballroom</b></p>
4:00 PM - 5:00 PM	<p><b>Diversity, Pay Equity and Workplace Harassment</b> <b>Congressional A/B</b></p> <p>We are in a watershed moment that has raised the profile of sexual harassment and discrimination in the workplace. Meanwhile, shareholder advocates have stepped up efforts to make companies more inclusive and diverse. The Thirty Percent Coalition, which has a mission to promote women, including women of color, to corporate boards, has worked with institutional investors to engage companies on this issue. A surge of shareholder proposals on gender pay equity and management level diversity have also sought to address discriminatory treatment at the employee and management levels. To what extent have these investor initiatives helped to change the corporate cultures that allow sexual harassment to persist? What can investors do to accelerate the pace of change?</p> <p>Panelists: <a href="#">Charlotte Laurent-Ottomane</a>, <a href="#">Emily Martin</a>, <a href="#">Heather Smith</a></p> <p>Moderator: <a href="#">Haley Griffin</a></p>
4:00 PM - 5:00 PM	<p><b>Examining ESG Practices in Fixed Income and Equity Investments</b> <b>Palladian Ballroom</b></p> <p>What are the differences in ESG integration practices across equity and fixed income investments? In addition, what asset classes provide more opportunities and what can we learn from green and sustainable bonds? This session will assess whether best practices in one asset class can be applied to the other.</p> <p>Panelists: <a href="#">Kwame Anochie</a>, <a href="#">Simmy Martin</a>, <a href="#">Diederik Timmer</a></p> <p>Moderator: <a href="#">Aubre Clemens</a></p>
4:00 PM - 5:00 PM	<p><b>Shareholder Proposals and the SEC: A Roundup and Look Forward</b> <b>Executive</b></p> <p>Since the November 2017 Securities and Exchange Commission release of Staff Legal Bulletin 14I, shareholders, companies and their lawyers have been concerned about its implications for how the SEC would approach the ordinary business and relevance exclusions of Rule 14a-8. Now that we have gone through the no-action letter "season", we can start the process of trying to understand what happened and future implications. What will be the role of corporate boards of directors in applying the rule? Do previous votes matter in an ordinary business or relevance analysis? This panel will combine shared insights from two lawyers with deep experience in the shareholder proposal process with a lively and audience-inclusive conversation.</p> <p>Panelists: <a href="#">Keir Gumbs</a>, <a href="#">Beth Young</a></p> <p>Moderator: <a href="#">Jonas Kron</a></p>
5:10 PM - 6:45 PM	<p><b>Movie Screening - Chasing Coral</b> <b>Regency Ballroom</b></p> <p>Join us for popcorn and a screening of the documentary film, Chasing Coral. Richard Vevers, one of the principals of the film, will speak on June 1. Coral reefs around the world are vanishing at an unprecedented rate. A team of divers, photographers and scientists sets out on a thrilling ocean adventure to discover why and to reveal the underwater mystery to the world.</p>
6:30 PM - 9:00 PM	<p><b>Conference Reception</b> <b>Empire Patio</b></p>

Friday, June 1, 2018



7:00 AM - 2:00 PM	<p><b>Check-In and Registration Open</b> <b>West Lobby</b></p>
7:00 AM - 2:00 PM	<p><b>Exhibit Hall Open</b> <b>Ambassador Ballroom</b></p>
7:30 AM - 8:40 AM	<p><b>Breakfast and Topic Tables</b> <b>Diplomat</b></p>
8:50 AM - 9:45 AM	<p><b>Coral Reef Conservation: A Call to Action</b> <b>Regency Ballroom</b></p> <p>The Ocean Agency uses new technology, media, and above all creativity to help support ocean conservation with a particular focus on coral reef conservation. The Ocean Agency's CEO and Founder, and a principal in the movie Chasing Coral, will discuss how 2018, International Year of the Reef, is a pivotal year for coral reefs, and how our actions and investments can protect coral reefs—an ecosystem that supports a quarter of all ocean life and over half a billion people.</p> <p>Plenary Speaker: <a href="#">Richard Vevers</a></p>
10:00 AM - 11:00 AM	<p><b>Exploring Private Equity in the SRI Portfolio</b> <b>Executive</b></p> <p>Private equity investing continues to gain momentum as more investors look to have a deeper connection to the impact being created within their investment portfolios: the assets under management in private equity funds that consider environmental, social and governance factors more than doubled from 2012 to 2016. This momentum is encouraging the curation of new sustainable investing strategies across the private equity ESG landscape. Panelists will explore the advantages and challenges presented by the growing array of opportunities, drawing from their own experiences engaging in the private markets.</p> <p>Panelists: <a href="#">Rick Davis</a>, <a href="#">Amy Jensen</a></p> <p>Moderator: <a href="#">Kate Starr</a></p>
10:00 AM - 11:00 AM	<p><b>Sustainable Development Goals: Reality or Rhetoric?</b> <b>Congressional A/B</b></p> <p>The UN Sustainable Development Goals are attracting attention from business and investors including efforts to create a World Benchmarking Alliance which would align corporate sustainability benchmarks with the SDGs. Some investors have pledged to frame their ESG analysis around these 17 goals; some companies are using the SDGs as a framework for their sustainability programs or reporting. This interactive session will discuss the metrics needed to assess how and whether corporations and investors are aligning their actions and commitments with the SDGs. The panel will also assess how investors and companies can substantially affect issues—such as ending poverty and providing peace—traditionally understood to be the responsibility of governments.</p> <p>Panelists: <a href="#">Carly Greenberg</a></p> <p>Moderator: <a href="#">Aniket Shah</a></p>
10:00 AM - 11:00 AM	<p><b>The Digital Revolution and Sustainable Investing</b> <b>Palladian Ballroom</b></p> <p>Digital technologies are at the heart of everyday life. Facebook has more than 2 billion monthly users. Google performs more than 1.2 trillion searches a year. Internet service providers like Comcast, Verizon and AT&amp;T are gatekeepers to the digital world for hundreds of millions of Americans. Digital technologies are increasingly being integrated into the "Internet of Things" – cars, medical devices, home security. However, what negative externalities are created when new technologies are introduced without regard for potential long-term consequences? What are the financial and reputational risks for companies? And how can investors develop analytical frameworks and deploy shareholder engagement strategies to help shape the sustainable digital world of the future?</p> <p>Panelists: <a href="#">Sonia Kowal</a>, <a href="#">Rebecca MacKinnon</a>.</p>

	<a href="#">Aeisha Mastagni</a>	
	Moderator: <a href="#">Michael Connor</a>	
11:00 AM - 11:45 AM	<b>Networking and Exhibit Fair</b> <b>Ambassador Ballroom</b>	
11:50 AM - 12:50 PM	<b>Aligning Corporate Retirement Plans with Sustainability Commitments</b> <b>Palladian Ballroom</b>	◆
	Many companies have made significant environmental, social, and governance (ESG) commitments and have begun to align key business priorities with specific Sustainable Development Goals. However, these commitments are often not reflected in corporations' retirement plan investment strategies. Millennial-aged employees now represent the majority of the US workforce, and creating retirement plans that connect to their core values—such as solving social and environmental problems—can attract the best and brightest, spark innovation, and increase retention. This panel will discuss case studies of companies that have successfully transitioned their retirement plans to align with corporate and employee values.	
	Panelists: <a href="#">Tony Calandro</a> , <a href="#">Aruna Jain</a> , <a href="#">Leslie Samuelrich</a> , <a href="#">Chris Walker</a>	
	Moderator: <a href="#">Andrew Behar</a>	
11:50 AM - 12:50 PM	<b>Corporate and Investor Perspectives on the ESG Data Ecosystem Executive</b>	◆
	The ongoing love/hate relationship with ESG ratings and rankings has been in existence for over 20 years. The Global Initiative for Sustainability Ratings, launched in 2004 no longer exists. In its absence, how do any of us make sense of ESG performance information and determine which providers are reliable? Do we look to the company and its disclosures? The intermediary that collects and organizes corporate disclosures? Or the intermediary that provides its own ESG opinion? And how can corporate sustainability officers respond to the external demands for ESG information and manage operations sustainably?	
	Panelists: <a href="#">Duane Roberts</a> , <a href="#">Dave Stangis</a> , <a href="#">David Tulauskas</a> , <a href="#">Jessica Urdangarin</a>	
	Moderator: <a href="#">Michelle Clayman</a>	
11:50 AM - 12:50 PM	<b>How Investors Can Help Resolve the Affordable Housing Crisis Congressional A/B</b>	◆
	The shortage of affordable housing is becoming an acute crisis in cities across the United States. It is not uncommon for lower-income households to spend well over 50 percent of their income on rents, making them vulnerable to eviction when they fall behind and requiring them to shortchange other household necessities. The supply of public housing meets only a small fraction of the demand. What combination of government policies and investment incentives can spur the private sector to step up at the needed scale?	
	Panelists: <a href="#">Beth Bafford</a> , <a href="#">Jonathan F.P. Rose</a>	
	Moderator: <a href="#">Diane Yentel</a>	
12:55 PM - 1:45 PM	<b>Lunch and Networking</b> <b>Regency Ballroom</b>	
1:45 PM - 2:50 PM	<b>Oxford Style Debate &amp; Closing Remarks</b> <b>Regency Ballroom</b>	
	Come hear a lively debate on the position of the house: Europe will be more successful than the United States in embedding sustainable and responsible investment across the financial system in the next five years.	
	Speakers: <a href="#">Flavia Micilotta</a> , <a href="#">Anna Pot</a> , <a href="#">Lenora Suki</a>	

Kurt Summers

2:55 PM - 3:30 PM

**Wine Reception—See you in Minneapolis in 2019!!**  
**Empire Patio**

# INVESTING FOR A SUSTAINABLE WORLD

## US | SIF MEMBER REGISTRATION FEES

Registration	Dates	Rates		
		Early Bird (1/29 - 3/23)	Regular (3/23 - 5/14)	Late (5/15 - on-site)
<b>Member Day + Conference + Course</b> (50% discount on course)	5/30 - 6/1	\$1070	\$1225	\$1375
<b>Member Day + Conference</b>	5/30 - 6/1	\$995	\$1150	\$1300
<b>Conference + Course</b> (does not include any member day options)	5/30 - 6/1	\$875	\$1000	\$1125
<b>Conference Only</b> (does not include any member day options)	5/30 - 6/1	\$725	\$825	\$975

## NON-MEMBER REGISTRATION FEES

Registration	Dates	Rates		
		Early Bird (1/28 - 3/23)	Regular (3/23 - 5/14)	Late (5/15 - on-site)
<b>Corporate/Investor</b>	5/31 - 6/1	\$1150	\$1300	\$1450
<b>Non-profit/Government/Academic</b>	5/31 - 6/1	\$825	\$925	\$1100
<b>Pension Funds/Family Offices/Foundations/Endowments</b>	5/31 - 6/1	\$725	\$825	\$975

## STUDENT REGISTRATION FEES

Registration	Dates	Rates		
		Early Bird (1/29 - 3/23)	Regular (3/23 - 5/14)	Late (5/15 - on-site)
<b>Conference</b>	5/31 - 6/1	\$600	\$600	\$650
<b>Conference + Course</b>	5/31 - 6/1	\$725	\$725	\$775

## COURSE FEES

The **US | SIF** Foundation's Center for Sustainable Investment Education will host a training on the [Fundamentals of Sustainable and Impact Investment](#). The course will be held from **8:00 AM to 11:00 AM on Thursday, May 31, 2018**

Registration	Rates	
	Conference Attendee	Course Only Attendee
<b>US   SIF Member</b>	\$150	\$250
<b>Non-Member</b>	\$225	\$300
<b>Student</b>	\$125	\$125

## CANCELLATION FEES

Cancel by	Fee
<b>March 31</b>	\$150
<b>April 30</b>	\$250
<b>May 9</b>	50% of total registration amount

A-2

## Memorandum

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**DATE:** May 14, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT: SACRS BUSINESS MEETING – DIRECTION TO OCERS VOTING DELEGATE RE: SB 1270**

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### Recommendation

Direct the OCERS' Voting Delegate and Alternate Delegates to vote **IN FAVOR** of SACRS' proposal to co-sponsor SB 1270 (Videk) at the SACRS business meeting on May 18, 2018.

### Background/Discussion

A new item that requires a vote of the SACRS membership was recently added to the Legislative Committee item on the agenda for the SACRS business meeting to be held on May 18, 2018. The Legislative Committee will propose, for a vote by the SACRS membership, that SACRS co-sponsor SB 1270 (Videk). A copy of the SACRS Legislative Update, including a copy of SB 1270 and related material, is attached.

SB 1270 (Videk), sponsored by Tulare County, would allow the Board of Retirement of any CERL system to hire, dismiss, and set compensation for Assistant Administrators and Chief Investment Officers upon agreement with the Board of Supervisors for that county. As you know, OCERS already has this statutory authority by virtue of legislation that applies only to OCERS and SBCERA, and other CERL systems do as well. SB 1270 would eliminate the need for individual county-by-county legislation for those counties who do not already have the authority.

The legislative principles that guide the Board when considering its position on proposed legislation are enumerated in the OCERS Legislative Policy as follows:

1. Promote OCERS' legislative position primarily through organizations in which OCERS participates unless proposed legislation has a specific and unique effect on OCERS;
2. Support legislative proposals that strengthen the confidentiality protections for member records;
3. Support legislative proposals that clarify statutory interpretation of '37 Act provisions unless inconsistent with OCERS' legislative policy;
4. Support legislative proposals that strengthen the financial condition of OCERS and promote administrative efficiency;
5. Oppose legislative proposals that create the potential for increased unfunded actuarial liability without appropriate funding provisions.
6. Oppose legislative proposals that compromise or interfere with OCERS' duty to deliver benefits to participants and beneficiaries.

None of the guidelines set forth in the Legislative Policy directly address OCERS' position on legislation that affects CERL systems other than OCERS. However, OCERS has historically supported the efforts of other CERL

systems in their efforts to obtain favorable legislation. SB 1270 will give other CERL systems the statutory authority that OCERS already enjoys, and voting in favor of SACRS co-sponsorship of SB 1270 would be consistent with OCERS' past approach and not inconsistent with the Legislative Policy.

At the SACRS business meeting on Friday, May 18, 2018, OCERS' voting delegate (or alternate delegate) will have the opportunity to cast OCERS' vote as directed by the Board. In accordance with OCERS' SACRS Voting Authority Policy, OCERS' voting delegate is the Board Chair, and each member of the Board and the CEO are alternate delegates. If the Board Chair is unable to attend a SACRS business meeting at which a vote is taking place, the Policy provides that the Vice Chair shall be designated as alternate voting delegate. If both the Chair and Vice Chair are unable to attend, the alternate voting delegate will be determined, among the Board members in attendance, alphabetically by the Board member's last name. The voting delegate may vote by recommended ballot or by each position separately.

Staff recommends the Board direct the OCERS voting delegate/alternate delegates to vote in favor of SACRS' proposal to co-sponsor SB 1270.

Attachment

**Submitted by:**



Gina M. Ratto  
General Counsel



State Association of County Retirement Systems  
Legislative Update  
April 13, 2018

**Overview**

The Legislature returned from its Spring Recess on April 2 and immediately kicked into high gear with policy committee hearings. The month of April is typically about the busiest month in the Legislature because nearly every bill introduced needs to be heard and passed from a policy committee by the end of the month if it is to continue forward. There are a handful of non-fiscal, urgency, and tax levy bills that are exempt from the first policy committee deadline.

**SACRS Sponsored Legislation**

SACRS is the sponsor of AB 2085 by Assemblyman Cooley of Sacramento. AB 2085 is legislation to clarify the definition of a “surviving spouse” in the County Employee Retirement Law (CERL). This bill was put forward to SACRS by the Ventura County Retirement System for the purpose of reconciling published appellate case law which concluded that a legally separated spouse qualifies for a survivor continuance as the member’s “surviving spouse”. This Opinion was contrary to the practices of at least eight CERL systems and three prior decisions issued by the superior courts in Santa Barbara, Contra Costa and Ventura counties. Prior to the Opinion, none of those systems treated a legally separated spouse as the member’s surviving spouse, primarily because a survivor continuance is not among the benefits payable to the nonmember and any benefits not awarded to the spouse are the sole and separate property of the member’s. AB 2085 would clarify that a “surviving spouse” means a person who has legally married the member, is neither divorced nor legally separated from the member and is the spouse of the member at the time of the member’s death.

A glitch developed in moving forward on AB 2085 due to opposition brought by the Los Angeles County Employee Retirement Association (LACERA). The Ventura County Employee Retirement Association (VCERA) and the legislative committee are evaluated options on how to address LACERA’s opposition, with no absolute consensus reached. Assemblyman Cooley was not interested in moving a SACRS sponsored bill that did not have consensus within SACRS forward and pulled his bill from further consideration in 2018.

**Tulare County Retirement Sponsored Legislation**

The Tulare County Retirement System has sponsored SB 1270 by Senator Andy Vidak who represents Tulare County in the State Senate. This bill would allow any CERL Board to hire, dismiss, and set compensation for Assistant Administrators and Chief Investment Officers upon agreement with Board of Supervisors in that county. This authority already exists for a number systems which have been given this statutory authority on a case-by-case. This bill would eliminate the need to go back to the Legislature every time a county and a retirement system agree to this practice.

This bill is consistent with previous SACRS supported and sponsored legislation. It was heard in the Senate Public Employees Retirement Committee on April 9, where it passed on a unanimous 5-0 vote.



SB 1270 will be considered for co-sponsorship at the SACRS Spring Meeting.

### **Other County Retirement Legislation**

**AB 2076 (Rodriguez)** -- This bill would authorize the Los Angeles County Employee Retirement Association to correct a prior board decision determining the date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision. The bill would further authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provisions become operative.

AB 2076 passed the Assembly PERS Committee on March 14 and passed the full Assembly on March 22 on a 69-0 vote. It is awaiting action in the Senate.

**SB 1031 (Moorlach)** – This bill would prohibit a cost of living adjustment to beneficiaries or survivors if the unfunded liability for that retirement system is greater than 20 percent. This is one of a handful of “pension reform” bills by Senator Moorlach for the purpose of reducing the unfunded liabilities of retirement systems. This bill is set for hearing on April 23.

**AB 3084 (Levine)** – This bill would require all state and local retirement systems to describe contribution, funding and investment progress of other post-employment benefits (OPEB) in the audited financial statements of the system. This bill received an extensive review and discussion by the SACRS Legislative Committee due to the fact that most OPEB plans are sponsored and financed by an entity other than the retirement system. It is therefore, inappropriate and confusing to make the retirement system responsible for reporting on OPEB liabilities. We have shared the Legislative Committee’s concerns in this matter with the author who has assured us that it will be addressed in forthcoming amendments. At this time, the bill has not been set for a hearing, though we expect it to be heard in committee on April 18.

### **Other Pension Legislation**

**SB 1149 (Glazer)** – PERS Defined Contribution Plan – This bill would create an optional defined contribution plan for new state employees who are eligible to become members of PERS and who choose not to make contributions into the defined benefit program under PERL.

Senator Glazer, a Democrat from Contra Costa County, terms this a pension reform bill. He believes his bill recognizes the changing demographic nature of the state workforce who are now trending younger and less likely to spend their whole career in state civil service. He believes these employees want and need portable retirement benefits.

SB 1149 will be opposed by the public employee unions and will face a tough road to passage. It is set for hearing April 23 in the Senate PERS Committee.

**Introduced by Senator Vidak**

February 16, 2018

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An act to amend Section 31522.3 of the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1270, as introduced, Vidak. County employees' retirement: system personnel.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL authorizes the retirement boards of 5 specified counties to appoint assistant administrators and chief investment officers who, following appointment, are outside county charter, civil service, and merit system rules, except as specified. CERL provides that these administrators and officers are employees of the county, as specified, while serving at the pleasure of the appointing boards, and that they may be dismissed without cause.

This bill would apply these provisions to any county if the board of supervisors for that county, by resolution adopted by majority vote, makes those provisions applicable in the county.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 31522.3 of the Government Code is
- 2 amended to read:

1 31522.3. (a) In a county in which the board of retirement or  
2 both the board of retirement and the board of investment have  
3 appointed personnel pursuant to Section 31522.1, the respective  
4 board or boards may elect to appoint assistant administrators and  
5 chief investment officers as provided for in this section. The  
6 positions of the assistant administrators and chief investment  
7 officers designated by the retirement board shall not be subject to  
8 county charter, civil service, or merit system rules. The persons  
9 so appointed shall be county employees and shall be included in  
10 the salary ordinance or salary resolution adopted by the board of  
11 supervisors for the compensation of county officers and employees.  
12 The assistant administrators and chief investment officers so  
13 appointed shall be directed by, shall serve at the pleasure of, and  
14 may be dismissed at the will of, the appointing board or boards.  
15 Specific charges, a statement of reasons, or good cause shall not  
16 be required as a basis for dismissal of the assistant administrators  
17 and chief investment officers by the appointing board or boards.

18 (b) This section shall not apply to any person who was an  
19 assistant administrator or a chief investment officer and was  
20 included in the county civil service or was subject to merit system  
21 rules on December 31, 1996.

22 (c) This section shall only apply to a county of the third class,  
23 a county of the eighth class, a county of the 14th class, a county  
24 of the 15th class, or a county of the 18th class, as provided by  
25 Sections 28020, 28024, 28029, 28035, 28036, and 28039.

26 (d) *Notwithstanding subdivision (c), this section shall also apply*  
27 *to any county if the board of supervisors, by resolution adopted*  
28 *by majority vote, makes this section applicable in the county.*

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CONSENT

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Bill No: SB 1270  
Author: Vidak (R)  
Introduced: 2/16/18  
Vote: 21

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SENATE PUBLIC EMP. & RET. COMMITTEE: 5-0, 4/9/18  
AYES: Pan, Morrell, Leyva, Moorlach, Portantino

---

**SUBJECT:** County employees' retirement: system personnel

**SOURCE:** Tulare County Employees' Retirement Association

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**DIGEST:** This bill authorizes any county board of retirement, as specified, to appoint at-will assistant administrators and chief investment officers provided the board of supervisors approves and adopts a resolution by majority vote.

**ANALYSIS:**

Existing law:

- 1) Establishes the County Employees' Retirement System Act of 1937 ('37 Act) which governs 20 independent retirement associations.
- 2) Authorizes the county board of retirement or both the board of retirement and the board of investment to appoint administrative, technical, and clerical personnel as required to accomplish the necessary work of the boards.
- 3) Stipulates that appointed personnel be drawn from eligible lists created in accordance with the civil service or merit system rules of the county in which the retirement system governed by the board is situated.
- 4) States that appointed personnel shall be county employees, subject to the county civil service or merit system rules and shall be included in the salary ordinances

or resolutions adopted by the board of supervisors for the compensation of county officers and employees.

- 5) Permits the county board of retirement or both the board of retirement and the board of investment of San Diego, Sacramento, Kern, San Joaquin, and Marin counties to appoint assistant administrators and chief investment officers, if the board of retirement or the boards of retirement and investment have appointed administrative, technical, and clerical personnel.
- 6) States that retirement board-appointed assistant administrators and chief investment officers shall not be subject to county charter, civil service, or merit system rules.
- 7) Provides that appointed assistant administrators and chief investment officers are county employees and shall be included in the salary ordinances or salary resolutions adopted by the board of supervisors for the compensation of county officers and employees.
- 8) Stipulates that appointed assistant administrators and chief investment officers shall be directed by, serve at the pleasure of, and may be dismissed at the will of the appointing board or boards. Specific charges, a statement of reasons, or good cause shall not be required as a basis of dismissal.

This bill:

- 1) Allows any county board of retirement or both the boards of retirement and investment that has already appointed administrative, technical, and clerical personnel to also appoint assistant administrators and chief investment officers.
- 2) Stipulates that the county's board of supervisors must approve and adopt a resolution by majority vote to allow the board of retirement or boards of retirement and investment to appoint assistant administrators and chief investment officers.

## **Background**

The California Constitution provides that the retirement board of a public pension or retirement system shall have the "sole and exclusive fiduciary responsibility" over assets, as well as the responsibility to administer the system in a manner that

assures prompt delivery of benefits and related services to participants and their beneficiaries.

As such, currently all county boards of retirement and the boards of retirement and investment have the authority to appoint administrative, technical, and clerical personnel as necessary to accomplish the work of the boards. The San Diego, Sacramento, Kern, San Joaquin, and Marin county boards of retirement and investment have explicit statutory authority to appoint assistant administrators and chief investment officers, and the Board of Retirement and Investment Board of Los Angeles County Employees Retirement Association has explicit statutory authority to appoint assistant administrators, chief investment officers, and other specified positions as “at will” employees.

In addition, four county retirement boards have jointly sponsored legislation with their counties to become independent districts within their retirement associations, with the ability to categorize all or most of their employees as retirement system employees (Contra Costa and San Bernardino), or only specified personnel (Orange and Ventura).

Other county boards of retirement and investment that wish to appoint assistant administrators and chief investment officers must currently seek approval from the board of supervisors, and then sponsor legislation to make conforming statutory changes.

### **Related/Prior Legislation**

AB 1853 (Cooper, 2016) would have authorized any county retirement board to become an independent district and employ personnel, as specified. According to Governor Brown’s veto message, “this is too far-reaching. Previous bills that authorized a county retirement system to become independent were the result of agreement between the county and the retirement system... [which] better serves the public interest.”

AB 1291 (Williams, Chapter 223, Statutes of 2015) made the Ventura County Retirement System an independent public employer district with in the Ventura County Employees’ Retirement Association with the authorization to appoint specified “at will” positions.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: No Local: No

**SUPPORT:** (Verified 4/10/18)

Tulare County Employees' Retirement Association (source)  
State Association of County Retirement Systems

**OPPOSITION:** (Verified 4/10/18)

None received

**ARGUMENTS IN SUPPORT:** According to the author's office, "rather than requiring every county to run separate legislation, this bill will give county retirement boards that would like to appoint an assistant administrator or chief investment officer, the authority to do so provided the county board of supervisors adopt a resolution by majority vote."

Tulare County Employees' Retirement Association, sponsor of the bill, adds, "[this bill] will ensure those retirement systems and their respective Boards of Supervisors that reach agreement on such personnel matters would not need a subsequent act of the Legislature each time agreement is reached at the local level."

The State Association of County Retirement Systems writes, "SB 1270...provide[s] retirement boards the tools needed to best manage and recruit talented and skilled employees in order to protect the assets of retirees and to fulfill the fiduciary responsibility of the retirement systems."

Prepared by: Korinne Sugawara / P.E. & R. / (916) 651-1519  
4/11/18 13:55:42

\*\*\*\* END \*\*\*\*

I-1



*Orange County Employees Retirement System  
Retirement Board Meeting  
May 14, 2018  
Application Notices*

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Akbulut, Yavuz</b>	Superior Court	3/16/2018
<b>Anderson, Embret</b>	Fire Authority (OCFA)	3/16/2018
<b>Avila, Miriam</b>	Health Care Agency	3/16/2018
<b>Barnes, David</b>	Sheriff's Dept	3/16/2018
<b>Becerra, Fernando</b>	Sheriff's Dept	3/16/2018
<b>Beezley, Donald</b>	Probation	3/16/2018
<b>Bennett, Ronald</b>	Health Care Agency	3/16/2018
<b>Berry, Steven</b>	Probation	3/16/2018
<b>Borkowski, Richard</b>	Probation	3/16/2018
<b>Borst, Mary</b>	Superior Court	3/16/2018
<b>Bowman-Arquidin, Cheryl</b>	Social Services Agency	3/16/2018
<b>Bruyn, Walter</b>	Sheriff's Dept	3/16/2018
<b>Bunetta, Elizabeth</b>	Probation	3/16/2018
<b>Byers, Ronald</b>	Sheriff's Dept	3/16/2018
<b>Carpio, Dennis</b>	Sheriff's Dept	3/16/2018
<b>Castillo, Delia</b>	Child Support Services	3/16/2018
<b>Chang, Maureen</b>	Auditor-Controller	3/16/2018
<b>Chewiwie, David</b>	Sheriff's Dept	2/2/2018
<b>Choo, John</b>	District Attorney	3/16/2018
<b>Cochran, Brian</b>	Probation	3/16/2018
<b>Cordova, Caroline</b>	Health Care Agency	3/16/2018
<b>Cordova, Ramon</b>	Social Services Agency	3/16/2018
<b>Costa, Deanna</b>	Probation	3/30/2018
<b>Coulter, James</b>	District Attorney	3/16/2018
<b>Cruz, Kenneth</b>	Fire Authority (OCFA)	3/16/2018
<b>Delgado, Rebecca</b>	Assessor	3/16/2018
<b>Deloye, David</b>	OCTA	3/10/2018
<b>Desmond, Patrick</b>	Assessor	3/16/2018
<b>Dinh, Binh</b>	Social Services Agency	3/16/2018
<b>Dominquez, Martha</b>	Health Care Agency	3/16/2018
<b>Donahue, Nga</b>	Superior Court	3/16/2018
<b>Dworakowski, David</b>	Public Defender	1/5/2018
<b>Dunlap, Ruth</b>	OC Public Works	3/16/2018
<b>Earlywine, Bobby</b>	Sheriff's Dept	3/16/2018
<b>Eastman, Susan</b>	OC Public Works	3/16/2018
<b>Eberhardt, Daniel</b>	Health Care Agency	3/16/2018
<b>Fattaleh, Saba</b>	Health Care Agency	3/16/2018
<b>Fairley, Catherine</b>	OCERS	3/30/2018
<b>Fenton, Betty</b>	Sheriff's Dept	3/21/2018
<b>Fitch, Scott</b>	Sheriff's Dept	3/3/2018
<b>Frey, John</b>	Sheriff's Dept	3/16/2018
<b>Garcia, Maria</b>	Social Services Agency	3/16/2018
<b>Garcia, Sara</b>	Superior Court	3/2/2018
<b>Gillespie, C J</b>	Social Services Agency	3/16/2018
<b>Gionet-Gonzales, Anthony</b>	OC Public Works	3/16/2018
<b>Gomez, Sandra</b>	Social Services Agency	3/16/2018
<b>Goodman, Jack</b>	Assessor	3/16/2018
<b>Gramstad, Lisa</b>	Superior Court	3/16/2018
<b>Greer, Todd</b>	Sheriff's Dept	3/17/2018

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Guidi, Jorqe</b>	Registrar Of Voters	3/16/2018
<b>Guillen, Victor</b>	OC Community Resources	3/16/2018
<b>Gutierrez, Vivian</b>	Superior Court	3/16/2018
<b>Hanson, Jay</b>	Sheriff's Dept	3/15/2018
<b>Hantsche, Diana</b>	Public Defender	3/16/2018
<b>Herrera, Steven</b>	Sheriff's Dept	3/16/2018
<b>Hollis, Deborah</b>	Superior Court	3/16/2018
<b>Holzhauer, Jeffrey</b>	Superior Court	3/16/2018
<b>Huqqins, Karen</b>	Sheriff's Dept	3/16/2018
<b>Iorqa, Lydia</b>	Health Care Agency	3/8/2018
<b>Ishida, Nancy</b>	Auditor-Controller	3/9/2018
<b>Iturriaga, Judith</b>	Health Care Agency	3/16/2018
<b>Jarvis, Scott</b>	Sheriff's Dept	3/3/2018
<b>Johnson, Charles</b>	Sheriff's Dept	3/16/2018
<b>Juliano, Rebecca</b>	OC Public Works	3/16/2018
<b>Kelekian, Robert</b>	Social Services Agency	3/16/2018
<b>Klein, Eric</b>	OC Public Works	3/16/2018
<b>Koqa, Julie</b>	Health Care Agency	3/16/2018
<b>Lamar, Ginger</b>	Superior Court	3/16/2018
<b>Lee, Patricia</b>	Social Services Agency	3/16/2018
<b>Lim, Jaime</b>	Sheriff's Dept	3/16/2018
<b>Lopez, Della</b>	Superior Court	3/16/2018
<b>Lopez, Jesse</b>	Fire Authority (OCFA)	3/16/2018
<b>Lopez, Pedro</b>	Probation	3/15/2018
<b>Lozano, Debbie</b>	Assessor	3/16/2018
<b>Lowe, David</b>	Transportation Corridor Agency (TCA)	1/6/2018
<b>Lucero, Renato</b>	Sheriff's Dept	3/16/2018
<b>Luqo, Richard</b>	Sheriff's Dept	3/16/2018
<b>Mandarino, Peter</b>	OCTA	3/3/2018
<b>Mann, Laurence</b>	Fire Authority (OCFA)	3/16/2018
<b>Mata, Sharon</b>	Sheriff's Dept	3/16/2018
<b>Mc Carley, Ann</b>	John Wayne Airport	2/2/2018
<b>Mccanne, Marta</b>	Health Care Agency	3/16/2018
<b>Megha, Brenda</b>	Social Services Agency	3/16/2018
<b>Minnie, Leo</b>	Sheriff's Dept	3/16/2018
<b>Mollazadeh, Minerva</b>	County Executive Office (CEO)	3/16/2018
<b>Montgomery, Catherine</b>	Sheriff's Dept	3/3/2018
<b>Morikawa, Rodney</b>	Sheriff's Dept	3/16/2018
<b>Mullarky, Darci</b>	Superior Court	3/16/2018
<b>Naranjo, Robert</b>	Sheriff's Dept	3/16/2018
<b>Nunez, Nancy</b>	Social Services Agency	3/16/2018
<b>O, Han</b>	Sheriff's Dept	3/16/2018
<b>Olszewski, Michelle</b>	Sheriff's Dept	3/10/2018
<b>Palmer, Steven</b>	Probation	3/16/2018
<b>Pascual, Elena</b>	OC Community Resources	3/16/2018
<b>Petersen, Debra</b>	Superior Court	3/16/2018
<b>Pham, Hao</b>	Social Services Agency	3/16/2018
<b>Pham, Loan-Anh</b>	Health Care Agency	3/16/2018
<b>Phillips, Tammie</b>	Superior Court	3/16/2018
<b>Poma, Lisa</b>	County Executive Office (CEO)	3/16/2018
<b>Preble, Christina</b>	Health Care Agency	3/16/2018
<b>Quinty, Joseph</b>	Fire Authority (OCFA)	3/16/2018
<b>Ramos, Blanca</b>	Sheriff's Dept	3/3/2018
<b>Renner, Elaine</b>	County Executive Office (CEO)	3/16/2018
<b>Rice, Kelly</b>	Social Services Agency	3/16/2018
<b>Richard, Barbara</b>	Health Care Agency	3/16/2018
<b>Ritz, Geoffrey</b>	County Counsel	3/16/2018

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Rosin, Joy</b>	OCTA	3/16/2018
<b>Ross, Victoria</b>	County Executive Office (CEO)	3/16/2018
<b>Sage, Frederick</b>	Fire Authority (OCFA)	3/16/2018
<b>Salazar, Yvonne</b>	Social Services Agency	3/16/2018
<b>Scalise, Michael</b>	Sheriff's Dept	3/16/2018
<b>Seto, Johnny</b>	Sheriff's Dept	3/16/2018
<b>Siefkes, Karla</b>	Probation	3/16/2018
<b>Simpson, Stephen</b>	Sheriff's Dept	3/16/2018
<b>Spaulding, Thomas</b>	Sheriff's Dept	3/16/2018
<b>Stadnik, Jeffrey</b>	OC Waste and Recycling	3/15/2018
<b>Swaim, David</b>	Sheriff's Dept	3/16/2018
<b>Swart, Dean</b>	OC Public Works	3/16/2018
<b>Szewczyk, Robert</b>	Sheriff's Dept	3/16/2018
<b>Varela, Elaine</b>	OC Public Works	3/16/2018
<b>Vargas, Doris</b>	District Attorney	3/16/2018
<b>Veloz, Anthony</b>	Probation	3/16/2018
<b>Virgoe, Brad</b>	Sheriff's Dept	3/16/2018
<b>Whittaker, Maria</b>	Sheriff's Dept	3/19/2018
<b>Yen, Wendy</b>	Health Care Agency	3/16/2018
<b>Zirtman, Sandra</b>	Public Defender	3/16/2018

*Orange County Employees Retirement  
Retirement Board Meeting  
May 14, 2018  
Death Notices*

<i>Active Members</i>	<i>Agency/Employer</i>
<b>Partida, Maritza</b>	Social Services Agency
<b>Rios, Claudio</b>	OC Public Works

<i>Retired Members</i>	<i>Agency/Employer</i>
<b>Agee, Thomas</b>	Probation
<b>Al-Sunna, Saeb</b>	Assessor
<b>Bernard, G-Jimmie</b>	Social Services Agency
<b>Bien, Ann</b>	Health Care Agency
<b>Burns, Ardith</b>	OC Community Resources
<b>Chesshir, Leeds</b>	OC Public Works
<b>Chicklo, Michael</b>	OC Waste and Recycling
<b>Clark, Dane</b>	Social Services Agency
<b>Cobbett, William</b>	County Executive Office (CEO)
<b>Compton, Ariel</b>	Health Care Agency
<b>Coons, Bonnie</b>	Social Services Agency
<b>Curtis, Edward</b>	Social Services Agency
<b>Denisac, Raul</b>	OCTA
<b>Dionne, Linda</b>	Auditor-Controller
<b>Dirden, Josephine</b>	Social Services Agency
<b>Frazier, Carol</b>	Social Services Agency
<b>Graner, Beverly</b>	Health Care Agency
<b>Hiller, Robert</b>	John Wayne Airport
<b>Kay, Barbara</b>	OC Community Resources
<b>Kimpo, Ramon</b>	OC Public Works
<b>Kohlberg, Charles</b>	Fire Authority (OCFA)
<b>Liberator, Carol</b>	Sheriff's Dept
<b>Mandell, Irma</b>	Sheriff's Dept
<b>Mannion, Horace</b>	Superior Court
<b>Marquez, Anna</b>	Social Services Agency
<b>May, Kay</b>	Probation
<b>Mc Nealey, Evelyn</b>	Superior Court
<b>McDonald, Bredaline</b>	OC Public Works
<b>Mishica, Josheph</b>	Sheriff's Dept
<b>Morrow, Kathryn</b>	Superior Court
<b>Mucia, Anton</b>	Health Care Agency
<b>Powell, Robin</b>	Superior Court
<b>Reza, Connie</b>	Health Care Agency
<b>Sherman, Natalie</b>	OC Community Resources
<b>Simpson, Warren</b>	OC Waste and Recycling
<b>Slupsky, Suzanne</b>	Registrar of Voters
<b>Smith, Elmer</b>	Sanitation District

<i>Retired Members</i>	<i>Agency/Employer</i>
<b>Towne, Leroy</b>	Public Defender
<b>Truitt, Patricia</b>	Superior Court
<b>Ureta, Ignacio</b>	OCTA
<b>Walker, Milo</b>	Assessor
<b>Waterman, Patricia</b>	Superior Court
<b>White, Betty</b>	Superior Court

<i>Surviving Spouses</i>	
<b>Allemant, Jose</b>	
<b>Brady, Floy</b>	
<b>Collins, Marlene</b>	
<b>Heppert, Elizabeth</b>	
<b>Johnston, Ann</b>	
<b>Kuroda, Hideo</b>	
<b>Lane, Thomas</b>	
<b>Powers, Gail</b>	
<b>Sena, Alice</b>	

I-2

## Memorandum

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DATE: April 25, 2018  
TO: Members of the Board of Retirement  
FROM: Steve Delaney, Chief Executive Officer  
SUBJECT: **CEO FUTURE AGENDAS AND 2018 OCERS BOARD WORK PLAN**

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### Written Report

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

##### JUNE

Strategic Planning Workshop – Proposed Agenda  
December 31, 2017 Actuarial Valuation / Employee Contribution Rates for Fiscal Year 2019-2020  
OCERS 2018 Business Plan and 2018-2020 Strategic Plan: Mid-year Review  
2017 CAFR  
2017 Independent Financial Audit Report

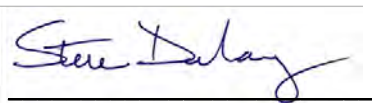
##### JULY

Travel and Training Expense Report  
Strategic Planning Agenda – Final  
Early payment of contributions for fiscal year 2018-2019

##### AUGUST

OCERS By the Numbers  
The Evolution of the OCERS UAAL  
Employer/Employee Contribution Matrix  
Quarterly Securities Litigation Update  
Quality of Member Services

### Submitted by:



Steve Delaney  
Chief Executive Officer

**OCERS RETIREMENT BOARD - 2018 Work Plan**

	Jan	Feb	Mar	Apr	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
<b>System Oversight</b>		STAR COLA Posting (I)	Approve 2018 STAR COLA (A)		Mid-Year Review of 2018 Business Plan Progress (I)	Approve Early Payment Rates for Fiscal Year 2018-19 (A)	Review 2nd Quarter Budget to Actuals Financial Report (I)	Strategic Planning Workshop (I)	Overview of 2019 Administrative Budget and Investment (Workshop) (I)	Review 3rd Quarter Budget to Actuals Financial Report (I)	CEO Compensation (A)
		Approve 2018 COLA (A)	Quarterly 2018-2020 Strategic Plan Review (A)		Approve December 31, 2017 Actuarial Valuation & Funded Status of OCERS (A)		Receive OCERS by the Numbers (I)		Approve 2019-2021 Strategic Plan (A)	Approve 2019 Administrative (Operating) Budget (A)	
					Approve 2017 CAFR (A)		Receive Evolution of the UAAL (I)		Approve 2019 Business Plan (A)	Annual CEO Performance Review (A)	
					Quarterly 2018-2020 Strategic Plan Review (A)						
<b>Board Governance</b>				Brown Act Training (I)						Adopt 2019 Board Meeting Calendar (A)	Adopt Annual Work Plan for 2019 (A)
				Conflict of Interest Training (I)							Vice-Chair Election (A)
<b>Regulation / Policies</b>											
<b>Compliance</b>			State of OCERS (A)	Form 700 and OCERS Annual Disclosure Due (A)	Receive Financial Audit (I)					Status of Board Education Hours for 2018 (I)	

(A) = Action (I) = Information



I-3

## Memorandum

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**DATE:** May 1, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Steve Delaney, Chief Executive Officer  
**SUBJECT:** QUIET PERIOD – NON-INVESTMENT CONTRACTS

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### Written Report

#### Background/Discussion

##### 1. Quiet Period Policy Guidelines – Named Service Providers

The following guidelines established by the Quiet Period Policy, section 3.c, will govern a search process for Named Service Providers:

*“All Board and Investment Committee Members, and staff not directly involved in the search process, shall refrain from communicating with Service Provider candidates regarding any product or service related to the search offered by the candidate throughout the quiet period,...”*

##### 2. Quiet Period Guidelines – Non-Named Service Providers

There are no policy guidelines regarding a quiet period for non-Named Service Providers. However, the following language is included in all distributed RFP’s:

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

#### Distributed RFP’s

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

- Distributed an RFP for Website redesign, development, implementation, and hosting services on January 16<sup>th</sup>. We received five proposals. The proposals are currently being evaluated.
- We distributed an RFP for Investment Counsel Services April 2<sup>nd</sup>. Responses are due May 4<sup>th</sup>.
- An RFP to complete a Compensation Study for the OCERS direct employees was released on March 19<sup>th</sup>. We received three bids. The proposals are currently being evaluated.
- We distributed an RFP on March 30<sup>th</sup> for a vendor to complete an NTIS Certification Assessment. Two responses were received April 30<sup>th</sup>. We are currently evaluating the bids.



## Memorandum

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**Submitted by:**

A handwritten signature in blue ink that reads "Steve Delaney". The signature is written in a cursive style and is positioned above a horizontal line.

Steve Delaney  
Chief Executive Officer

I-4

## Memorandum

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**DATE:** May 14, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** LEGISLATIVE UPDATE

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### Written Report

#### Background/Discussion

The California Legislature reconvened on January 3, 2018 to commence the second year of the 2017 - 2018 legislative session. The last day for bills to get out of committee was April 27, 2018. The 2018 Legislative Calendar is attached for the Board's information.

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

#### SACRS Sponsored Bills

- **AB 2085 (Cooley)** The County Employees Retirement Law of 1937 (CERL) authorizes counties and districts to establish retirement systems in order to provide pension benefits to their employees and beneficiaries. Existing law requires, after a member's death, any retirement allowance earned but not yet paid to the member to be paid to the member's designated beneficiary, and authorizes the surviving spouse of a member who did not designate a beneficiary prior to death to file an election with the board, to be deemed the beneficiary. This bill would define surviving spouse, for purposes of CERL, as a person legally married to the member, who is neither divorced nor legally separated at the time of the member's death and who meets other relevant requirements, as specified. **(STATUS: This bill was pulled by the author after opposition from LACERA.)**
- **SB 1270 (Vidak)** The CERL authorizes the retirement boards of five specified counties to appoint assistant administrators and chief investment officers who, following appointment, are outside county charter, civil service, and merit system rules, except as specified. The CERL provides that these administrators and officers are employees of the county, as specified, while serving at the pleasure of the appointing boards, and that they may be dismissed without cause. This bill would apply these provisions to any county if the board of supervisors for that county, by resolution adopted by majority vote, makes those provisions applicable in the county. **(STATUS: Passed out of the Senate and ordered to the Assembly. At the SACRS Business Meeting on May 18, 2018, the SACRS membership will vote on a proposal to co-sponsor SB 1270.)**

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

- **AB 283 (Cooper)** would amend the CERL to require, for purposes of determining permanent incapacity of certain peace officers, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer **as described under Section 830 of the Penal Code. The bill would apply to members who file applications for disability on or after the effective date of the bill , except for cases on appeal at that time.** (STATUS: In Committee.)
- **AB 1912 (Rodriguez) Amended April 19, 2018.** This bill would amend the Joint Exercise of Powers Act to, among other things, specify that if an agency to a joint powers agreement participates in a public retirement system, all parties, both current and former to the agreement, would be jointly and severally liable for all obligations to the retirement **system, and would eliminate the authority to those parties to agree otherwise with respect to the retirement liabilities of the agency.** The bill would provide that if a judgment is rendered against an agency or a party to the agreement for a breach of its obligations to the retirement system, the time within which a claim for injury may be presented or an action commenced against the other party that is subject to the liability determined by the judgment begins to run when the judgment is entered. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the joint powers agreement. The bill would also amend the PERL in several respects. (STATUS: **Passed out of Committee.**)
- **AB 2076 (Rodriguez)** The CERL authorizes the Los Angeles County Employees Retirement Association (LACERA) to adjust retirement payments due to errors or omissions, as specified, permits a member permanently incapacitated for duty to retire for disability only if specified criteria are met, and requires the LACERA board to determine the **effective** date of retirement in those cases, as specified. This bill would authorize LACERA to correct a prior board decision determining the **effective** date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision, as specified. The bill would authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provision, become operative. (STATUS: **Passed out of Assembly and ordered to the Senate. Referred to Committee on 4/19/18.**)
- **SB 1031 (Moorlach)** Existing law, including the CERL, authorizes the application of cost-of-living adjustments to allowances paid to persons retired under, or survivors or beneficiaries of persons retired under, various public retirement systems. The California Public Employees' Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, for its purposes, defines pensionable compensation, establishes limits on benefits, and requires the sharing of normal costs between members and employers for the pension systems to which it applies.

This bill would prohibit a public retirement system, including OCERS, from making a cost-of-living adjustment to any allowance payable to, or on behalf of, a person retired under the system, or to any survivor or beneficiary of a member or person retired under the system, for any year beginning on or after January 1, 2019, in which the unfunded actuarial liability of that system is greater than 20%. This bill would require that the determination of unfunded actuarial liability be based on a specified financial report and would apply the prohibition on cost-of-living adjustments, if any, to the calendar year following the fiscal year upon which the report is based. **(STATUS: Failed in Committee; reconsideration granted.)**

- **SB 1244 (Wieckowski) The California Public Records Act (CPRA) requires state and local agencies to make their public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The CPRA makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemption.**

**This bill would specify that if an agency discloses a record that is otherwise exempt from disclosure, the agency is prohibited from initiating an action to recover that record from a requestor who received it pursuant to these provisions. Further, the CPRA requires a court to award court costs and reasonable attorney fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to the CPRA, and requires the court to award court costs and reasonable attorney fees to the public agency if the court finds that the plaintiff's case is clearly frivolous. This bill would replace "plaintiff" with "requester" in that provision. (STATUS: In Committee. Set for hearing on May 8.)**

#### Other Bills of Interest

- **AB 2571 (Fletcher) Amended 4/11/18** This bill, if consistent with fiduciary responsibilities of a public investment fund as determined by its board, would **require a public investment fund to require alternative investment vehicles to report at least annually certain information concerning specified hospitality employers relating to race and gender pay equity and sexual harassment. The bill would require a public investment fund to disclose the information provided to the fund at least once annually in a report presented at a meeting open to the public and would require the fund to provide the report upon request to a member of the Legislature. The bill would authorize the Department of Fair Employment and Housing to issue regulations for the implementation of these reporting requirements. The bill would define terms for purposes of the reporting provisions and repeal the reporting provisions on January 1, 2022.**

**Existing law provides that board members and other officers and employees of CalPERS and CalSTRS, and certain other entities, shall be held harmless and eligible for indemnification from the General Fund in connection with prescribed actions relating to prohibited investments. The bill would additionally provide that board members of any public pension or retirement system, other officers and employees, and investment managers under contract with the system would also be held harmless and eligible for indemnification from the General Fund in connection with actions taken**

pursuant to the bill. (STATUS: Set for first hearing in Committee; hearing cancelled at the request of author.)

- **AB 3084 (Levine) Amended April 10, 2018.** Existing law requires all state and local public retirement systems to submit audited financial statements to the State Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year. This bill would require each **governing body of a public agency that provides other postemployment benefits** to, in an annual financial statement submitted to the Controller, in a form prescribed by the Controller, show that the **public agency** has met or if it has not met, detail why it has not met, and what the **public agency** is doing to meet, specified parameters related to the provision of other postemployment benefits, including (a) Making targeted prefunding contributions on a timely basis; (b) Depositing contributions in an irrevocable qualified trust for the exclusive benefit of plan members; (c) Investing contributions in excess of any pay-as-you-go amounts in a diversified investment portfolio with a defined investment policy; and (d) Ensuring that the discounted rate used to develop the actuarial account liability and normal cost recognizes the expected return of the entire portfolio. **(STATUS: Passed out of Committee.)**
- **AB 3150 (Brough)** Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report. This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's Internet Web site no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program. **(STATUS: In Committee.)**

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

- **SB 964 (Allen)** Amended March 14, 2018. This bill would, until January 1, 2035, require CalPERS and CalSTRS to analyze climate-related financial risk, as defined, to the extent the CalPERS and CalSTRS boards identify the risk as a material risk to the retirement system. The bill, by January 1, 2020, and every 3 years thereafter, would require each board to publicly report on the climate-related financial risk of its public market portfolio, including alignment of each system with a specified climate agreement and California climate policy goals and the exposure of the fund to long-term risks, as specified. The bill would provide that it does not require either board to take action unless the board determines in good faith that the action is consistent with its fiduciary responsibilities. **(STATUS: Suspended.)**
- **SB 1032 (Moorlach)** The Public Employees' Retirement Law (PERL) authorizes any public agency to participate in and make all or part of its employees members of CalPERS by contract, and authorizes a contracting agency to terminate its contract if the contract has been in effect for at least 5 years. Under existing law, the CalPERS board is required to hold the accumulated contributions from a terminated contract in a terminated agency pool, as specified, for the benefit of the members. Existing law requires the terminating contracting agency to contribute to the terminated agency pool the difference between the accumulated contributions and the board's pension liability for the contracting agency's members,



as provided. This bill would authorize a contracting agency to terminate its contract with the CalPERS board at the agency's will and would not require the contracting agency to fully fund the pension liability upon termination of the contract. The bill would authorize the CalPERS board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded. The bill would also authorize a contracting agency that terminates its contract with the CalPERS board to transfer the assets accumulated in the system to a pension provider designated by the contracting agency.

**(STATUS: Failed in Committee; reconsideration granted.)**

- **SB 1033 (Moorlach)** The PERL authorizes retirement systems to enter into agreements to provide certain reciprocal benefits to employees that are employed by other agencies that are parties to the agreement if the employees meet specified requirements, a practice commonly referred to as reciprocity. Reciprocity provides for the application of the final compensation paid by a subsequent employer to service provided to a prior employer. The PERL provides that a public agency that has agreed to reciprocity with CalPERS also has reciprocity with all other agencies that have entered into those agreements with CalPERS, among others. The PERL requires the CalPERS Board to ensure that a contracting agency that creates a significant increase in actuarial liability as a result of increased compensation paid to a nonrepresented employee bears the associated liability, except as specified, including a portion that would otherwise be borne by another contracting agency. The PERL requires the system actuary to assess an increase in liability, in this regard, to the employer that created it at the time the increase is determined and to make adjustments to that employer's contribution rates to account for the increased liability. This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2019. **(STATUS: In Committee.)**
- **SB 1149 (Glazer)** PEPRA generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act, and authorizes a public employer to provide a contribution to a defined contribution plan for compensation in excess of certain federal compensation limits applicable to qualified pension trusts, if the plan and contribution meet the requirements set forth in federal law. PEPRA prohibits any of those employer contributions to an employee defined contribution plan from exceeding the employer's contribution rate, as a percentage of pay, required to fund the defined benefit plan. Existing law establishes an alternate retirement program and provides that certain state employees, as defined, who become new members of CalPERS during their first 24 months of employment, do not make contributions to CalPERS or receive service credit for their service. Under existing law, these members are instead required to contribute either 5% or 6% of their monthly compensation, as specified, to the alternate retirement program.

This bill would create a new optional defined contribution plan for new state employees who are eligible to become members of CalPERS and who choose not to make contributions into the defined benefit program under the PERL. The bill would require state employees who opt to participate in this alternate system to contribute the same percent of compensation as similarly situated employees who contribute to the defined pension program, subject to applicable limits of federal law. The bill would authorize an employee in the defined contribution program, after 5 years, to have the right to continue in the program or switch to the defined benefit plan, subject to certain terms and conditions. The bill would require the Department of Human Resources to administer the defined contribution retirement program established by the bill. **(STATUS: Failed in Committee; reconsideration granted.)**

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

- **AB 1597 (Nazarian)** This bill would prohibit new investments and require liquidation of existing investments of CalPERS and CalSTRS in investment vehicles issued, owned, controlled or managed by the government of Turkey. **(STATUS: Set for first hearing in Committee; hearing cancelled at the request of author.)**

Attachments

**Submitted by:**



Gina M. Ratto  
General Counsel



**2017—2018 LEGISLATIVE SESSION BILLS OF INTEREST  
LEGISLATIVE UPDATE (May 14, 2018) – ATTACHMENT**

**AB 283 (Cooper):** The CERL currently provides that a member who is permanently incapacitated shall be retired for disability despite age if, among other conditions, the member’s incapacity is a result of injury or disease arising out of and in the course of the member’s appointment, and that employment contributes substantially to that incapacity or the member has completed five years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified. The bill would amend the CERL to require, for purposes of determining permanent incapacity of certain peace officers, that those members be evaluated to determine if they can perform all of the usual and customary duties of a peace officer **as described under Section 830 of the Penal Code. The bill would apply to members who file applications for disability on or after the effective date of the bill , except for cases on appeal at that time.** (STATUS: In Committee.)

**AB 526 (Cooper)** This bill would make the Sacramento County Employees Retirement System a district under the CERL. (STATUS: Set for first hearing in Committee; hearing cancelled at the request of author.)

**AB 1597 (Nazarian)** This bill would prohibit CalPERS and CalSTRS from making additional or new investments, or renewing existing investments, in an investment vehicle in Turkey that is issued by the government of Turkey or that is owned, controlled, or managed by the government of Turkey. The bill would also require the boards to liquidate existing investments in Turkey in these types of investment vehicles within six months of the passage of a federal law imposing sanctions on Turkey. (STATUS: **Set for first hearing in Committee; hearing cancelled at the request of author.**)

**AB 1912 (Rodriguez) Amended April 19, 2018.** This bill would amend the Joint Exercise of Powers Act to, among other things, specify that if an agency to a joint powers agreement participates in a public retirement system, all parties, both current and former to the agreement, would be jointly and severally liable for all obligations to the retirement **system, and would eliminate the authority to those parties to agree otherwise with respect to the retirement liabilities of the agency.** The bill would provide that if a judgment is rendered against an agency or a party to the agreement for a breach of its obligations to the retirement system, the time within which a claim for injury may be presented or an action commenced against the other party that is subject to the liability determined by the judgment begins to run when the judgment is entered. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the joint powers agreement.

The bill also amends the PERL to prohibit the CalPERS board from contracting with any public agency formed under the Joint Exercise of Powers Act unless all the parties to that agreement are jointly and severally liable for all of the public agency’s obligation to the retirement system. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the agreement. The bill would also require any current agreement that does not meet these requirements to be reopened to include a provision holding all member

agencies party to the agreement jointly and severally liable for all of the public agency's obligations to the retirement system.

The bill applies the terminating agency provisions of the PERL to agencies formed under the Joint Exercise of Power Act, and provides that if the governing body of a terminating agency or the governing bodies of its member agencies do not enter into a termination agreement with CalPERS, the member agencies would then assume the retirement obligations for their retirement systems. Which the board would be required to apportion equitably among the member agencies. The bill would extend liability for any deficit in funding for earned benefits, interest and costs of collection, and CalPERS' lien on the assets of the terminating agency, to all of the parties of a terminating agency that was formed under the Joint Exercise of Powers Act.

The bill would eliminate the provision of the PERL that authorizes CalPERS to elect not to impose a reduction or to impose a lesser reduction on a terminated plan if the board has made all reasonable efforts to collect the amount necessary to fully fund the liabilities of the plan and the board finds that not reducing the benefits, or imposing a lesser reduction, will not impact the actuarial soundness of the terminated agency pool. Instead, the bill would require CalPERS to bring a civil action against any member agencies to a terminated agency formed by an agreement under the Joint Exercise of Powers Act to compel payment of the terminated public agency's pension obligations. **(STATUS: Passed out of Committee.)**

**AB 2076 (Rodriguez)** The CERL authorizes a county retirement system in Los Angeles County to adjust retirement payments due to errors or omissions, as specified, and permits a member permanently incapacitated for duty to retire for disability only if specified criteria are met and requires the board to determine the **effective** date of retirement in those cases, as specified. This bill would authorize a county retirement system in Los Angeles County to correct a prior board decision determining the **effective** date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision, as specified. The bill would authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provision, become operative. **(STATUS: Passed out of Assembly and ordered to the Senate. Referred to Committee on 4/19/18.)**

**AB 2085 (Cooley)** The CERL requires, after a member's death, any retirement allowance earned but not yet paid to the member to be paid to the member's designated beneficiary. Existing law authorizes the surviving spouse of a member who did not designate a beneficiary prior to death to file an election with the board, as specified, to be deemed the beneficiary. This bill would define surviving spouse, for purposes of CERL, as a person legally married to the member, who is neither divorced nor legally separated at the time of the member's death and who meets other relevant requirements, as specified. **(STATUS: This bill was pulled by the author after opposition from LACERA.)**

**AB 2196 (Cooper)** (1) Under the PERL, members may make certain elections, including elections to purchase service credit for various types of public service, upon payment of additional contributions. Existing law permits a member who retires before paying off the entire amount for service credit to pay the balance due or total amount if no payroll deductions had been made prior to retirement by deductions from his or her retirement

allowance equal to those authorized as payroll deductions, as specified. This bill would permit the member, survivor, or beneficiary, as an alternative, to elect to receive an allowance that is reduced by the actuarial equivalent of any balance remaining unpaid by the member. The bill would also provide that all elections taking effect on or after January 1, 2019, including elections for normal contributions, arrears contributions, absences, or public service, would become due and payable at the time of member's retirement or preretirement death. The bill would additionally require the member, survivor, or beneficiary to have his or her allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member, except as specified.

(2) Existing law permits a member of CalPERS who has elected to receive credit for service and who retires for disability, including a safety member who retires due to industrial disability, to elect to cancel the installments prospectively, in accordance with certain provisions. This bill would specify that for an election taking place on or after January 1, 2019, the amount of the election remaining for normal contributions, arrears, contributions, absences, or public service would become due and payable at the time of the member's retirement or preretirement death. The bill would provide that in these circumstances the member, survivor, or beneficiary would have his or her allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member.

(3) Existing law specifies that an election by a member to receive credit for service under the PERL is effective only if accompanied by a lump-sum payment or an authorization for payments, in accordance with regulations of the CalPERS board; authorizes a member paying for credit for service in after-tax installments to suspend these payments for a period not to exceed 12 months, with payments automatically resuming at the end of the period or earlier, if requested by the member; and permits a member who retires during the suspension period to make, prior to retirement, a lump-sum payment for the recalculated balance due or cancel installment payments. This bill would permit a member, as an alternative to these two options, to reduce his or her allowance by the actuarial equivalent of the recalculated balance remaining unpaid by the member.

(4) Under the provisions of the PERL governing the payment of additional service credit, a member's failure to elect to make a lump-sum payment of the election to cancel installment payments results in the resumption of installment payments as of the member's retirement date. This bill would revise that provision to instead provide that, effective on or after January 1, 2019, a member's failure to elect to make a lump-sum payment or cancel his or her installment payments would result in the member's allowance being reduced by the actuarial equivalent of the recalculated balance remaining unpaid.

(5) The PERL establishes retirement formulas, known as the Second Tier, modified First Tier, and First Tier, which are applicable to specified members of the retirement system, and a member who elects to be subject to Second Tier benefits is paid his or her accumulated contributions plus interest, subject to specified conditions. Effective January 1, 2000, a member who received service credit subject to Second Tier benefits may elect to become subject to First Tier benefits and contribution rates. That law requires a member who elects to become subject to First Tier benefits to deposit accumulated contributions the member withdrew while he or she was subject to Second Tier benefits, plus interest, as specified, and this deposit requirement may be satisfied by an actuarial equivalent reduction in the member's retirement allowance. This bill would instead specify that this deposit requirement may be satisfied by an election to reduce the member's allowance by the actuarial

equivalent of any balance remaining unpaid by the number at the time of the member's retirement or preretirement death. The bill would also specify that, for a member who elects to receive First Tier Credit on or after January 1, 2019, any unpaid balance of that member would become due and payable at the time of the member's retirement or preretirement death, with the member, survivor, or beneficiary's allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member. **(STATUS: Passed out of Committee.)**

**AB 2571 (Fletcher) Amended 4/11/18** This bill, if consistent with fiduciary responsibilities of a public investment fund as determined by its board, would require a public investment fund to require alternative investment vehicles to report at least annually certain information concerning specified hospitality employers relating to race and gender pay equity and sexual harassment. The bill would require the fund to disclose the information it receives at least once annually in a report presented at a meeting open to the public and would require the fund to provide the report upon request to a member of the Legislature. The bill would authorize the Department of Fair Employment and Housing to issue regulations for the implementation of these reporting requirements. The bill would define terms for purposes of the reporting provisions and repeal the reporting provisions on January 1, 2022.

Existing law provides that board members and other officers and employees of CalPERS and CalSTRS, and certain other entities, shall be held harmless and eligible for indemnification from the General Fund in connection with prescribed actions relating to prohibited investments. The bill would additionally provide that board members of any public pension or retirement system, other officers and employees, and investment managers under contract with the system shall also be held harmless and be eligible for indemnification from the General Fund in connection with actions taken pursuant to the bill. **(STATUS: Set for first hearing in Committee; hearing cancelled at the request of author.)**

**AB 3084 (Levine) Amended April 10, 2018.** Existing law requires all state and local public retirement systems to submit audited financial statements to the State Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year. This bill would require each governing body of a public agency that provides other postemployment benefits to, in an annual financial statement submitted to the Controller, in a form prescribed by the Controller, show that the public agency has met or if it has not met, detail why it has not met, and what the public agency is doing to meet, specified parameters related to the provision of other postemployment benefits, including (a) Making targeted prefunding contributions on a timely basis; (b) Depositing contributions in an irrevocable qualified trust for the exclusive benefit of plan members; (c) Investing contributions in excess of any pay-as-you-go amounts in a diversified investment portfolio with a defined investment policy; and (d) Ensuring that the discounted rate used to develop the actuarial account liability and normal cost recognizes the expected return of the entire portfolio. **(STATUS: Passed out of Committee.)**

**AB 3150 (Brough)** Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report. This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's Internet Web site no later than the 90th day following the audit's completion. By imposing new

duties on local retirement systems, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. **(STATUS: In Committee.)**

**AB 3245 (Rodriguez, Cooley, Cooper, and O'Donnell) Amended April 9, 2018. Existing law establishes various public agency retirement systems, including, among others, the Public Employees' Retirement System, the Judges' Retirement System, and the Judges' Retirement System II. These systems provide defined benefits to public employees based on age, service credit, and amount of final compensation.**

**This bill would make various nonsubstantive changes to provisions governing these retirement systems.**

~~(1) 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 describes pensionable compensation for new members of a public retirement system who become members of that system on or after January 1, 2013, as consisting of the normal monthly rate of pay or base pay of the member to similarly situated members of the same group or class of employment for services rendered, subject to specified limitations.~~

~~The PERL permits a member to retire concurrently from PERS and other specified public retirement systems and defines final compensation for these purposes. Under the PERL, the highest annual average compensation during any consecutive 12- or 36-month period of employment as a member of a retirement system maintained by the University of California or by a county retirement system is considered compensation earnable for purposes of computing the member's final compensation. PERL also prescribes that the compensation earnable during any period of service as a member of the Judges' Retirement System, the Judges' Retirement System II, the Legislators' Retirement System, or the Defined Benefit Program of the State Teachers' Retirement Plan is considered compensation earnable for purposes of computing final compensation for the member, if he or she retires concurrently under both retirement systems. This bill would revise the above provisions of PERL relating to retirement under concurrent systems to specify that the compensation earnable or pensionable compensation as a member of PERS is subject to the restrictions on compensation earnable under PERS and the restrictions on pensionable compensation under PEPRA.~~

~~(2) The PERL authorizes the board to correct errors or omissions of active or retired members or their beneficiaries, subject to certain conditions and the existence of specified facts, and requires corrections of errors or omissions to be accomplished so that the status, rights, and obligations of the parties are adjusted to be the same that they would have been if the act that would have been taken, but for the error or omission, was taken at the proper time. This bill would require that an overpayment made to or on behalf of any member, former member, or beneficiary, including, but not limited to, contributions, interest, benefits of any kind, federal or state tax, or insurance premiums be deducted from any subsequent benefit that may be payable.~~

~~(3) For purposes of PERL, a "group or class of employment" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. Under PERL, increases in compensation earnable granted to an employee who is not in a group or class are limited during the final compensation period applicable to the employee, as well as the 2 years immediately preceding that final compensation period, to the average increase in compensation earnable~~



during the same period reported by the employer for all employees who are in the same membership classification, except as otherwise determined by the board. This bill, with respect to an employee who is not in a group or class, would specify that increases in compensation during that final compensation period are limited to the average increase in compensation earnable during the same period reported by the employer for all similarly situated employees who are in the closest related group or class within the same membership classification. The bill, with respect to an employee who is in a group or class would limit increases in compensation earnable during the final compensation period, as well as the 2 years immediately preceding that period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same group or class of employment within the same membership classification, as prescribed.

(4) The PERL defines "compensation earnable" for school members of the system to mean the pay rate and special compensation of the member, as specified, and defines "pay rate" as the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. This bill would revise the definition of "pay rate" above to specify that it applies for services rendered on a full time basis during normal workhours pursuant to publicly available pay schedules.

(5) The PERL prescribes disability retirement benefits for state members and certain local safety members of PERS, and provides that if a medical examination and other available information show to the satisfaction of the board of PERS that a member in state service is incapacitated physically or mentally for the performance of his or her duties and is eligible to retire for disability, the board shall immediately retire him or her for disability. This bill would provide that a member is ineligible to retire for disability if the member separates from employment for any reason, including termination, voluntary resignation, resignation with disciplinary action pending, rejection on probation, or mutual agreement. Despite that limitation, the bill would specify that a member may be eligible to retire for disability under PERS if the member's separation from employment was the ultimate result of a disabling medical condition or preemptive of an otherwise valid claim for disability retirement.

(6) The PERL authorizes the governing body of a contracting agency to delegate any authority or duty conferred or imposed with respect to disability retirement provisions under PERS to a subordinate officer of the contracting agency, subject to conditions it may impose. This bill would instead require a governing body of a contracting agency to delegate this authority to a subordinate officer by adopting a resolution to that effect and filing that resolution with the board of PERS. The bill would permit a governing body of a contracting agency to also delegate its authority for other specified actions related to disability retirement to the board of PERS by adopting a resolution and filing it with the board and would require the contracting agency to pay a fee to PERS for those delegated services.

(7) Under the PERL, the board of PERS or, with respect to a local safety member, the governing body of the employer from whose employment the person was retired, may require a recipient of a disability retirement allowance who is under the minimum age for voluntary retirement for service to undergo medical examination. This bill would require the board or the governing board of the employer, as applicable, to also cause a medical



examination to be made upon application for reinstatement of a recipient of a disability retirement allowance, if the recipient is at least 6 months less than the age of compulsory retirement for service, as specified. The bill would modify other terms and conditions for medical examinations under these circumstances.

~~(8) The PERL permits retired members of PERS and their beneficiaries to authorize deductions to be made from their retirement allowance payments and benefits, in accordance with regulations or procedures established by the board, for payment of group insurance premiums and other premiums, credit union payments or shares, dues and other services, and charitable contributions, as specified. This bill would revise and recast those provisions. The bill, among other things, would specify that payments for shares or obligations to any regularly chartered credit union and for charitable contributions apply with respect to those approved by the board as of December 31, 2018.~~

~~(9) The PERL prescribes certain postretirement death benefits for beneficiaries and survivors of PERS members. Under PERL, in lieu of a \$500 death benefit generally applicable to all contracting agencies, a contracting agency may elect instead to be subject to an alternative provision entitling a member's beneficiary to a \$600 death benefit, subject to certain conditions. This bill would authorize this benefit by a contracting agency employer if it is designated by the employer in its contract prior to January 1, 2019.~~

~~(10) The PERL provides an optional increased retirement death benefit for certain local members of the system, upon election by a contracting agency and amendment of its contract, in amounts of \$2,000, \$3,000, \$4,000, or \$5,000, if designated by the employer in its contract. With respect to school members, PERL also authorizes an optional increased retirement death benefit in amounts of \$3,000, \$4,000, or \$5,000, if designated by the employer in its contract. This bill would recast these provisions for the optional death benefit amounts of \$3,000 or \$4,000 to authorize these sums if that amount is designated by the employer in its contract prior to January 1, 2019. The bill would also make various conforming and nonsubstantive changes to PERL, the Judges' Retirement Law, and the Judges' Retirement System II Law. **(STATUS: Passed out of the Assembly; ordered to the Senate.)**~~

**SB 964 (Allen)** Amended March 14, 2018. This bill would, until January 1, 2035, require CalPERS and CalSTRS to analyze climate-related financial risk, as defined, to the extent the CalPERS and CalSTRS boards identify the risk as a material risk to the retirement system. The bill, by January 1, 2020, and every 3 years thereafter, would require each board to publicly report on the climate-related financial risk of its public market portfolio, including alignment of each system with a specified climate agreement and California climate policy goals and the exposure of the fund to long-term risks, as specified. The bill would provide that it does not require either board to take action unless the board determines in good faith that the action is consistent with its fiduciary responsibilities. **(STATUS: Suspended.)**

**SB 1031 (Moorlach)** Existing law, including the CERL, authorizes the application of cost-of-living adjustments to allowances paid to persons retired under, or survivors or beneficiaries of persons retired under, various public retirement systems. PEPPRA, on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, for its purposes, defines pensionable compensation, establishes limits on benefits, and requires the sharing of normal costs between members and employers for the pension systems to which it applies. This bill would prohibit a public retirement system, including OCERS, from

making a cost-of-living adjustment to any allowance payable to, or on behalf of, a person retired under the system, or to any survivor or beneficiary of a member or person retired under the system, for any year beginning on or after January 1, 2019, in which the unfunded actuarial liability of that system is greater than 20%. The bill would require that the determination of unfunded actuarial liability be based on a specified financial report and would apply the prohibition on cost-of-living adjustments, if any, to the calendar year following the fiscal year upon which the report is based. **(STATUS: Failed in Committee; reconsideration granted.)**

**SB 1032 (Moorlach)** The PERL authorizes any public agency to participate in and make all or part of its employees members of PERS by contract, as provided, and authorizes a contracting agency to terminate its contract if the contract has been in effect for at least 5 years. Under existing law, the board is required to hold the accumulated contributions from a terminated contract in a terminated agency pool, as specified, for the benefit of the members. Existing law requires the terminating contracting agency to contribute to the terminated agency pool the difference between the accumulated contributions and the board's pension liability for the contracting agency's members, as provided. This bill would authorize a contracting agency to terminate its contract with the board at the agency's will and would not require the contracting agency to fully fund the board's pension liability upon termination of the contract. The bill would authorize the board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded. The bill would also authorize a contracting agency who terminates its contract with the board to transfer the assets accumulated in the system to a pension provider designated by the contracting agency. **(STATUS: Failed in Committee; reconsideration granted.)**

**SB 1033 (Moorlach)** The PERL authorizes retirement systems to enter into agreements to provide certain reciprocal benefits to employees that are employed by other agencies that are parties to the agreement if the employees meet specified requirements, a practice commonly referred to as reciprocity. Reciprocity provides for the application of the final compensation paid by a subsequent employer to service provided to a prior employer. The PERL provides that a public agency that has agreed to reciprocity with CalPERS also has reciprocity with all other agencies that have entered into those agreements with CalPERS, among others. The PERL requires the CalPERS Board to ensure that a contracting agency that creates a significant increase in actuarial liability as a result of increased compensation paid to a nonrepresented employee bears the associated liability, except as specified, including a portion that would otherwise be borne by another contracting agency. The PERL requires the system actuary to assess an increase in liability, in this regard, to the employer that created it at the time the increase is determined and to make adjustments to that employer's contribution rates to account for the increased liability. This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial

liability, as specified, due to increased compensation paid to an employee on and after January 1, 2019.

**(STATUS: In Committee.)**

**SB 1060, 1061, 1062 (Mendoza)** The PERL requires certain public employers to contribute moneys to CalPERS. Existing law prohibits the state, school employers, and contracting agencies, as defined, from refusing to pay the employers' contribution as required by the PERL. SB 1060 would require a contracting agency that fails to make a required contribution to CalPERS to notify members of the delinquency within 30 days, as specified. The State Teachers' Retirement Law establishes the Defined Benefit Program of the CalSTRS. The law requires certain employers, as defined, to contribute moneys to the CalSTRS). SB 1061 would require an employer that fails to make a required contribution to CalSTRS to notify members of the delinquency within 30 days, as specified. SB 1062 would require certain employers that fail to make a required employer contribution to CalSTRS or CalPERS to notify members of the delinquency within 30 days, as specified. **(STATUS: In Senate; pending referral.)**

**SB 1149 (Glazer)** PEPRAs generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act, and authorizes a public employer to provide a contribution to a defined contribution plan for compensation in excess of certain federal compensation limits applicable to qualified pension trusts, if the plan and contribution meet the requirements set forth in federal law. PEPRAs prohibits any of those employer contributions to an employee defined contribution plan from exceeding the employer's contribution rate, as a percentage of pay, required to fund the defined benefit plan. Existing law establishes an alternate retirement program and provides that certain state employees, as defined, who become new members of CalPERS during their first 24 months of employment, do not make contributions to CalPERS or receive service credit for their service. Under existing law, these members are instead required to contribute either 5% or 6% of their monthly compensation, as specified, to the alternate retirement program. This bill would create a new optional defined contribution plan for new state employees who are eligible to become members of CalPERS and who choose not to make contributions into the defined benefit program under the PERL. The bill would require state employees who opt to participate in this alternate system to contribute the same percent of compensation as similarly situated employees who contribute to the defined pension program, subject to applicable limits of federal law. The bill would authorize an employee in the defined contribution program, after 5 years, to have the right to continue in the program or switch to the defined benefit plan, subject to certain terms and conditions. The bill would require the Department of Human Resources to administer the defined contribution retirement program established by the bill. **(STATUS: Failed in Committee; reconsideration granted.)**

**SB 1244 (Wieckowski) The California Public Records Act (CPRA) requires state and local agencies to make their public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The CPRA makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemption.**

**This bill would specify that if an agency discloses a record that is otherwise exempt from disclosure, the agency is prohibited from initiating an action to recover that record from a requestor who received it pursuant to these provisions. Further, the CPRA requires a court to award court costs and reasonable attorney fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to the CPRA, and requires the**

**court to award court costs and reasonable attorney fees to the public agency if the court finds that the plaintiff's case is clearly frivolous. This bill would replace "plaintiff" with "requester" in that provision.**  
**(STATUS: In Committee. Set for hearing on May 8.)**

**SB 1270 (Vidak)** The CERL authorizes the retirement boards of five specified counties to appoint assistant administrators and chief investment officers who, following appointment, are outside county charter, civil service, and merit system rules, except as specified. The CERL provides that these administrators and officers are employees of the county, as specified, while serving at the pleasure of the appointing boards, and that they may be dismissed without cause. This bill would apply these provisions to any county if the board of supervisors for that county, by resolution adopted by majority vote, makes those provisions applicable in the county.

**(STATUS: Passed out of Senate and ordered to the Assembly.)**

**2018 TENTATIVE LEGISLATIVE CALENDAR**  
 COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE  
 Revised 11/16/16

**DEADLINES**

JANUARY						
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			

- 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	16	17
18	19	20	21	22	23	24
25	26	27	28			

- 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	21	22	23	24
25	26	27	28	29	30	31

- Mar. 22** **Spring Recess** begins upon adjournment of this day's session (J.R. 51(b)(1)).
- Mar. 30** Cesar Chavez Day observed.

APRIL						
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					

- Apr. 2** **Legislature Reconvenes** from Spring Recess (J.R. 51(b)(1)).
- Apr. 27** 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	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		

- May 11** Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 18** Last day for **policy committees** to meet prior to June 4 (J.R. 61(b)(7)).
- May 25** 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 June 4 (J.R. 61(b)(9)).
- May 28** Memorial Day.
- May 29- June 1 Floor Session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(b)(10)).

\*Holiday schedule subject to Senate Rules committee approval

**2018 TENTATIVE LEGISLATIVE CALENDAR**  
 COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE  
 Revised 11/16/16

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 1** Last day for each **house to pass bills** introduced in that house (J.R. 61(b)(11)).
- June 4** Committee meetings may resume (J.R. 61(b)(12)).
- June 15** Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).
- June 28** Last day for a legislative measure to qualify for the Nov. 6 General Election ballot (Elections code Sec. 9040).
- June 29** Last day for **policy committees** to hear and report **fiscal bills** to fiscal committees (J.R. 61(b)(13)).

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 4** Independence Day.
- July 6** Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)). **Summer Recess** begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).

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. 6** **Legislature Reconvenes** (J.R. 51(b)(2)).
- Aug. 17** Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).
- Aug. 20-31** **Floor Session only.** No committees, other than Conference and Rules Committees, may meet for any purpose (J.R. 61(b)(16)).
- Aug. 24** Last day to **amend** on the floor (J.R. 61(b)(17)).
- Aug. 31** Last day for **each house to pass bills**, except bills that take effect immediately or bills in Extraordinary Session (Art. IV, Sec. 10(c), (J.R. 61(b)(18)). **Final Recess** begins upon adjournment (J.R. 51(b)(3)).

\*Holiday schedule subject to Senate Rules committee approval

**IMPORTANT DATES OCCURRING DURING INTERIM STUDY RECESS**

**2018**

- 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. 6 General Election
- Nov. 30 Adjournment *Sine Die* at midnight (Art. IV, Sec. 3(a)).
- Dec. 3 12 Noon convening of the 2019-20 Regular Session (Art. IV, Sec. 3(a)).

**2019**

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

I-5

## Memorandum

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**DATE:** May 3, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Tracy Bowman, Director of Finance  
**SUBJECT:** **FIRST QUARTER 2018 BUDGET TO ACTUALS REPORT**

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### Written Report

#### Highlights

First Quarter Target: 25% Used /75% Remaining

Administrative Budget	Actuals to Date	Annual Budget	Budget \$ Remaining	Budget % Remaining
Personnel Costs	\$3,203,956	\$13,925,194	\$10,721,238	77.0%
Services and Supplies	1,961,335	10,487,860	8,526,525	81.3%
Capital Expenditures	61,263	1,095,000	1,033,737	94.4%
Grand Total	<u>\$5,226,554</u>	<u>\$25,508,054</u>	<u>\$20,281,500</u>	<u>79.5%</u>

#### Background/Discussion

The Board of Retirement approved OCERS' Administrative Budget for Fiscal Year 2018 (FY18) on November 13, 2017, in the amount of \$25,508,054 for administration and investment related activities.

OCERS' budgeting authority is regulated by California Government Code Sections 31580.2 and 31596.1, including a provision that OCERS' budget for administrative expenses (which excludes investment related costs and expenditures for computer software, hardware and related technology consulting services) is limited to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system (commonly referred to as the 21 basis point test). The approved FY18 administrative budget represents 9.31 basis points of the projected actuarial accrued liability. The budget also meets OCERS' Board policy limitation of 18 basis points of the projected actuarial value of total assets and represents 14.48 basis points of these assets for FY18.

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



## Administrative Summary

For the three months ended March 31, 2018, year-to-date actual administrative expenses were \$5,226,554 or 20.5% of the \$25,508,054 administrative budget and below the 25% target set for the end of the first quarter (three months ended March 31, 2018/twelve months for the year ending December 31, 2018). A summary of all administrative expenses and explanations of significant variances are provided below:

### Summary of all Administrative Expenses For the Three Months Ended March 31, 2018

	Actuals to Date	Annual Budget	Balance Remaining	% of Budget Used	Prorated Budget*	Prorated Budget vs. Actuals (Over)/Under
<b>Personnel Costs</b>	<b>\$3,203,956</b>	<b>\$13,925,194</b>	<b>\$10,721,238</b>	<b>23.0%</b>	<b>\$3,481,299</b>	<b>277,343</b>
<b>Services and Supplies</b>						
Bldg. Prop. Mgmt./Maintenance	103,000	730,000	627,000	14.1%	182,500	79,500
Due Diligence	9,308	56,600	47,292	16.4%	14,150	4,842
Equipment Lease	11,168	50,000	38,832	22.3%	12,500	1,332
Equipment Maintenance	249,495	764,300	514,805	32.6%	191,075	(58,420)
Equipment/Software Expenses	108,387	586,700	478,313	18.5%	146,675	38,288
Legal Services	76,079	375,000	298,921	20.3%	93,750	17,671
Meetings & Mileage	10,551	61,350	50,799	17.2%	15,338	4,787
Membership/Periodicals	31,026	179,170	148,144	17.3%	44,793	13,767
Office Supplies	19,515	75,000	55,485	26.0%	18,750	(765)
Postage	51,695	163,000	111,305	31.7%	40,750	(10,945)
Printing	27,396	104,800	77,404	26.1%	26,200	(1,196)
Professional Services	1,072,959	6,668,270	5,595,311	16.1%	1,667,068	594,109
Telephone	33,602	159,000	125,398	21.1%	39,750	6,148
Training	157,154	514,670	357,516	30.5%	128,668	(28,486)
<b>Services and Supplies</b>	<b>1,961,335</b>	<b>10,487,860</b>	<b>8,526,525</b>	<b>18.7%</b>	<b>2,621,967</b>	<b>660,632</b>
<b>Administrative Expense-Sub Total</b>	<b>5,165,291</b>	<b>24,413,054</b>	<b>19,247,763</b>	<b>21.2%</b>	<b>6,103,266</b>	<b>937,975</b>
<b>Capital Expenditures**</b>	<b>61,263</b>	<b>1,095,000</b>	<b>1,033,737</b>	<b>5.6%</b>	<b>273,750</b>	<b>212,487</b>
<b>Administrative Expense Total</b>	<b>\$5,226,554</b>	<b>\$25,508,054</b>	<b>\$20,281,500</b>	<b>20.5%</b>	<b>\$6,377,016</b>	<b>\$1,150,462</b>

\*Prorated budget represents 25% (3 months/12 months) of the annual budget.

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

## Personnel Costs

Personnel Costs incurred as of the first quarter were approximately \$3.2 million or 23% of the annual budget and within the 25% target for budget used for this category. These expenses are slightly below budget due to several positions that were vacant in the Investments, Member Services, Disability, Administrative Services, IT, and Internal Audit departments, including Member Services Manager, Disability Investigator, Staff Analyst (extra-help), Director of Cyber Security, and Director of Internal Audit. In addition, the previously vacant positions of Investment Analyst, Investment Officer, two Accounting Technicians, and two Retirement Benefit Technicians, were recently filled during the first quarter of 2018.

## Services and Supplies

Total expenditures for services and supplies were approximately \$2 million or 18.7% of the annual budget for this category. The variance of \$660,632 between the pro-rated budget and year-to-date actuals in this category is primarily due to the following:

- Building Property Mgmt./Maintenance costs utilized 14.1% of the annual budget and were lower than the pro-rated budget by \$79,500. This is mainly due to the transition to a new property manager in February, which resulted in lower property management fees.
- Equipment Maintenance costs are at 32.6% of the annual budget and are higher than the pro-rated budget by \$58,420. This is primarily attributable to the timing of budgeted costs relating to IT software maintenance/license fees, which have varying renewal timelines throughout the year.
- Equipment/Software expense utilized 18.5% of the annual budget and is lower than the pro-rated budget by \$38,288. This is primarily due to the timing of purchases of equipment and software, including computers and monitors, which have been budgeted but not yet purchased.
- Legal Services are at 20.3% of the annual budget and are lower than the pro-rated budget by \$17,671. This is primarily due to budgeted legal services being utilized on an as-needed basis.
- Memberships/Periodical expense is at 17.3% of the annual budget and lower than the pro-rated budget by \$13,767. This is mainly due to the timing of membership and periodical expenses that will occur in later quarters, including IT's subscription fees for Gartner.
- Office Supplies utilized 26% of the annual budget and is slightly higher than the pro-rated budget by \$765. This is primarily due to timing of office furniture purchases, including purchases relating to ergonomic workstations, as well as furniture purchased for new staff.
- Postage is at 31.7% of the annual budget and higher than the pro-rated budget by \$10,945. This is primarily attributable to the timing of costs for prepaid meter postage, as well as additional mailings that were not planned.
- Printing expense is at 26.1% of the annual budget and slightly higher than the pro-rated budget by \$1,196. This is primarily due to the timing of printing costs.
- Professional Services utilized 16.1% of the annual budget. Expenses are lower than the pro-rated budget by \$594,109 primarily due to the timing of expenses for various IT-related software consulting, administrative hearing and writ of mandate process fees, financial audit costs, as well as costs used on an as-needed-basis, such as CEO contingency.
- Telephone expense is at 21.1% of the annual budget and lower than the pro-rated budget by \$6,148. This can be attributed to the timing of costs, which have been budgeted but not yet expensed.
- Training utilized 30.5% of the annual budget and is higher than the pro-rated budget by \$28,486. This is primarily due to timing of costs for prepaid conferences, including IFEBP (International Foundation of Employee Benefit Plans), Wharton, and the annual subscription to IT online training.

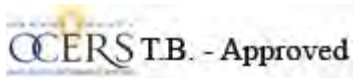
### **Capital Expenditures**

Capital Expenditures as of the first quarter are \$61,263 or 5.6% of the annual budget for this category. The variance of \$212,487 between the pro-rated budget and year-to-date actuals is primarily due to timing of budgeted costs for the remodel of the Board room, as well as building security and space management projects that will occur as the year progresses.

### **Conclusion:**

Through the end of the first quarter, the Administrative budget was below the 25% target of the annual budget at 20.5%. In addition, actual Administrative expenses were within the 21 basis point test and 18 basis point test as budgeted.

### **Submitted by:**

A rectangular stamp with a light blue background and a yellow sun icon in the top left corner. The text "OCERS T.B. - Approved" is written in a serif font across the center.

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Tracy Bowman  
Director of Finance

I-6

## Memorandum

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**DATE:** May 3, 2017  
**TO:** Members of the Board of Retirement  
**FROM:** Tracy Bowman, Director of Finance  
**SUBJECT:** **FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED MARCH 31, 2018**

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### Written Report

#### Background/Discussion

The attached financial statements reflect the unaudited activity for the three months ended March 31, 2018. These statements are unaudited and are not the official statements of OCERS. The following statements represent a review of the progress to date for the first quarter of 2018. The official financial statements of OCERS are included in the Comprehensive Annual Financial Report (CAFR) which will be available for the year ended December 31, 2017 on our website, [www.ocers.org](http://www.ocers.org), after the completion of the 2017 year-end audit in June 2018.

#### Summary

##### Fiduciary Net Position

As of March 31, 2018, the net position restricted for pension and other postemployment benefits is \$15.1 billion, an increase of \$1.5 billion from March 31, 2017. The change is a result of an increase in total assets of \$1.7 billion off-set by an increase in total liabilities of \$207 million as described below:

The \$1.7 billion increase in total assets can be attributed to a \$1.5 billion increase in investments at fair value, a \$98 million increase in total cash and short-term investments, and an \$82 million increase in receivables, off-set by a decrease of \$2 million in capital assets.

Investments at fair value increased \$1.5 billion. The increase can be attributed to earnings from interest and dividends, and investment of proceeds received from prepaid contributions, as well as increases in net appreciation of investments at fair value during 2017, which are offset by a decrease in the fair value of investments for the quarter ended March 31, 2018. In early 2017, the OCERS' Investment Committee adopted a more simplified asset allocation policy. This policy was structured to increase investments in the areas of private equity, core fixed income and real assets, while decreasing or eliminating investments in credit or absolute return categories. Core fixed income investments have increased by \$1.3 billion, while credit and absolute return investments have decreased \$574.4 million and \$749.3 million, respectively. Also, allocation of

assets to the categories of global public equity (which includes investments formerly classified as domestic equity, international equity and global equity), and private equity have sizeable increases compared to 2017 due to the change in the allocation of assets.

The increase of \$98 million in cash and short-term investments is primarily due to the timing of investing the fiscal year 2018/2019 prepaid contributions and employee and employer contributions received during the quarter, and an increase in activity related to the securities lending program.

The increase in the receivable balance is primarily related to the timing of pending securities sales which increased by \$88 million. Additionally, contribution receivables decreased \$8 million which will vary based on the timing of pay periods. Although not material, it should be noted that the presentation of foreign currency contracts were presented net with asset and liability positions offsetting each other in the March 31, 2017 statements. The asset or liability positions of these contracts are now presented separately.

The \$2 million decrease in capital assets represents accumulated depreciation on the Pension Administration System Solution (PASS) Project, also known as V3. Depreciation expense related to capital assets through March is \$572,000 with the majority of the expense related to V3.

Total liabilities increased \$207 million, 21.6 percent from March 31, 2017 to March 31, 2018. The majority of the increase is comprised of increases in obligations under the securities lending program, securities purchased and unearned contributions. Obligations under the securities lending program increased in the core fixed income and credit categories. Unsettled trades at the end of the quarter increased to \$240 million from \$127 million which represents a timing difference in settling trades. Unearned contributions increased \$17 million due to an increase in prepaid employer contributions received for the 2018-2019 prepayment program compared to the prior year's prepayment program. Retiree payroll payable increased \$4 million, with gradual increases to retiree payroll payable to be expected as the number of participants in the plan and retiree benefits increase.

### **Statement of Changes in Fiduciary Net Position**

The ending net position as of March 31, 2018 has increased by \$1.5 billion, or 11.2 percent, when compared to the same period ending March 31, 2017. The increase can be attributed to higher returns in 2017, which ended the year with a rate of return at 14.7 percent, and the continual contributions from members and plan sponsors to the retirement plan. The increase in fair value for 2017 is offset by a decrease in the fair value for the first quarter of 2018.

Net investment income for the quarter ended March 31, 2018 is a negative \$21 million versus a positive \$526 million for the quarter ended March 31, 2017, a decrease of \$547 million. The majority of the decrease, \$555 million, is related to the net appreciation in fair value of investments. During 2017, financial markets continued to show strong market performance. For the first quarter of 2018 financial markets have struggled and are down as of March 31, 2018. Dividends, interest and other investment income increased which can be attributed to the change in the asset allocation; increasing core fixed income and global public equity investment results in

increases in interest and dividends. Total investment expenses increased \$3 million, primarily due to increases in investment manager fees and other fund expenses.

Employer and employee contributions have increased \$19 million over the prior year, due to an \$8 million employer contribution to the County health care fund and expected increases due to the increasing number of employees participating in the plan and the increase in the contribution rates.

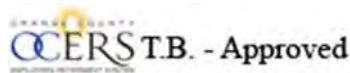
Total deductions from fiduciary net position increased 6.8 percent, or \$13 million, from the previous year. Participant benefits increased by \$13.2 million, which is expected due to the continued and anticipated growth in member pension benefit payments, both in the total number of OCERS's retired members receiving a pension benefit and an increase in the average benefit received. Death benefits and members withdrawals and refunds decreased, changes in these categories will fluctuate from year to year due to life circumstances. Administrative expenses increased \$0.6 million, which includes increases in personnel services of \$0.4 million due to anticipated salary increases and hiring of additional personnel, and general office and administrative expenses of \$0.2 million primarily related to increases in employee training and equipment maintenance.

### **Other Supporting Schedules**

In addition to the basic financial statements for the three months ended March 31, 2018, the following supporting schedules are provided for additional information pertaining to OCERS:

- Total Fund Reserves
- Pension Trust Fund Contributions
- Schedule of Investment Expenses
- Schedule of Administrative Expenses
- Administrative Expense Compared to Actuarial Accrued Liability (21 basis points test).

### **Submitted by:**



---

Tracy Bowman  
Director of Finance



**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**Unaudited Financial Statements**

**For the Three Months Ended March 31, 2018**



**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

Unaudited Financial Statements  
For the Three Months Ended March 31, 2018

Table of Contents

Statement of Fiduciary Net Position (Unaudited).....	1
Statement of Changes in Fiduciary Net Position (Unaudited).....	2
Total Fund Reserves.....	3
Pension Trust Fund Contributions.....	4
Schedule of Investment Expenses .....	5
Schedule of Administrative Expenses.....	6
Administrative Expense Compared to Projected Actuarial Accrued Liability.....	7

**Statement of Fiduciary Net Position (Unaudited)**  
As of March 31, 2018  
(with summarized comparative amounts as of March 31, 2017)  
(Dollars in Thousands)

	<u>Pension Trust Fund</u>	<u>Health Care Fund- County</u>	<u>Health Care Fund- OCFA</u>	<u>OPEB 115 Agency Fund</u>	<u>Total Fund</u>	<u>Comparative Totals 2017</u>
<b>ASSETS</b>						
Cash and Short-Term Investments						
Cash and Cash Equivalents	\$ 667,007	\$ 12,839	\$ 1,736	\$ 281	\$ 681,863	\$ 650,044
Securities Lending Collateral	211,704	4,075	551	-	216,330	150,047
Total Cash and Short-Term Investments	<u>878,711</u>	<u>16,914</u>	<u>2,287</u>	<u>281</u>	<u>898,193</u>	<u>800,091</u>
Receivables						
Investment Income	19,416	374	51	-	19,841	17,695
Securities Sales	160,535	3,090	418	-	164,043	75,950
Contributions	14,479	-	-	-	14,479	22,951
Foreign Currency Forward Contracts	168	3	-	-	171	167
Other Receivables	2,827	54	7	-	2,888	2,691
Total Receivables	<u>197,425</u>	<u>3,521</u>	<u>476</u>	<u>-</u>	<u>201,422</u>	<u>119,454</u>
Investments at Fair Value						
Global Public Equity	5,966,458	114,846	15,529	10,522	6,107,355	5,487,624
Private Equity	1,323,042	25,467	3,443	-	1,351,952	1,136,282
Core Fixed Income	2,556,833	49,215	6,655	5,549	2,618,252	1,244,490
Credit	1,820,221	35,037	4,737	-	1,859,995	2,434,379
Real Assets	2,433,927	46,850	6,335	-	2,487,112	2,208,735
Risk Mitigation	726,711	13,988	1,891	-	742,590	359,309
Absolute Return	1,989	38	5	-	2,032	751,350
Total Investments at Fair Value	<u>14,829,181</u>	<u>285,441</u>	<u>38,595</u>	<u>16,071</u>	<u>15,169,288</u>	<u>13,622,169</u>
Capital Assets (Net)	20,158	-	-	-	20,158	22,269
<b>Total Assets</b>	<b><u>15,925,475</u></b>	<b><u>305,876</u></b>	<b><u>41,358</u></b>	<b><u>16,352</u></b>	<b><u>16,289,061</u></b>	<b><u>14,563,983</u></b>
<b>LIABILITIES</b>						
Obligations Under Securities Lending Program	211,704	4,075	551	-	216,330	150,047
Securities Purchased	235,455	4,532	613	-	240,600	126,729
Unearned Contributions	600,692	-	-	-	600,692	583,241
Foreign Currency Forward Contracts	163	3	-	-	166	139
Retiree Payroll Payable	64,575	2,692	244	-	67,511	63,129
Other	26,653	518	70	-	27,241	22,977
Due to Employers	-	-	-	16,352	16,352	15,229
<b>Total Liabilities</b>	<b><u>1,139,242</u></b>	<b><u>11,820</u></b>	<b><u>1,478</u></b>	<b><u>16,352</u></b>	<b><u>1,168,892</u></b>	<b><u>961,491</u></b>
<b>Net Position Restricted for Pension and Other Post-Employment Benefits</b>	<b><u>\$ 14,786,233</u></b>	<b><u>\$ 294,056</u></b>	<b><u>\$ 39,880</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 15,120,169</u></b>	<b><u>\$ 13,602,492</u></b>

**Statement of Changes in Fiduciary Net Position (Unaudited)**

For the Three Months Ended March 31, 2018

(with summarized comparative amounts for the Three Months Ended March 31, 2017)

(Dollars in Thousands)

	<u>Pension Trust Fund</u>	<u>Health Care Fund- County</u>	<u>Health Care Fund- OCFA</u>	<u>Total Fund</u>	<u>Comparative Totals 2017</u>
<b>ADDITIONS</b>					
Contributions					
Employer	\$ 139,860	\$ 8,044	\$ 536	\$ 148,440	\$ 131,544
Employee	<u>67,408</u>	<u>-</u>	<u>-</u>	<u>67,408</u>	<u>64,756</u>
Total Contributions	207,268	8,044	536	215,848	196,300
Investment Income					
Net Appreciation/(Depreciation) in Fair Value of Investments	(55,601)	(82)	(13)	(55,696)	498,849
Dividends, Interest, & Other Investment Income	54,080	1,030	143	55,253	43,888
Securities Lending Income					
Gross Earnings	1,080	21	3	1,104	682
Less: Borrower Rebates and Bank Charges	<u>(753)</u>	<u>(14)</u>	<u>(2)</u>	<u>(769)</u>	<u>(276)</u>
Net Securities Lending Income	<u>327</u>	<u>7</u>	<u>1</u>	<u>335</u>	<u>406</u>
Total Investment Income/(Loss)	(1,194)	955	131	(108)	543,143
Investment Fees and Expenses	<u>(20,365)</u>	<u>(391)</u>	<u>(52)</u>	<u>(20,808)</u>	<u>(17,476)</u>
Net Investment Income/(Loss)	<u>(21,559)</u>	<u>564</u>	<u>79</u>	<u>(20,916)</u>	<u>525,667</u>
<b>Total Additions</b>	<b>185,709</b>	<b>8,608</b>	<b>615</b>	<b>194,932</b>	<b>721,967</b>
<b>DEDUCTIONS</b>					
Participant Benefits	193,377	8,276	1,060	202,713	189,512
Death Benefits	130	-	-	130	226
Member Withdrawals and Refunds	3,133	-	-	3,133	3,491
Administrative Expenses	<u>4,727</u>	<u>5</u>	<u>5</u>	<u>4,737</u>	<u>4,096</u>
<b>Total Deductions</b>	<b>201,367</b>	<b>8,281</b>	<b>1,065</b>	<b>210,713</b>	<b>197,325</b>
Net Increase/(Decrease)	<b>(15,658)</b>	<b>327</b>	<b>(450)</b>	<b>(15,781)</b>	<b>524,642</b>
Net Position Restricted For Pension and Other Post-Employment Benefits, Beginning of Year	<u>14,801,891</u>	<u>293,729</u>	<u>40,330</u>	<u>15,135,950</u>	<u>13,077,850</u>
<b>Ending Net Position Restricted For Pension and Other Post-Employment Benefits</b>	<b><u>\$ 14,786,233</u></b>	<b><u>\$ 294,056</u></b>	<b><u>\$ 39,880</u></b>	<b><u>\$ 15,120,169</u></b>	<b><u>\$ 13,602,492</u></b>

**Total Fund Reserves**  
For the Three Months Ended March 31, 2018  
(with summarized comparative amounts for the Three Months Ended March 31, 2017)  
(Dollars in Thousands)

	<u>2018</u>	<u>2017</u>
Pension Reserve	\$ 8,248,509	\$ 7,969,697
Employee Contribution Reserve	3,146,211	2,911,905
Employer Contribution Reserve	2,765,770	2,222,836
Annuity Reserve	1,390,894	1,276,983
Health Care Reserve	333,936	271,301
County Investment Account (POB Proceeds) Reserve	134,648	122,528
OCSD UAAL Deferred Reserve	14,871	34,067
Contra Account	<u>(914,670)</u>	<u>(1,206,825)</u>
<b>Net Position - Total Fund</b>	<b><u>\$ 15,120,169</u></b>	<b><u>\$ 13,602,492</u></b>

**Schedule of Contributions**  
For the Three Months Ended March 31, 2018  
(with summarized comparative amounts for the Three Months Ended March 31, 2017)  
(Dollars in Thousands)

	2018		2017	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
<b>Pension Trust Fund Contributions</b>				
County of Orange	\$ 52,475	\$ 109,015	\$ 50,761	\$ 101,811
Orange County Fire Authority	5,778	17,940	5,169	17,211
Superior Court of California, County of Orange	4,159	7,528	4,036	7,579
Orange County Transportation Authority	2,188	6,030	2,206	5,909
Orange County Sanitation District	1,887	1,871	1,851	1,948
UCI Medical Center and Campus	-	765	-	714
City of San Juan Capistrano	201	609	199	581
Orange County Employees Retirement System	246	557	220	459
Transportation Corridor Agencies	339	447	180	445
Orange County Department of Education	-	90	-	259
Orange County Children & Family Commission	23	73	23	69
Orange County Public Law Library	40	55	42	76
Orange County In-Home Supportive Services Public Authority	27	50	30	52
Orange County Cemetery District	36	44	30	40
Orange County Local Agency Formation Commission	9	32	9	30
Contributions Before Prepaid Discount	67,408	145,106	64,756	137,183
Prepaid Employer Contribution Discount	-	(5,246)	-	(6,192)
<b>Total Pension Trust Fund Contributions</b>	<b>67,408</b>	<b>139,860</b>	<b>64,756</b>	<b>130,991</b>
<b>Health Care Fund - County Contributions</b>	-	<b>8,044</b>	-	-
<b>Health Care Fund - OCFA Contributions</b>	-	<b>536</b>	-	<b>553</b>
<b>Total Contributions</b>	<b>\$ 67,408</b>	<b>\$ 148,440</b>	<b>\$ 64,756</b>	<b>\$ 131,544</b>

<sup>1</sup> Unfunded actuarial accrued liability payments were made in 2018 and 2017 for \$0.7 million and \$32.1 million, respectively, for the Orange County Fire Authority.

<sup>2</sup> 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.

<sup>3</sup> Unfunded actuarial accrued liability payments were made in 2017 for \$1.5 million for the Orange County Public Law Library.

<sup>4</sup> Unfunded actuarial accrued liability payments were made in 2017 of \$1.7 million for the Orange County Children & Family Commission.

**Schedule of Investment Expenses**  
For the Three Months Ended March 31, 2018  
(with summarized comparative amounts for the Three Months Ended March 31, 2017)  
(Dollars in Thousands)

	<u>2018</u>	<u>2017</u>
<b>Investment Management Fees*</b>		
<b>Global Public Equity</b>		
U.S. Equity	\$ 382	\$ 157
Global Equity	-	208
International Equity	1,299	1,196
Emerging Markets Equity	1,250	895
<b>Total Global Public Equity</b>	<u>2,931</u>	<u>2,456</u>
<b>Core Fixed Income</b>		
U.S. Fixed Income	295	205
<b>Total Core Fixed Income</b>	<u>295</u>	<u>205</u>
<b>Credit</b>		
High Yield	346	655
Emerging Market Debt	181	-
Direct Lending	673	744
Mortgage	-	1,237
Multi-Strategy	1,224	777
Non-U.S. Direct Lending	492	357
<b>Total Credit</b>	<u>2,916</u>	<u>3,770</u>
<b>Real Assets</b>		
Real Estate	3,187	1,995
Real Return		
Timber	327	370
Agriculture	283	255
Commodities	-	-
Infrastructure	270	-
Energy	2,417	1,059
<b>Total Real Return</b>	<u>3,297</u>	<u>1,684</u>
<b>Total Real Assets</b>	<u>6,484</u>	<u>3,679</u>
<b>Absolute Return</b>		
Direct Hedge Fund	5	1,338
GTAA	-	541
<b>Total Absolute Return</b>	<u>5</u>	<u>1,879</u>
<b>Private Equity</b>	2,723	2,183
<b>Risk Mitigation</b>	1,432	1,046
<b>Short-Term Investments</b>	89	48
<b>Total Investment Management Fees</b>	<u>16,875</u>	<u>15,266</u>
<b>Other Fund Expenses</b>	<u>2,921</u>	<u>1,353</u>
<b>Other Investment Expenses (Expenses Not Subject to the Statutory Limit)</b>		
Consulting/Research Fees	230	284
Investment Department Expenses	463	286
Legal Costs	175	179
Custodian Services	144	75
Investment Service Providers	-	33
<b>Total Other Investment Expenses</b>	<u>1,012</u>	<u>857</u>
<b>Security Lending Activity</b>		
Security Lending Fees	87	89
Rebate Fees	682	187
<b>Total Security Lending Activity</b>	<u>769</u>	<u>276</u>
<b>Total Investment Expenses</b>	<u>\$ 21,577</u>	<u>\$ 17,752</u>

Note: New schedule format for investment management fees to reflect the new investment allocation adopted in 2017.

\* Does not include undisclosed fees deducted at source.

**Schedule of Administrative Expenses**  
For the Three Months Ended March 31, 2018  
(with summarized comparative amounts for the Three Months Ended March 31, 2017)  
(Dollars in Thousands)

	<b>2018</b>	<b>2017</b>
<b>Pension Trust Fund Administrative Expenses</b>		
<b>Expenses Subject to the Statutory Limit</b>		
Personnel Services		
Employee Salaries and Benefits	\$ 2,814	\$ 2,422
Board Members' Allowance	4	3
<b>Total Personnel Services</b>	<b>2,818</b>	<b>2,425</b>
Operating Expenses		
Depreciation/Amortization	573	572
General Office and Administrative Expenses	570	309
Professional Services	435	323
Rent/Leased Real Property	114	130
<b>Total Office Operating Expenses</b>	<b>1,692</b>	<b>1,334</b>
<b>Total Expenses Subject to the Statutory Limit</b>	<b>4,510</b>	<b>3,759</b>
<b>Expenses Not Subject to the Statutory Limit</b>		
Actuarial Fees	139	33
Equipment / Software	52	54
Information Technology Consulting	26	239
<b>Total Expenses Not Subject to the Statutory Limit</b>	<b>217</b>	<b>326</b>
<b>Total Pension Fund Administrative Expenses</b>	<b>4,727</b>	<b>4,085</b>
<b>Health Care Fund - County Administrative Expenses</b>	<b>5</b>	<b>5</b>
<b>Health Care Fund - OCFA Administrative Expenses</b>	<b>5</b>	<b>6</b>
<b>Total Administrative Expenses</b>	<b>\$ 4,737</b>	<b>\$ 4,096</b>

## Administrative Expense Compared to Actuarial Accrued Liability

For the Three Months Ended March 31, 2018

(Dollars in Thousands)

<b>2017 Administrative Expense Compared to Actuarial Accrued Liability</b>	
Projected Actuarial Accrued Liability (AAL) as of December 31, 2017	\$ 18,896,140
Maximum Allowed For Administrative Expense (AAL * 0.21%)	39,682
Actual Administrative Expense <sup>1</sup>	<u>4,510</u>
Excess of Allowed Over Actual Expense	<u>35,172</u>
Actual Administrative Expense as a Percentage of Projected Actuarial Accrued Liability	0.02%
Actual Administrative Expense as a Percentage of Projected Actuarial Accrued Liability as of December 31, 2017	0.08%
<sup>1</sup> Administrative Expense Reconciliation	
Administrative expense per Statement of Changes in Fiduciary Net Position	\$ 4,727
Less administrative expense not considered per CERL section 31596.1	<u>(217)</u>
Administrative Expense allowable under CERL section 31580.2	<u>\$ 4,510</u>



I-7



## Memorandum

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**DATE:** May 02, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Cynthia Hockless, Director of Administrative Services  
**SUBJECT:** UPDATE TO BOARD ELECTION, SAFETY MEMBER AND ALTERNATE SAFETY MEMBER

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### Written Report

#### Background/Discussion:

OCERS contacted the Registrar of Voters on January 05, 2018, with a request to conduct an election for the position of Safety Member and Alternate Safety Member with a term of office from July 1, 2018 through June 30, 2021.

The following two candidates filed nomination papers by the deadline and were determined qualified candidates.

1. Roger Hilton, Deputy Sheriff/OCERS Board Member
2. Jeremy Vallone, Firefighter

The Registrar of Voters mailed a ballot to the home of each OCERS safety member on April 12, 2018. A voted ballot must be received in the Registrar of Voters' office by 9:00 A.M., May 15, 2018. Ballots will be tallied at the Registrar of Voters' office on that date. Once the Registrar of Voters completes its tally, the election is schedule to be certified by the Board of Supervisors on May 22, 2018.

We are currently on schedule and will continue to provide updates as we progress through the process.

#### Attachment:

OCERS Election Calendar

Submitted by:



C.H. – APPROVED

Cynthia Hockless

Director of Administrative Services

# ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM ELECTION CALENDAR

May 15, 2018

## 1 SAFETY MEMBER AND 1 ALTERNATE MEMBER

February 9 and February 23 (E-95 and E-81)	The Orange County Retirement office shall notify the Safety Members of the Retirement System that an election will be conducted on May 15, 2018. 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 February 9, 2018 and February 23, 2018.
February 14 (E-90)	The Retirement Office shall provide the number of eligible Safety Members to the Registrar of Voters' Office.
February 20 (E-84)	The Retirement Office shall provide the Registrar of Voters' Office with Willingness to Serve forms and a list of eligible Safety Members for use in establishing the eligibility of candidates.
February 26 (E-78)	Nomination period begins. A Safety Member requires 75 nomination signatures.
March 16 (E-60)	Deadline to file a biographical statement with the Retirement Office.
March 16 (E-60)	Nomination period ends at 5:00 p.m. on this date.
March 19 (E- 57)	Retirement Office shall provide print-ready copies of biographical statements to the Registrar of Voters' Office to be printed by March 28.
March 20 (E-56)	Random draw will be held to determine the candidate placement on the ballot.
March 23 (E-53)	Retirement Office shall provide the Registrar of Voters with names and addresses of eligible Safety Members in an electronic format.
April 6 (E-39)	Mailing of ballots begins.
April 6 (E-39)	Retirement Office shall provide updated list of eligible Safety Members for voter verification.
May 15 (E-0)	Tally voted ballots at the Registrar of Voters' Office.
May 22 (E+7)	Certificate of Election on Board of Supervisors' agenda.
July 1 (E+47)	Term begins for Safety Member and Alternate Member. Term expires on June 30, 2021.

I-8

## Memorandum

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**DATE:** May 3, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Steve Delaney, Chief Executive Officer  
**SUBJECT:** **BOARD POLICY COMPLIANCE**

---

### Written Report

#### Background/Discussion

The OCERS Board has established a review schedule for its many policies, as well as charters and other directives (see attachments).

On April 18, 2018 the Board received a report from me regarding a scheduled review of Board Policy compliance. That review provides for a regular triennial reading of the policies and charters to ensure that they are still applicable and relevant to the OCERS Board's mission.

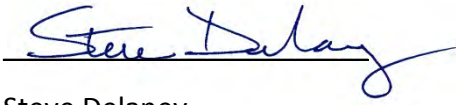
As indicated in my memo of April 18, 2018, my goal is to create a formal process for recording Board Policy compliance and reporting that on an annual basis to the Board.

At my request, Jim Doezie, OCERS Contracts Administrator, with strong experience in work processes, contacted the compliance officer of Contra Costa Employees Retirement Association and discussed options for improving our current approach.

Similar to OCERS current process, Contra Costa's compliance officer relies on verbal reports from policy owners in order to assure policy compliance. At his suggestion we will begin recording manager reports regarding compliance in SharePoint. This will allow for easier audit and reporting processes.

In addition, Mr. Doezie suggests that we work with policy owners through the remainder of this year to identify the key action requirements within each policy (if any). I will then work with the management team to begin reporting to the Board regarding policy compliance using this improved approach as of the December 31, 2018 calendar year close. My report would follow as an information item to the Board in January of each following year.

**Submitted by:**

A handwritten signature in blue ink that reads "Steve Delaney". The signature is written in a cursive style and is positioned above a horizontal line.

Steve Delaney  
Chief Executive Officer

I-9

# Report of Attendance at Conference or Seminar

Name of Member Attending: Suzanne Jenike, Assistant CEO External Operations

Name of Conference/Seminar: California Retired County Employees Association (CRCEA) Spring 2018 Conference

Location of Conference/Seminar: Santa Barbara California

Conference/Seminar Sponsor: Santa Barbara County Employees Retirement Association

Dates of Attendance: 4/15/2018 – 4/18/2018

Total Cost of Attendance: \$1,358.07

## Brief Summary of Information and Knowledge Gained:

Dan Adcock of the National Committee for the Preservation of Medicare & Social Security lead an extremely informative session on the challenges facing Social Security and Medicare recipients. Topics discussed included the recent threat from an attempt by the US House of Representatives to pass a balanced budget amendment (BBA). Had a BBA passed it would have prevented Social Security and Medicare benefits from being paid to millions of americans. Mr. Adcock also discussed many viable options for reform; increasing the FICA tax, reducing COLAs, increasing compensation limits.

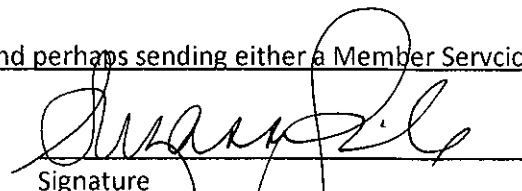
The conference also had speakers from volunteer organizations like the Kiwanis Club, Rotary Club, and Lions Club. The benefits each organization provides to the community was the focus of the discussion as well as ways that retirees can continue to serve the public while staying active and involved in their retirement years.

## Evaluation of the Conference or Seminar:

I found the conference informative and a good way of staying in tune with the concerns and issues facing our retired members.

## Recommendation Concerning Future Attendance:

I would recommend attending the conference in the future and perhaps sending either a Member Services or Communications Manager.



Signature

Return to: Executive Assistant

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



CALIFORNIA RETIRED COUNTY EMPLOYEES ASSOCIATION

# CRCEA SPRING CONFERENCE



*April 16-18, 2018*

**SANTA BARBARA, CALIFORNIA**  
**Fess Parker Double Tree Hotel**

## SUNDAY, APRIL 15, 2018

2:30 p.m. - 5:00 p.m. **CONFERENCE REGISTRATION: (Reagan Room)**  
5:00 p.m. - 11:00 p.m. **Chumash Casino Bus Trip**

## MONDAY, APRIL 16, 2018

6:30 a.m. - 9:00 a.m. **Breakfast Buffet (For Hotel Guests in Restaurant)**

9:00 a.m. - 5:00 p.m. **Registration: Reagan Room**

1:00 p.m. - 1:20 p.m. **Opening Session: Reagan Room**  
**Call to Order: CRCEA President: Skip Murphy**  
**Invocation**  
**Presentation of Colors: Santa Barbara County Sheriff's Department**  
**National Anthem: Star Spangled Banner**  
**Pledge of Allegiance: Mike Sloan**  
**Roll Call of Counties: CRCEA Secretary Virginia Adams**  
**Introduction of first time Attendees - Skip Murphy**

1:20 p.m. - 1:30 p.m. **Welcome**  
**Speaker: Supervisor Janet Wolf, Santa Barbara County**  
**Board of Supervisors**  
**Introduction: Zandra Cholmondeley**

1:30 p.m. - 2:15 p.m. **Keynote Address: Preserving Social Security & Medicare Benefits**  
**Speaker: Dan Adcock, National Committee for the Preservation**  
**of Medicare & Social Security, Washington D.C.**  
**Introduction: Skip Murphy**

2:15 p.m. - 3:00 p.m. **Panel Discussion: Building Better Retirement Associations**  
**Panelists: Annette Paladino, John McTighe, Roberta Griego,**  
**Gene Pennington**  
**Introduction: Annette Paladino**

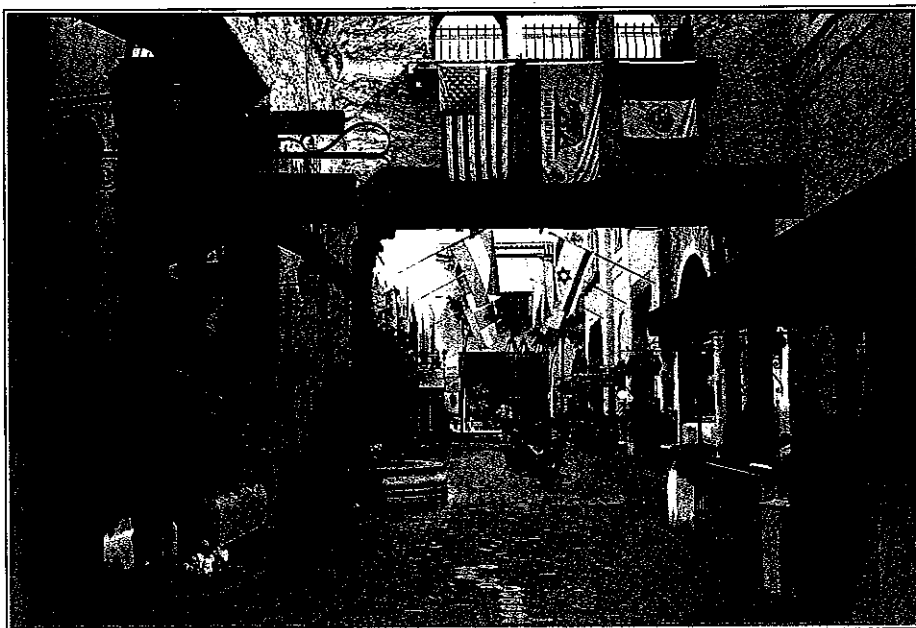
3:00 p.m. - 3:15 p.m. **Afternoon Break**

3:15 p.m. – 4:00 p.m. **Presentation: Panel Discussion: Volunteering in Retirement**  
Panelists: **Margaret Dunlevy**, Lions Club  
**Wade Nomura**, Rotary Club  
**Ed Cue**, Kiwanis Club  
Introduction: Tony Manuel

4:00 p.m. – 5:00 p.m. **Presentation: CRCEA Roundtable Discussion**  
Speaker/Moderator: Skip Murphy

5:15 p.m. – 7:00 p.m. **Hospitality Reception–All Attendees & Affiliate Members are invited** (Lobby elevator to third floor: Hospitality Parlor Suite located to right of elevator).  
Hosted by Steve Pettee, Pacific Group Agencies

7:00 p.m. **Dinner – on your own**





## TUESDAY, APRIL 17, 2018

- 6:30 a.m. – 8:15 a.m. Breakfast Buffet, (For Hotel Guests in Restaurant)
- 8:00 a.m. – 5:00 p.m. Registration (Reagan Room)
- 8:30 a.m. – 8:45 a.m. **Morning General Session: (Reagan Room)**  
Call to Order: CRCEA President  
Announcements: Annette Paladino/Skip Murphy
- 8:45 a.m. – 9:30 a.m. **Presentation: Covering Santa Barbara's Natural Disasters**  
Speaker: **John Palminteri**, Senior Reporter KEYT  
Television News  
Introduction: Annette Paladino
- 9:30 a.m. – 10:15 a.m. **Presentation: In Search of Sleep**  
Speaker: **Anne M. Lee, MD.** Pulmonary/Critical Care  
Physician: Samsun Medical Clinic  
Introduction: Rory Moore
- 10:15 a.m. – 10:30 a.m. **Morning Break**
- 10:30 a.m. – 11:30 a.m. **Presentation: Self Driving Cars:**  
The Future of Automotive Travel  
Speaker: **Mrinal Sood**, Senior Applications Engineer,  
Continental Advanced LIDAR Solutions  
Introduction: Mark Brickley

11:30 a.m. – 1:00 p.m. **Lunch – On Your Own**

1:00 p.m. – 1:45 p.m. **Presentation:** Introduction of Affiliates & Sponsors  
**Speakers:** Pacific Group Agencies, My Senior Health Plan, Member Extra, Cheiron, Empower Retirement and SEIU Local 620  
**Introduction:** Affiliate Committee Chair: Mike Sloan

1:45 p.m. – 2:30 p.m. **Presentation:** Traveling In Style!  
**Speaker:** Charles de L'Arbre of Santa Barbara Travel  
**Introduction:** Mark Brickley

2:30 p.m. – 2:45 p.m. **Afternoon Break**

2:45 p.m. – 3:30 p.m. **Presentation:** The New Disrupters  
**Speaker:** Gordon Stratford, Senior Vice President, Design Director (retired) HOK Group, INC., Toronto, Canada  
**Introduction:** Annette Paladino

3:30 p.m. – 4:15 p.m. **Presentation:** Legislative Report & Litigation Update  
**Speakers:** Art Goulet (Ventura Co.), Skip Murphy (San Diego County), David Muir (Los Angeles County) and Jeffery Rieger, Esq. – Reed Smith, LLP  
**Introduction:** Zandra Cholmondeley

4:15 p.m. – 5:15 p.m. **Presentation:** CRCEA Committee Breakout Sessions  
**Speakers:** Short overviews from podium by each Committee Chair before breakouts  
**Introduction:** Skip Murphy

5:15 p.m. – 6:30 p.m. **Hospitality Reception** – All attendees and Affiliate members are invited (Lobby elevator to third floor: Hospitality Parlor Suite located to right of elevator)  
**Hosted by** Steve Pettee, Pacific Group Agencies

7:00 p.m. – 9:30 p.m. **Conference Banquet** (Reagan Room)  
**Master of Ceremonies:** Skip Murphy/Annette Paladino  
**Entertainment:** Music & Dancing by DJ Frankie G.  
**Door Prize Drawings:** Tony Manuel & Jette Christiansson

## WEDNESDAY, APRIL 18, 2018

6:30 a.m. – 8:15 a.m. **Breakfast Buffet** (For Hotel Guests in Restaurant)

8:30 a.m. – 11:30 a.m. **Business Session**

(Fiesta Room- Take elevator to third floor, turn left)

Call to Order: CRCEA President

Announcements: Skip Murphy and Annette Paladino

Approval of Fall Conference Minutes: CRCEA Secretary,  
Virginia Adams

Executive Committee Report: Skip Murphy

Financial Report: Carlos Gonzalez CRCEA, Treasurer

Committee Reports by CRCEA Committee Chairs:

Affiliate: Mike Sloan, Contra Costa County

Benefits: John Michaelson, San Bernardino County

Bylaws: David Muir, Los Angeles County

Communications: Virginia Adams, San Bernardino County

Audit/Finance: Jerry Jacobs, Alameda County

Legislation: Art Goulet, Ventura County

Membership: Rhonda Biesemeier, Stanislaus County

Nominating: Will Hoag, Ventura County

Conference: Mike Sloan, Contra Costa County

Retirement Security: George Shoemaker, Ventura County

Invitation to Fall 2018 Conference: Gene Pennington,  
Marin County

Closing Remarks: CRCEA President

**1-10**



Form

# Report of Attendance at Conference or Seminar

Name of Member Attending: Molly A. Murphy & Stina Walander-Sarkin

Name of Conference/Seminar: Women's Private Equity Summit 2018

Location of Conference/Seminar: Half Moon Bay, CA

Conference/Seminar Sponsor: Platinum Sponsors: KPMG, Proskauer, Neuberger Berman

Dates of Attendance: March 8-9, 2018

Total Cost of Attendance: \$1,462 (\$731 per person for 2 hotel nights)

Brief Summary of Information and Knowledge Gained:

Conference sessions included discussions on private equity trends going forward, CIOs perspective on the economy, innovation strategies, fundraising and the GP-LP dynamic. One of the attended break-out sessions discussed the Millenium Multiple, an emerging trend, and what it means for investing due to the significant generation trend in consumer behavior.

Evaluation of the Conference or Seminar:

Content rich conference for women in private equity & venture capital. Very valuable in terms of gaining knowledge from accomplished and influential women in the industry as well as networking with GPs and peers.

Recommendation Concerning Future Attendance:

Overall, highly recommended conference, great for networking and establishing relationships with premier GPs.

A handwritten signature in blue ink, appearing to read "Molly Murphy", is written over a horizontal line.

Signature

Return to: Executive Assistant

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



**DAY ONE — THURSDAY, MARCH 8, 2018****7:00 – 8:15 AM***Location: Ballroom Foyer and Ballroom***Registration/Sign-In and Buffet Breakfast**

Get a jumpstart on networking before the Summit really gets going. Grab a coffee and croissant, take a seat in the ballroom and get to know fellow attendees in a relaxed and casual setting.

**7:00 – 8:15 AM***Location: Miramar I*

**LP BREAKFAST DISCUSSION: The Year in Review and Trends Going Forward**  
(by-invitation-only for pensions, endowments and foundations)

*Facilitated by: Denning & Company, GCM Grosvenor, Proskauer and The Institutional Limited Partners Association (ILPA)*

**8:30 – 8:45 AM***Location: Ballroom***WELCOME**

- **Beth Falk**, Founder and Managing Director, **Women's Private Equity Summit**; President, **Falk Marques Group LLC**

**8:45 – 9:30 AM***Location: Ballroom***KEYNOTE PANEL DISCUSSION****CIO PERSPECTIVES: THE ECONOMY – WHAT'S AHEAD AND WHAT DOES IT MEAN FOR INVESTMENT STRATEGIES?**

Moderator: **Robin A. Painter**, Partner and Global Co-Head of the Private Investment Funds Group, **Proskauer**

## Featured Speakers:

- **K.C. Krieger**, Chief Investment Officer, **The Broad Foundations**
- **Dina L. Richard**, Senior Vice President, Treasury and Chief Investment Officer, **Trinity Health**
- **Dhvani Shah**, Chief Investment Officer, **Illinois Municipal Retirement Fund**
- **Theresa Whitmarsh**, Executive Director, **Washington State Investment Board**

**9:35 – 10:20 AM***Location: Ballroom***KEYNOTE PANEL DISCUSSION****LET THE GOOD TIMES ROLL: WHAT WILL FIRMS DO WITH ALL THAT CAPITAL?**

Moderator: **Kathleen R. Browne**, Chief Investment Officer, **Denison University**

## Featured Speakers:

- **Jennifer Fonstad**, Co-Founder and Managing Partner, **Aspect Ventures**
- **Nancy Ford**, Managing Director, **KKR**
- **Amy Price**, President and Chief Investment Officer, **Bentall Kennedy (U.S.)**
- **Megan Quinn**, General Partner, **Spark Capital**

**10:20 – 10:40 AM***Location: Ballroom Foyer***Networking Refreshment Break****10:45 – 11:15 AM***Location: Ballroom***KEYNOTE INTERVIEW & DISCUSSION****THE RETURN ON GENDER DIVERSITY**

- **George Roberts**, Co-Chairman and Co-Chief Executive Officer, **KKR**
- **Joan Solotar**, Senior Managing Director, Private Wealth Solutions and External Relations, **The Blackstone Group**
- Interviewer: **Sue Townsen**, Senior Advisory Partner and Head of Inclusion and Diversity, **KPMG**



11:20 AM – 12:05 PM

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### TRACKED DISCUSSION GROUPS – CONCURRENT SESSIONS

Concurrent Discussion Groups shine a light on singular topics of great importance to general partners, limited partners, and advisors to the industry. Facilitated by private equity professionals and subject-matter experts, these informal guided discussions provide a small-group forum for a candid and in-depth look at critical issues.

#### SPOTLIGHT ON PRIVATE EQUITY

##### Away From the Crowd: Unique Approaches to Sourcing and Value Creation

Location: *Miramar I - III (Ballroom Level)*

Panelists:

- **Ya Tung**, Director of Investments, **GCM Grosvenor** (Facilitator)
- **Runa Alam**, Chief Executive Officer, **DPI**
- **Helen Chiang**, Principal, **American Securities**
- **Michelle Noon**, General Partner, **Riverside Partners**

#### SPOTLIGHT ON VENTURE CAPITAL

##### To Make Money, We Are ...

Location: *Miramontes (Lobby Level)*

Panelists:

- **Kelly Meldrum**, Partner & Head of Primary Investments, **Adams Street Partners** (Facilitator)
- **Stacey Bishop**, Partner, **Scale Venture Partners**
- **Stephanie Palmeri**, Partner, **Uncork Capital**
- **Risa Stack**, General Manager, New Business Creation, **GE Ventures**

#### SPOTLIGHT ON REAL ESTATE

##### High Prices and Plenty of Capital: What Does This Dynamic Mean for Deals and Returns?

Location: *El Granada (Lobby Level)*

Panelists:

- **Michelle Creed**, Director, **Landmark Partners** (Facilitator)
- **Lynn King-Tolliver**, Principal, **Archere Investment Management**
- **Suzanne Martinez**, Managing Director, **LaSalle Investment Management**
- **Jan Mende**, Senior Vice President, **Callan**

#### SPOTLIGHT ON THE FIRM

##### Interacting With LPs: Are You Giving Them What They Truly Want?

Location: *Montara (Lobby Level)*

Panelists:

- **Gina Lee Peyton**, Managing Director, **Castlelake** (Facilitator)
- **Nikita Doshi Gujral**, Managing Director, **UCSF Foundation Investment Company**
- **Amy Harsch**, Managing Director, **American Securities**
- **Meghan Reynolds**, Partner, **TPG Capital**
- **Susan Yun Lee**, Managing Director of Investments, **The Broad Foundations**

#### SPOTLIGHT ON EMERGING TRENDS

##### The Millennium Multiple: What It Means for Investing

Location: *Observatory (Lobby Level)*

Panelists:

- **Nancy Tseng**, West Coast Mergers and Acquisition Leader, **West Monroe Partners** (Facilitator)
- **Joe Bryant**, Investment Director, **UCLA Investment Company**
- **Neda Daneshzadeh**, Partner, **Prelude Growth Partners**
- **Eurie Kim**, Partner, **Forerunner Ventures**
- **Jessica Yuan**, Vice President, **Lindsay Goldberg**

**SPOTLIGHT ON SECTORS OF OPPORTUNITY****Emerging Markets: Do the Opportunities Outweigh the Challenges?**

*Location: Pacifica (Lobby Level)*

Panelists:

- **Raelan Lambert**, Managing Director, **Pavilion Alternatives Group** (Facilitator)
- **Anuscha Ahmed**, Managing Director, **The Abraaj Group**
- **Laura Andron**, Principal, **Hall Capital Partners**
- **Monica Brand Engel**, Partner, **Quona Capital**
- **Nicole Sahin**, Chief Executive Officer, **Globalization Partners**

12:10 – 1:25 PM

*Location: Ballroom and Navio Restaurant*

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**Networking Luncheon**

1:30 – 2:15 PM

**TRACKED DISCUSSION GROUPS – CONCURRENT SESSIONS**

Concurrent Discussion Groups shine a light on singular topics of great importance to general partners, limited partners, and advisors to the industry. Facilitated by private equity professionals and subject-matter experts, these informal guided discussions provide a small-group forum for a candid and in-depth look at critical issues.

**SPOTLIGHT ON PRIVATE EQUITY****Balancing Act: How Deal Investing by LPs Is Shaping the PE Environment**

*Location: Miramar I - III (Ballroom Level)*

Panelists:

- **Nancy Rose**, Asset Management Practice Leader, **KPMG** (Facilitator)
- **Susanna Daniels**, Director, Investor Relations, **Hellman & Friedman**
- **Aris Hatch**, Managing Director, Business Development, **GCM Grosvenor**
- **Teresa McTague**, Managing Director, Chief Investment Officer – U.S., **Aflac**
- **Jacquelyn Wang**, Managing Director, **Neuberger Berman**

**SPOTLIGHT ON VENTURE CAPITAL****Solving the Industry's "Woman Problem": What Can and Should Be Done?**

*Location: Miramontes (Lobby Level)*

Panelists:

- **Julia Winterson**, Director, Investments, **Dignity Health** (Facilitator)
- **Beth Ferreira**, Managing Director, **FirstMark Capital**
- **Sarah Kunst**, Founder and Chief Executive Officer, **Proday**
- **Emily Melton**, Partner, **DFJ**
- **Trae Vassallo**, Managing Director, **defy.vc**

**SPOTLIGHT ON REAL ESTATE****Shifting Demographics: How It Affects Investing**

*Location: El Granada (Lobby Level)*

Panelists:

- **Carrie DeWees**, Managing Principal, **Allstate Investments** (Facilitator)
- **Isela Rosales**, Managing Director, **Bridge Investment Group**
- **Kathryn A. Sweeney**, Co-Founder and Managing Partner, **Blue Moon Capital Partners**
- **Ani Vartanian**, Managing Partner, **Rubicon Point Partners**

**SPOTLIGHT ON THE FIRM****PE Firms Acquiring Stakes in Other PE Firms: Will It Produce Desired Results?***Location: Montara (Lobby Level)*

Panelists:

- **Sarah Cherry**, Partner, **Proskauer** (Facilitator)
- **Lindsay Creedon**, Partner, **StepStone Group**
- **Jamie Lurie**, Senior Vice President, Associate General Counsel, **Dyal Capital Partners**
- **Jordan Peer**, Managing Director, **H.I.G. Capital Partners**

**SPOTLIGHT ON EMERGING TRENDS****Cryptocurrencies and Blockchain: Will They Deliver Cash to Investors?***Location: Observatory (Lobby Level)*

Panelists:

- **Beezer Clarkson**, Managing Director, **Sapphire Ventures** (Facilitator)
- **Cheryl Cheng**, Partner, **BlueRun Ventures**
- **Jalak Jobanputra**, Managing Partner, **Future Perfect Ventures**
- **Joyce Kim**, Managing Partner, **SparkChain Capital**
- **Linda Xie**, Co-Founder and Managing Partner, **Scalar Capital**

**SPOTLIGHT ON SECTORS OF OPPORTUNITY****Dive Into Credit: Why PE Firms and LPs Are Being Drawn to Direct Lending***Location: Pacifica (Lobby Level)*

Panelists:

- **Beth Puleo**, Senior Investment Officer – Private Equity, **State of Wisconsin Investment Board** (Facilitator)
- **Shireen Ali**, Associate Director, Credit, **The Abraaj Group**
- **Kristine Jurczyk**, Principal and Co-Head, Vista Credit Opportunities, **Vista Equity Partners**
- **Gabrielle Zadra**, Senior Managing Director, **Cliffwater**

**2:20 – 3:30 PM****CONCURRENT WORKSHOPS****WORKSHOP I****Fundraising and the LP-GP Dynamic in 2018***Hosted by Proskauer**Location: Ballroom*

Panelists:

- **Camille Higonnet**, Partner, **Proskauer** (Facilitator)
- **Emily Carroll**, Vice President – Private Funds, **Harvard Management Company**
- **Jill Kitazaki**, President, **Denning & Company**
- **Morgan Holzaepfel**, Partner, Primary Investment Team, **Adams Street Partners**
- **Leah Palmer**, General Counsel, **Spectrum Equity**

**WORKSHOP II****Realizing the Return on Gender Diversity***Hosted by KPMG**Location: Observatory  
(Lobby Level)*

Panelists:

- **Camille Asaro**, Partner, Financial Services Investment Management, **KPMG** (Facilitator)
- **Janet Cowell**, Chief Executive Officer, **Girls Who Invest**
- **Lauren Dillard**, Managing Director and Partner, **The Carlyle Group**
- **Chrissie Chen Pariso**, Senior Portfolio Manager, Private Equity, **Exelon Corporation**
- **Kelly M. Williams**, Chair and CEO, **Private Equity Women Investor Network (PEWIN)**

**WORKSHOP III****Driving Value From ESG***Hosted by Neuberger Berman**Location: Miramar I - III  
(Ballroom Level)*

## Panelists:

- **Maura Reilly Kennedy**, Principal, **Neuberger Berman** (Facilitator)
- **Tania Choufani**, Managing Director, Head of Environment, Social and Governance, **The Abraaj Group**
- **Dale Hunt**, Managing Director, Private Equity, **Ascension Investment Management**
- **Megan Lundy**, Director of Investor Relations, **Lindsay Goldberg**
- **Elizabeth Seeger**, Director of Public Affairs, **KKR**

**3:30 – 3:50 PM***Location: Ballroom Foyer***Networking Refreshment Break****3:55 – 4:05 PM***Location: Ballroom***Afternoon Welcome and First Prize Drawing****4:05 – 4:30 PM***Location: Ballroom***KEYNOTE CONVERSATION****CLIMBING THE LADDER AND SLIDING INTO INVESTMENTS**

- **Betty Hung**, Operating Principal, **Vista Equity Partners**
- **Jennifer Kerr**, Managing Director, Head of Investment Strategy and Portfolio Construction, Total Portfolio Management, **CPPIB**

**4:30 – 5:15 PM***Location: Ballroom***KEYNOTE PANEL DISCUSSION****INSIGHTS ON INNOVATIVE STRATEGIES**Moderator: **Elin Szymanowski**, Investment Officer, **Los Angeles County Employees' Retirement Association (LACERA)**

## Featured Speakers:

- **Kirsten Morin**, Co-Head of Global Venture Capital, **Aberdeen Standard Investments**
- **Nancy Pfund**, Managing Partner, **DBL Partners**
- **Kathryn Regan**, Managing Director, **Landmark Partners**
- **Patricia Miller Zollar**, Managing Director, **Neuberger Berman**

**5:20 – 5:50 PM***Location: Ballroom***THE 2018 PRIVATE EQUITY TRAILBLAZER AWARD**

## Our Honoree:

- **Kate Mitchell**, Co-Founder and Partner, **Scale Venture Partners**

Join us for Kate's Talk:

**THE ELEPHANT IN THE ROOM: WOMEN AND OUR INDUSTRY ... SO WHAT ARE WE GOING TO DO ABOUT IT?****5:50 – 7:30 PM***Location: Ballroom Foyer and Terrace***Cocktail Networking Reception** (serving dinner fare)*Sponsored by KPMG, Neuberger Berman, and Proskauer***7:30 – 9:00 PM***Location: Cork Wine Bar / The Library***Dessert Reception***Sponsored by Falk Marques Group / The Women's Private Equity Summit*



## DAY TWO — FRIDAY, MARCH 9, 2018

6:30 – 7:30 AM

### WELLNESS ACTIVITIES (Thursday Sign-Up Required)

Sponsored by Brooklands Capital Strategies and Medley

■ **Yoga to Start the Day** (Observatory, Lobby Level)

Each yoga session explores classic yoga. Poses are designed to strengthen breathing techniques, balance, and enhance overall well-being. Discover how yoga conditions your muscles, improves flexibility, circulation and helps to reduce stress and increase energy flow in the body. All levels are welcome.

■ **Cardio Boot Camp** (Miramontes, Lobby Level)

This class is an overall fun and efficient body-toning workout. A 50 minute cardio-strength training workout that targets every major muscle group with easy to follow moves using your own body weight. The entire body gets involved to keep heart rate up. Participant can select personal intensity levels by easily modifying the moves. Aimed for every level of exerciser.

NOTE: Early morning shuttle bus service is available to Summit attendees staying off-property to facilitate participation in Friday morning's Wellness Activities. To serve as your home away from home, our "Summit Lounge" on the 5th floor and The Ritz-Carlton Spa will be available to Summit attendees throughout the event.

7:30 – 8:40 AM

Location: Ballroom Foyer and Ballroom

### Buffet Breakfast

7:30 – 8:40 AM

Location: Pacifica, Miramar I, Miramar II-III

### PEER-TO-PEER BREAKFASTS – New this year!

Informal, non-sponsored breakfasts with colleagues providing an opportunity to swap stories, exchange best practices, and network in a casual setting with people who share your experiences.

Separate by-invitation-only gatherings for:

1. LPs from Pensions, Foundations, and Endowments (non-fee earning organizations only)

Note: LP Breakfast served in Pacifica Room.

2. GP Dealmakers (investment-focused role only)

3. IR/Fundraising Professionals

Note: GP Dealmakers and IR/Fundraising Professionals can grab coffee and breakfast in the Ballroom Foyer and bring it to your designated meeting room.

8:45 – 9:00 AM

Location: Ballroom

### Summit Supporter Survey Drawing

9:00 – 9:55 AM

Location: Ballroom

### KEYNOTE DISCUSSION

#### UNLOCKING THE POWER OF GROWTH MINDSETS

- Laura Kray, Professor, UC Berkeley-Haas School of Business



10:00 – 10:50 AM

**TRACKED DISCUSSION GROUPS – “BROADSOURCED” UNSESSIONS**

The Unsessions are relaxed, casual, and interactive. These sessions present a uniquely different opportunity to network with colleagues while exploring a topic that excites you. No speeches, no PowerPoints – just facilitators with ideas to share and a group of women eager to discuss.

**The Intersection of Sexual & Gender Harassment, Sexist Behavior & Risk Management**

Location: *Miramar II - III*  
(Ballroom Level)

Facilitators:

- **Dana Hollinger**, CalPERS Board Trustee, **California Public Employees' Retirement System**
- **Kelly M. Williams**, Chair and Chief Executive Officer, **Private Equity Women Investor Network (PEWIN)**
- **Paula Bosco**, Chief Executive Officer, **Activus Risk**
- **Robin A. Painter**, Partner and Global Co-Head of the Private Investment Funds Group, **Proskauer**

**Defining Your Success Values**

Location: *Observatory*  
(Lobby Level)

Facilitator:

- **Charanya Rangamannar**, Associate Director, Real Assets, **Willett Advisors**

**Innovation and Investing in the Age of Artificial Intelligence**

Location: *Pacifica*  
(Lobby Level)

Facilitator:

- **Rudina Seseri**, Founder and Managing Partner, **Glasswing Ventures**

**A Window Into the Future of Learning**

Location: *Pillar Point*  
(Ballroom Level)

Facilitators:

- **Wayee Chu**, General Partner, **Reach Capital**
- **Shauntel Paulson**, General Partner, **Reach Capital**

**Healthy Time Management – Work, Life, & Fitness**

Location: *Miramontes*  
(Lobby Level)

Facilitator:

- **Isela Rosales**, Managing Director, **Bridge Investment Group**

**What Does a Culture That Embraces Gender Diversity Look Like?**

Location: *Miramar I*  
(Ballroom Level)

Facilitator:

- **Elise Hebb**, Partner and Chief Operating Officer, **Maveron**

10:50 – 11:10 AM

Location: *Ballroom Foyer*

**Networking Refreshment Break**

11:10 – 11:55 AM

Location: *Ballroom*

**KEYNOTE PANEL DISCUSSION**

**THE FINAL WORD FROM TOP LPs**

Moderator: **Jennifer James**, Managing Director, Head of Investor Relations and Marketing, **Thoma Bravo**

Featured Speakers:

- **Rulke Bagijn**, Managing Director, **AlpInvest Partners**
- **Jackie Hoffmann**, Director, **next47**
- **Sharmila Kassam**, Deputy Chief Investment Officer, **Employees Retirement System of Texas**
- **Andrea Kramer**, Managing Director, **Hamilton Lane**

11:55 AM

**SUMMIT ADJOURNS**

\* Program subject to change

**1-11**



**Orange County Employees  
Retirement System**

**December 31, 2017 Actuarial Valuation**

**May 14, 2018**

*Prepared by: Paul Angelo, Andy Yeung and Molly Calcagno  
Segal Consulting  
San Francisco*

# Agenda

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- Changes Since Last Valuation
- Plans of Benefit Offered at OCERS
- Summary of Employer Contribution Rates
- Calculation of Net Market, Actuarial and Valuation Value of Assets
- Unfunded Actuarial Accrued Liability and Funded Ratio
- Summary of Active and Retired Membership
- Contribution Rates for Employers and Members

# Changes Since Last Valuation

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- December 31, 2016 Triennial Experience Study
  - Non-Economic assumptions adopted for December 31, 2017 valuation
    - Retirement rates:
      - » Overall, slight adjustments to retirement rates
    - Termination rates:
      - » Decrease in termination rates
      - » Decrease assumption for proportion of members electing a refund
    - Disability incidence:
      - » Increase assumption for all except General OCTA members
    - Mortality Rates:
      - » Use SOA tables (RP-2014 Headcount-Weighted) as a starting point (“base table”), projected generationally using the two-dimensional Scale MP-2016, with age adjustments
      - » Each future year has its own mortality table that reflects the forecasted improvements at every age
      - » Administrative tables still use static projection for member contribution rates, optional benefits and reserve factors

# Changes Since Last Valuation

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- December 31, 2016 Triennial Experience Study (Continued)
  - Economic assumptions adopted for December 31, 2017 valuation
    - Price inflation (CPI):
      - » Reduce from 3.00% to 2.75%
    - Investment return:
      - » Reduce price inflation component from 3.00% to 2.75%
      - » Reduce nominal return assumption from 7.25% to 7.00%
    - Salary increases:
      - » Reduce price inflation component from 3.00% to 2.75%
      - » Maintain the “Across the Board” real wage growth component at 0.50%
      - » Total wage inflation and payroll growth reduced from 3.50% to 3.25%
      - » Merit and promotional: Slight increases overall for General and slight decreases overall for Safety
- The Board approved a three-year phase-in of the UAAL employer cost impact due to assumption changes
  - Employer contribution rates as of December 31, 2017 have been adjusted to reflect only 1/3 of the UAAL cost impact

# Changes Since Last Valuation (Continued)

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- OCFA contributed an additional \$32.1 million to pay off part of their UAAL
- Children and Families Commission (Rate Group #2) and Law Library (Rate Group #12) paid off their Unfunded Actuarial Accrued Liability (UAAL) as of December 31, 2016
  - New UAAL layer established to reflect the impact of assumption changes in December 31, 2017 valuation
- Withdrawing employer policy applied to Cypress Parks and Recreation District
  - District's share of UAAL is \$0.7 million as of December 31, 2016
- For Rate Group #3, asset transfer of \$24.0 million required from O.C. Sanitation District UAAL Deferred Account to Valuation Assets to offset UAAL increase for assumption changes

# Plans of Benefit Offered at OCERS

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## ➤ General Plans

- Plan A (§31676.12) – 2% @ 57
- Plan B (§31676.1) – 1.67% @ 57.5
- Plans G and H (§31676.18) – 2.5% @ 55
- Plans I and J (§31676.19) – 2.7% @ 55
- Plans M and N (§31676.16) – 2% @ 55
- Plans O and P (§31676.01) – 1.62% @ 65
- Plan S (§31676.12) – 2% @ 57
- Plan T (§31676.01) – 1.62% @ 65 CalPEPRA
- Plan U (§7522.20(a)) – 2.5% @ 67 CalPEPRA
- Plan W (§31676.01) – 1.62% @ 65 CalPEPRA

## ➤ Safety Plans

- Plans E and F (§31664.1) – 3% @ 50
- Plans Q and R (§31664.2) – 3% @ 55
- Plan V (§7522.25(d)) – 2.7% @ 57 CalPEPRA

# Employer Contributions

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- The sum of:
  - Normal Cost
  - Level percentage of payroll amortization of:
    - Balance of December 31, 2012 UAAL combined and re-amortized over 20 years as of December 31, 2013
    - New UAAL established after December 31, 2012 amortized over separate 20-year periods
  - Adjustment to reflect 18-month delay between date of valuation and date of rate implementation
- Expressed as percent of pay

# Employer Contribution Rates – Fiscal Years Beginning July 1, 2018 and July 1, 2019 (% of payroll)

	FY 19-20 <sup>(1)</sup>	FY 18-19 <sup>(2)</sup>	Difference
<b>Rate Group #1</b>			
General Plans A, B and U (non-OCTA, non-OCSD) <sup>(3),(4)</sup>	18.27%	16.37%	1.90%
<b>Rate Group #2</b>			
General Plans I, J, O, P, S, T, U and W (County et al.)	35.33%	33.34% <sup>(5)</sup>	1.99%
<b>Rate Group #3</b>			
General Plans B, G, H and U (OCSD)	12.46%	11.42%	1.04%
<b>Rate Group #5</b>			
General Plans A, B and U (OCTA)	27.96%	25.47%	2.49%
<b>Rate Group #9</b>			
General Plans M, N and U (TCA)	24.51%	23.53%	0.98%
<b>Rate Group #10</b>			
General Plans I, J, M, N and U (OCFA)	28.96%	30.40%	-1.44%
<b>Rate Group #11</b>			
General Plans M and N, future service, and U (Cemetery)	12.48%	10.81%	1.67%
<b>Rate Group #12</b>			
General Plans G, H and U (Law Library)	13.85%	13.14% <sup>(6)</sup>	0.71%
<b>Rate Group #6</b>			
Safety Plans E, F and V (Probation)	52.32%	47.81%	4.51%
<b>Rate Group #7</b>			
Safety Plans E, F, Q, R and V (Law Enforcement)	62.38%	62.39%	-0.01%
<b>Rate Group #8</b>			
Safety Plans E, F, Q, R and V (Fire Authority)	<u>46.24%</u>	<u>47.31%</u>	<u>-1.07%</u>
<b>Aggregate Total</b>	<b>37.97%</b>	<b>36.43%</b>	<b>1.54%</b>

(1) These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

(2) The FY 18-19 composite rates for some Rate Groups have changed due to payroll shifting among plans within the Rate Groups.

(3) Liability associated with Vector Control has been excluded in determining rates for RG #1.

(4) These rates are before adjustments to reflect the UAAL paid by Mass Parks and Recreation, U.C.I. and DOE.

(5) These rates are after adjustment to the contribution rates for FY 18-19 for additional UAAL contributions made by Children and Families Commission during calendar year 2017.

(6) These rates are after adjustment to the contribution rates for FY 18-19 for additional UAAL contributions made during calendar year 2017.



# Reconciliation of Aggregate Employer Contributions (\$000)

	Contribution Rate	Estimated Amount <sup>(1)</sup>
1. Aggregate Recommended Contribution Rate as of December 31, 2016 (before adjustments to FY18-19 rates)	36.45%	\$660,428
2. Adjustment to FY18-19 rates for additional UAAL contributions from Children and Families and Law Library	<u>-0.02%</u>	<u>-\$323</u>
3. Aggregate Recommended Contribution Rate as of December 31, 2016 (after adjustments to FY18-19 rates)	36.43%	\$660,105
4. Actuarial (gain)/loss items:		
a) Effect of investment gain (after smoothing)	-0.10%	-\$1,812
b) Effect of additional UAAL contributions from OCFA and anticipated payments from DOE and UCI	-0.14%	-\$2,536
c) Effect of difference in actual versus expected contributions	0.15%	\$2,718
d) Effect of difference in actual versus expected COLA increases	-0.38%	-\$6,885
e) Effect of difference in actual versus expected salary increases	-0.26%	-\$4,711
f) Effect of growth in total payroll greater than expected	-0.01%	-\$181
g) Effect of other experience (gain)/loss	-0.06% <sup>(2)</sup>	-\$1,050
h) Effect of changes in actuarial assumptions	4.81% <sup>(3),(4)</sup>	\$87,151
i) Effect of three-year phase-in of UAAL cost impact due to changes in actuarial assumptions	<u>-2.47%</u>	<u>-\$44,804</u>
j) Subtotal	1.54%	\$27,890
5. Aggregate Recommended Contribution Rate as of December 31, 2017	37.97%	\$687,995

(1) Based on December 31, 2017 projected compensation of \$1,811,877,000.

(2) Net of an adjustment of 0.35% to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.

(3) Includes the effect of \$24,042,000 asset transfer from O.C. Sanitation District UAAL Deferred Account.

(4) Normal Cost increased by 1.10% and UAAL cost increased by 3.71%.

# Reconciliation of Employer Contributions for General Members

	RG #1 <sup>(1)</sup>	RG #2	RG #3	RG #5	RG #9	RG #10	RG #11	RG #12
1. Aggregate Recommended Contribution Rate as of December 31, 2016 (before adjustments to FY18-19 rates)	16.37% <sup>(2)</sup>	33.36%	11.42%	25.47%	23.53%	30.40%	10.81%	22.88%
2. Adjustment to FY18-19 rates for additional UAAL contributions from Children and Families and Law Library	<u>0.00%</u>	<u>-0.02%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>-9.74%</u>
3. Aggregate Recommended Contribution Rate as of December 31, 2016 (after adjustments to FY18-19 rates)	16.37% <sup>(2)</sup>	33.34%	11.42%	25.47%	23.53%	30.40%	10.81%	13.14%
4. Actuarial (gain)/loss items:								
a) Effect of investment gain (after smoothing)	-0.06%	-0.09%	N/A <sup>(3)</sup>	-0.08%	-0.06%	-0.08%	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>
b) Effect of additional UAAL contributions from OCFA and anticipated payments from DOE and UCI	-0.31%	0.00%	N/A <sup>(3)</sup>	0.00%	0.00%	-3.92%	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>
c) Effect of difference in actual versus expected contributions	-0.10%	0.16%	N/A <sup>(3)</sup>	0.22%	-0.11%	-0.01%	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>
d) Effect of difference in actual versus expected COLA increases	-0.18%	-0.33%	N/A <sup>(3)</sup>	-0.24%	-0.17%	-0.28%	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>
e) Effect of difference in actual versus expected salary increases	0.24%	-0.28%	N/A <sup>(3)</sup>	-0.38%	0.27%	-0.21%	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>
f) Effect of growth in total payroll (greater)/less than expected	0.21%	0.15%	N/A <sup>(3)</sup>	0.71%	-0.40%	0.73%	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>
g) Effect of other experience (gain)/loss <sup>(5)</sup>	0.06%	0.11%	0.06%	-0.30%	-0.03%	0.28%	0.11%	-0.10%
h) Effect of changes in actuarial assumptions <sup>(6)</sup>	3.73%	4.65%	0.98% <sup>(7)</sup>	4.88%	2.73%	3.93%	2.52%	0.81%
i) Effect of three-year phase-in of UAAL cost impact due to changes in actuarial assumptions	<u>-1.69%</u>	<u>-2.38%</u>	<u>0.00%</u>	<u>-2.32%</u>	<u>-1.25%</u>	<u>-1.88%</u>	<u>-0.96%</u>	<u>0.00%</u>
j) Subtotal	1.90%	1.99%	1.04%	2.49%	0.98%	-1.44%	1.67%	0.71%
6. Aggregate Recommended Contribution Rate as of December 31, 2017	18.27% <sup>(8)</sup>	35.33%	12.46%	27.96%	24.51%	28.96%	12.48%	13.85%

(1) Liability associated with Vector Control has been excluded in determining rates for RG #1.

(2) As of December 31, 2016, the net contribution rate for County and IHSS Public Authority after reflecting Board's UAAL contribution rate policy for U.C.I. and DOE is 13.30%.

(3) N/A because RG #3 has paid off their UAAL after reflecting asset transfer from O.C. Sanitation District UAAL Deferred Account and under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.

(4) N/A because RG #11 and RG #12 have become overfunded and, under CalPEPRA and before reflecting the effect of changes in actuarial assumptions, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.

(5) Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.

(6) Actual effect of changes in actuarial assumptions on December 31, 2017 valuation is somewhat higher than the effect that we estimated in the experience study which was based on the December 31, 2016 valuation. This is primarily due to the effect of lower mortality rates based on the generational tables applied at two different measurement dates.

(7) Includes the effect of \$24,042,000 asset transfer from O.C. Sanitation District UAAL Deferred Account to eliminate entire UAAL rate impact.

(8) As of December 31, 2017, the net contribution rate for County and IHSS Public Authority after reflecting Board's UAAL contribution rate policy for Cypress Parks and Recreation, U.C.I. and DOE is 14.99% after adjustment for phase-in.

3/16/2017

# Reconciliation of Employer Contributions for Safety Members

	RG #6	RG #7	RG #8
1. Aggregate Recommended Contribution Rate as of December 31, 2016 (before adjustments to FY18-19 rates)	47.81%	62.39%	47.31%
2. Adjustment to FY18-19 rates for additional UAAL contributions from Children and Families and Law Library	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
3. Aggregate Recommended Contribution Rate as of December 31, 2016 (after adjustments to FY18-19 rates)	47.81%	62.39%	47.31%
4. Actuarial (gain)/loss items:			
a) Effect of investment gain (after smoothing)	-0.11%	-0.14%	-0.13%
b) Effect of additional UAAL contributions from OCFA and anticipated payments from DOE and UCI	0.00%	0.00%	-1.02%
c) Effect of difference in actual versus expected contributions	0.53%	0.18%	0.04%
d) Effect of difference in actual versus expected COLA increases	-0.31%	-0.73%	-0.49%
e) Effect of difference in actual versus expected salary increases	-0.71%	0.02%	-0.90%
f) Effect of growth in total payroll (greater)/less than expected	1.29%	-1.58%	-0.06%
g) Effect of other experience (gain)/loss <sup>(1),(2)</sup>	-0.26%	-0.76%	-0.24%
h) Effect of changes in actuarial assumptions <sup>(3),(4)</sup>	8.34%	6.71%	4.02%
i) Effect of three-year phase-in of UAAL cost impact due to changes in actuarial assumptions	<u>-4.26%</u>	<u>-3.71%</u>	<u>-2.29%</u>
j) Subtotal	4.51%	-0.01%	-1.07%
6. Aggregate Recommended Contribution Rate as of December 31, 2017	52.32%	62.38%	46.24%

(1) Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.

(2) Effect of other experience (gain)/loss for RG #7 includes: -0.33% due to changes in demographics and -0.31% adjustment due to 18-month delay.

(3) Actual effect of changes in actuarial assumptions on December 31, 2017 valuation is somewhat higher than the effect that we estimated in the experience study which was based on the December 31, 2016 valuation. This is primarily due to the effect of lower mortality rates based on the generational tables applied at two different measurement dates.

(4) Effect of changes in actuarial assumptions for RG #6 is greater than for RG #7 and #8 primarily due to the higher cashout assumption adopted for Rate Group #6 and lower cashout assumptions adopted for RGs #7 and #8. Also, for RG #8, we are no longer assuming 100% retirement after a member's benefit reaches 100% of Final Average Compensation.

# Reconciliation of Aggregate Member Contributions (\$000)

	Contribution Rate	Estimated Amount <sup>(1)</sup>
Aggregate Recommended Contribution Rate as of December 31, 2016	11.97%	\$216,914
Effect of changes in demographics	-0.11%	-\$1,977
Effect of changes in actuarial assumptions	<u>0.77%</u>	<u>13,951</u>
Subtotal	0.66%	\$11,974
Aggregate Recommended Contribution Rate as of December 31, 2017	12.63%	\$228,888

<sup>(1)</sup> Based on December 31, 2017 projected compensation of \$1,811,877,000.

# Calculation of Net Market, Actuarial and Valuation Value of Assets

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- Net market value of Pension Fund is total market value reduced by:
  - Obligations under securities lending program including securities purchased
  - Unearned contributions, retiree payroll payable and other liabilities
  - County investment account and remaining O.C. Sanitation District UAAL Deferred Account of \$14.9 million after asset transfer of \$24.0 million
  - Amount held in Health Care Funds
- Actuarial value is a “smoothed” value to dampen short-term effect of market volatility
  - Based on spreading any difference between actual market return and expected market return (7.25% starting in 2013) over 5 years
  - Return for 2017 on market value was 14.79%
  - Return for 2017 on actuarial value was 7.44%
  - As of December 31, 2017, there were \$455.4 million in net deferred investment gains or about 3% of the net market value
    - Prior year: \$445.6 million in net deferred investment losses or about 4% of net market value
- Valuation value is actuarial value reduced by non-valuation reserves:
  - Medicare medical insurance reserve (only \$86,000 as of December 31, 2017)

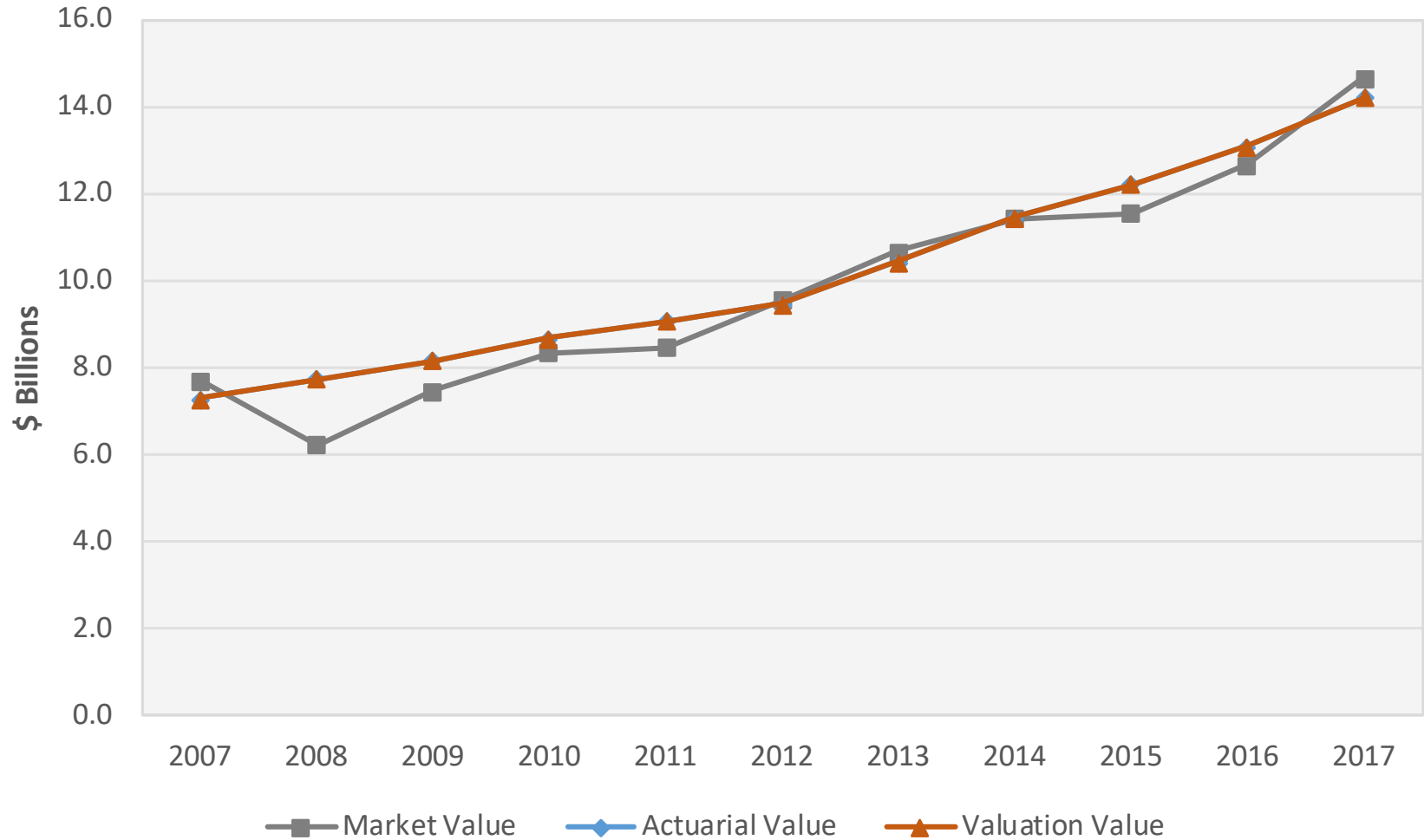
# Market, Actuarial and Valuation Value of Assets (\$000)

Valuation Date	Net Market Value of Assets <sup>(1)(2)</sup>	Actuarial Value of Assets <sup>(2)</sup>	Valuation Value of Assets
December 31, 2007	\$7,719,690	\$7,292,205	\$7,288,900
December 31, 2008	\$6,248,558	\$7,750,751	\$7,748,380
December 31, 2009	\$7,464,761	\$8,155,654	\$8,154,687
December 31, 2010	\$8,357,835	\$8,673,473	\$8,672,592
December 31, 2011	\$8,465,593	\$9,064,580	\$9,064,355
December 31, 2012	\$9,566,874	\$9,469,423	\$9,469,208
December 31, 2013	\$10,679,507	\$10,417,340	\$10,417,125
December 31, 2014	\$11,428,223	\$11,450,001	\$11,449,911
December 31, 2015	\$11,548,529	\$12,228,098	\$12,228,009
December 31, 2016	\$12,657,418	\$13,103,066	\$13,102,978
December 31, 2017	\$14,652,607	\$14,197,211	\$14,197,125

(1) Net of amounts in County investment account, prepaid employer contributions and O.C. Sanitation District UAAL Deferred Account (after transfer), if any.

(2) Includes amounts in unclaimed member reserve and Medicare medical insurance reserve.

# Market Value of Assets, Actuarial Value of Assets and Valuation Value of Assets as of December 31, 2007 - 2017



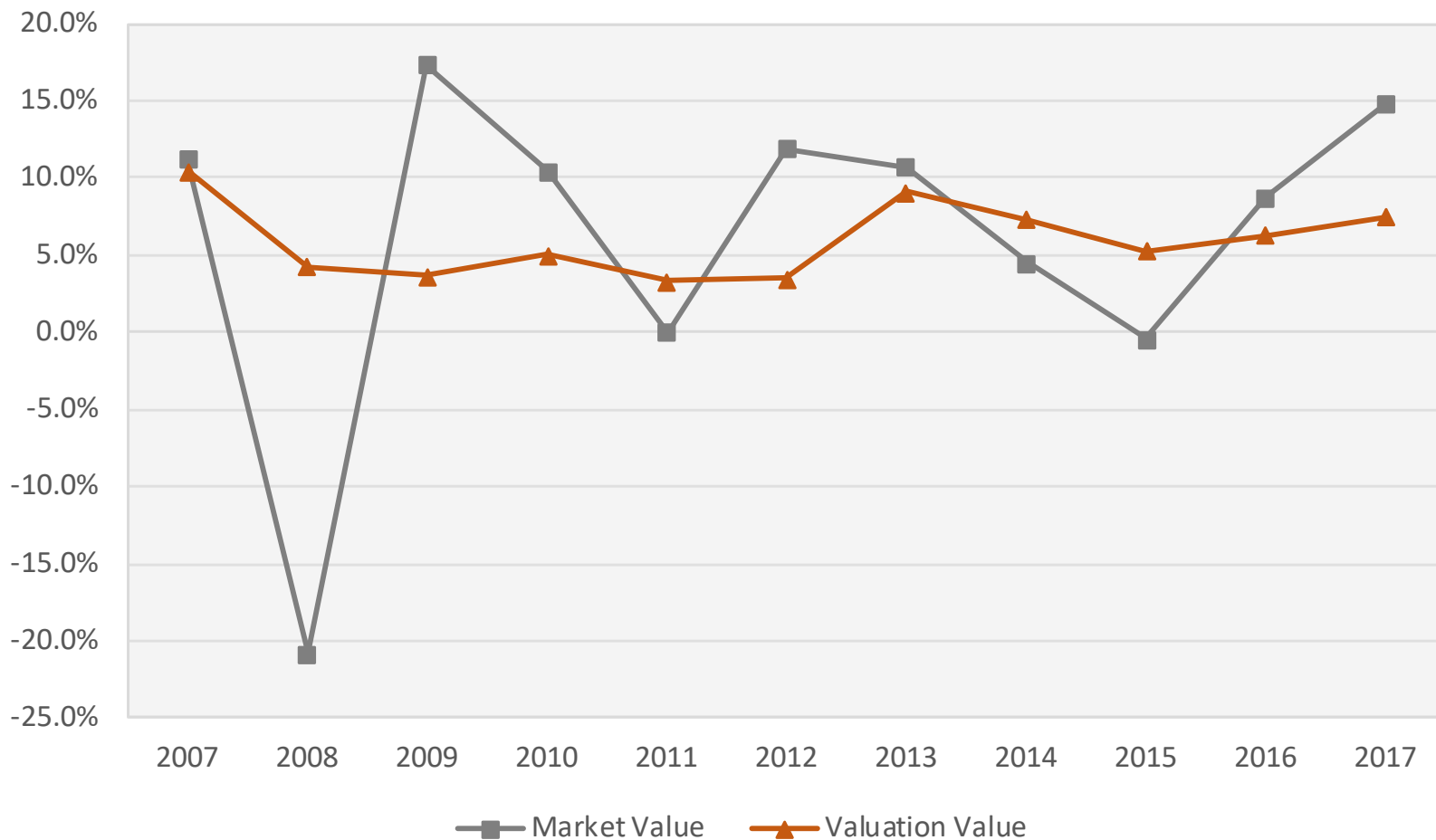
# History of Return on Assets

	Market	Valuation	Expected
December 31, 2008	-20.76%	4.25%	7.75%
December 31, 2009	17.32%	3.62%	7.75%
December 31, 2010	10.47%	5.02%	7.75%
December 31, 2011	0.04%	3.29%	7.75%
December 31, 2012	11.92%	3.49%	7.75%
December 31, 2013	10.73%	9.11%	7.25%
December 31, 2014	4.52%	7.34%	7.25%
December 31, 2015	-0.45%	5.26%	7.25%
December 31, 2016	8.72%	6.33%	7.25%
December 31, 2017	14.79%	7.44%	7.25% <sup>(1)</sup>
Annualized 5-Year Average	7.53%	7.09%	
Annualized 10-Year Average	5.16%	5.50%	

<sup>(1)</sup> 7.00% is the expected return starting with 2018 Plan year.



# Market Value and Valuation Value Rates of Return for Years Ended December 31, 2007 - 2017



153/217

# Unfunded Actuarial Accrued Liability (\$000) and Funded Ratio

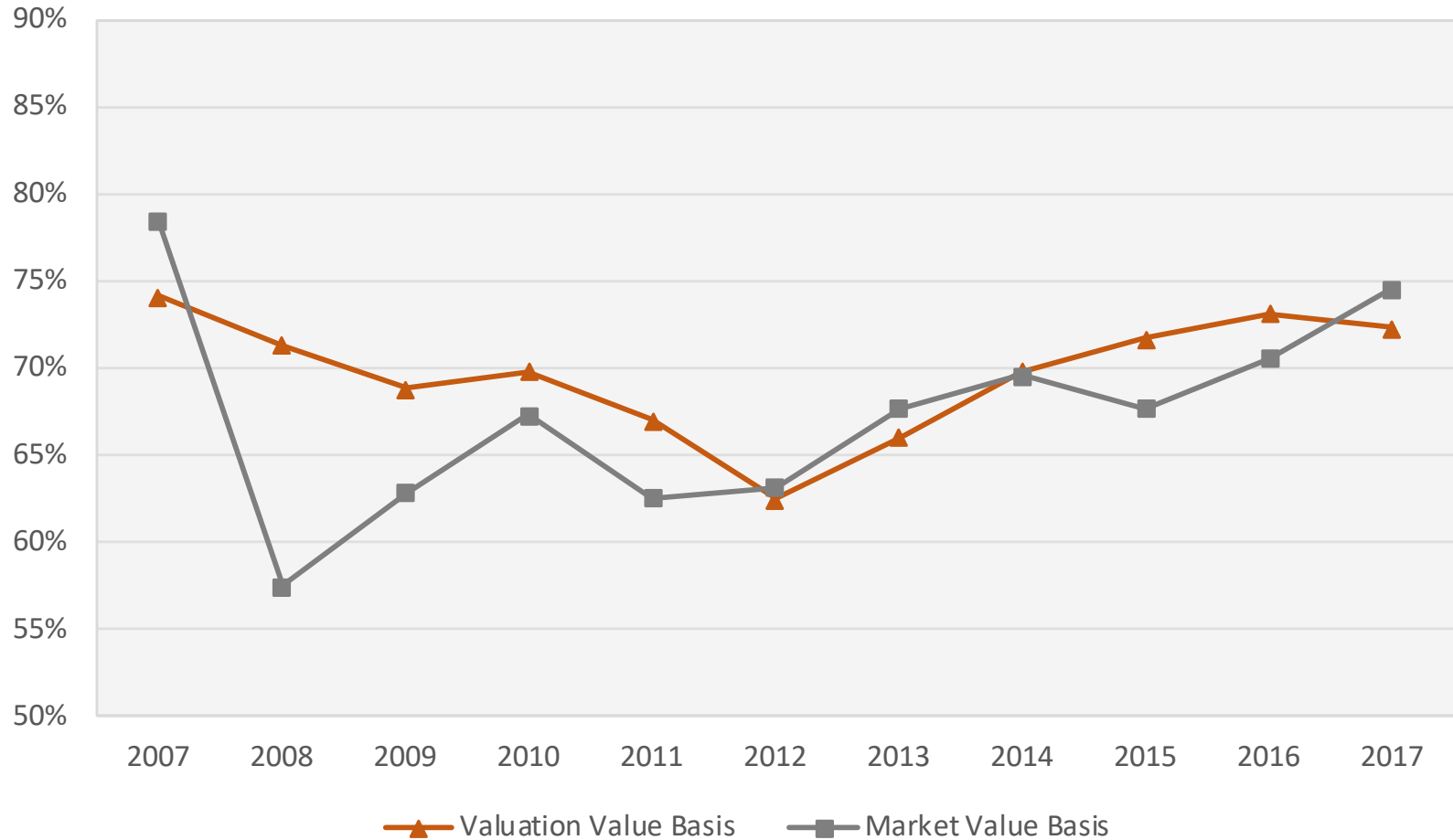
	December 31, 2017	December 31, 2016
Actuarial Accrued Liability	\$19,635,427	\$17,933,461
Valuation Value of Assets <sup>(1)</sup>	14,197,125	13,102,978
Unfunded Actuarial Accrued Liability	5,438,302	4,830,483
Percent Funded on Valuation Value	72.30%	73.06%
Market Value of Assets <sup>(1)</sup>	\$14,652,521	\$12,657,330
Percent Funded on Market Value	74.62%	70.58%

<sup>(1)</sup> Excludes County investment account, prepaid employer contributions, Medicare medical insurance reserve and O.C. Sanitation District UAAL Deferred Account (after transfer), if any.

# Unfunded Actuarial Accrued Liability (\$000) and Funded Ratio

Valuation Date	UAAL	Valuation Value Funded Ratio	Market Value Funded Ratio
December 31, 2007	\$2,549,786	74.1%	78.4%
December 31, 2008	\$3,112,335	71.3%	57.5%
December 31, 2009	\$3,703,891	68.8%	62.9%
December 31, 2010	\$3,753,281	69.8%	67.3%
December 31, 2011	\$4,458,623	67.0%	62.6%
December 31, 2012	\$5,675,680	62.5%	63.2%
December 31, 2013	\$5,367,917	66.0%	67.7%
December 31, 2014	\$4,963,213	69.8%	69.6%
December 31, 2015	\$4,822,348	71.7%	67.7%
December 31, 2016	\$4,830,483	73.1%	70.6%
December 31, 2017	\$5,438,302	72.3%	74.6%

# Market Value and Valuation Value Funded Ratios for Years Ended December 31, 2007 - 2017

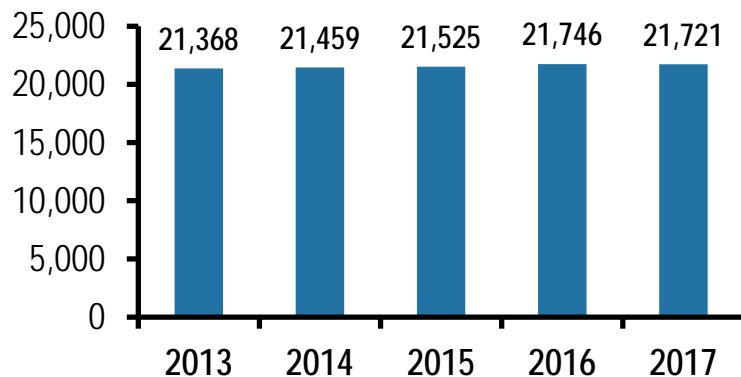


# Changes in UAAL since December 31, 2016 Valuation

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➤ December 31, 2016 valuation	
• Total UAAL	\$4,830 million
➤ Changes during calendar year 2017	
• Interest minus expected payments to UAAL	-\$50 million
• Difference in actual versus expected contributions	\$38 million
• Additional UAAL payments from Children & Families Commission, Law Library and OCFA	-\$40 million
• Investment gain (on smoothed value of assets)	-\$24 million
• Difference in actual versus expected salary increases	-\$66 million
• Difference in actual versus expected COLA increases	-\$96 million
• Transfer from OCSD UAAL Deferred Account	-\$24 million
• Other losses	\$17 million
• Changes in actuarial assumptions	<u>\$853 million</u>
• Subtotal	\$608 million
➤ December 31, 2017 valuation	
• Total UAAL	\$5,438 million

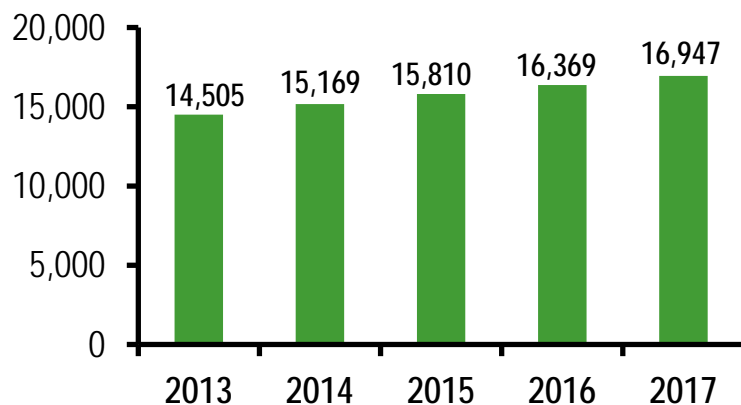
# Entire OCERS Membership Demographics (as of December 31)



## Active Members

- Average Age
- Average Service
- Average Compensation

	<u>2017</u>	<u>2016</u>
Active Members	21,721	21,746
• Average Age	45.3	45.4
• Average Service	12.9	12.9
• Average Compensation	\$83,416	\$80,927



## Retired Members and Beneficiaries

- Average Age
- Average Annual Benefit

	<u>2017</u>	<u>2016</u>
Retired Members and Beneficiaries	16,947	16,369
• Average Age	69.8	69.7
• Average Annual Benefit	\$44,939	\$43,641

## Terminated Vested Members

Terminated Vested Members	5,803	5,370
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# Questions and Discussion

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# Summary of Active Membership

Rate Group #1 General – non-OCTA, non-OCSD	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	1,555	1,640	-5.2%
Average age	43.1	42.0	1.1
Average service	9.8	8.9	0.9
Projected total compensation	\$83,675,611	\$83,218,758	0.5%
Projected average compensation	\$53,811	\$50,743	6.0%



# Summary of Active Membership

Rate Group #2 General Plans I, J, O, P, S, T, U and W	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	14,097	14,075	0.2%
Average age	45.7	45.9	-0.2
Average service	12.9	13.0	-0.1
Projected total compensation	\$1,093,044,342	\$1,064,427,772	2.7%
Projected average compensation	\$77,537	\$75,625	2.5%

# Summary of Active Membership

Rate Group #3 General – OCSD	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	592	578	2.4%
Average age	48.0	48.0	0.0
Average service	12.7	13.2	-0.5
Projected total compensation	\$69,138,987	\$65,370,761	5.8%
Projected average compensation	\$116,789	\$113,098	3.3%

# Summary of Active Membership

Rate Group #5 General – OCTA	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	1,313	1,372	-4.3%
Average age	50.4	50.0	0.4
Average service	13.8	13.3	0.5
Projected total compensation	\$102,731,350	\$104,111,593	-1.3%
Projected average compensation	\$78,242	\$75,883	3.1%

# Summary of Active Membership

Rate Group #9 General – TCA	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	64	68	-5.9%
Average age	49.2	49.3	-0.1
Average service	8.4	10.0	-1.6
Projected total compensation	\$7,317,008	\$6,835,138	7.0%
Projected average compensation	\$114,328	\$100,517	13.7%

# Summary of Active Membership

Rate Group #10 General – OCFA	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	281	302	-7.0%
Average age	45.5	44.1	1.4
Average service <sup>(1)</sup>	10.8	10.0	0.8
Projected total compensation	\$26,691,539	\$26,836,736	-0.5%
Projected average compensation	\$94,988	\$88,863	6.9%

(1) For some former Santa Ana Members, service used in calculating the average above is only used for vesting purposes. Benefit service starts to accrue only effective April 2012.

# Summary of Active Membership

Rate Group #11 General – Cemetery District	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	25	22	13.6%
Average age	49.3	48.1	1.2
Average service	15.7	16.8	-1.1
Projected total compensation	\$1,637,025	\$1,397,215	17.2%
Projected average compensation	\$65,481	\$63,510	3.1%

# Summary of Active Membership

Rate Group #12 General – Law Library	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	14	15	-6.7%
Average age	57.5	57.1	0.4
Average service	17.5	16.5	1.0
Projected total compensation	\$1,119,773	\$1,164,792	-3.9%
Projected average compensation	\$79,984	\$77,653	3.0%

# Summary of Active Membership

Rate Group #6 Safety – Probation Officers	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	763	806	-5.3%
Average age	44.6	43.8	0.8
Average service	17.1	16.2	0.9
Projected total compensation	\$64,062,602	\$65,135,279	-1.6%
Projected average compensation	\$83,961	\$80,813	3.9%



# Summary of Active Membership

Rate Group #7 Safety – Law Enforcement	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	2,010	1,907	5.4%
Average age	41.0	41.7	-0.7
Average service	13.4	14.1	-0.7
Projected total compensation	\$236,373,080	\$219,505,701	7.7%
Projected average compensation	\$117,599	\$115,105	2.2%

# Summary of Active Membership

Rate Group #8 Safety – Fire Authority	Year Ended December 31		Change from Prior Year
	2017	2016	
Number	1,007	961	4.8%
Average age	43.3	44.1	-0.8
Average service <sup>(1)</sup>	13.9	14.3	-0.4
Projected total compensation	\$126,088,193	\$121,829,553	3.5%
Projected average compensation	\$125,212	\$126,774	-1.2%

(1) For some former Santa Ana Members, service used in calculating the average above is only used for vesting purposes. Benefit service starts to accrue only effective April 2012.

# Summary of Retired Members and Beneficiaries

Rate Group #1 General – non-OCTA, non-OCSD	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	627	617	1.6%
Average monthly benefit <sup>(1)</sup>	\$2,645	\$2,626	0.7%
Disabled members			
Number in pay status	37	38	-2.6%
Average monthly benefit <sup>(1)</sup>	\$2,337	\$2,290	2.1%
Beneficiaries			
Number in pay status	96	93	3.2%
Average monthly benefit <sup>(1)</sup>	\$1,360	\$1,324	2.7%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #2 General Plans I, J, O, P, S, T, U and W	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	9,067	8,772	3.4%
Average monthly benefit <sup>(1)</sup>	\$3,628	\$3,513	3.3%
Disabled members			
Number in pay status	582	569	2.3%
Average monthly benefit <sup>(1)</sup>	\$2,477	\$2,438	1.6%
Beneficiaries			
Number in pay status	1,433	1,397	2.6%
Average monthly benefit <sup>(1)</sup>	\$1,829	\$1,765	3.6%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #3 General – OCSD	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	372	355	4.8%
Average monthly benefit <sup>(1)</sup>	\$5,321	\$5,075	4.8%
Disabled members			
Number in pay status	15	13	15.4%
Average monthly benefit <sup>(1)</sup>	\$3,633	\$3,259	11.5%
Beneficiaries			
Number in pay status	72	71	1.4%
Average monthly benefit <sup>(1)</sup>	\$2,282	\$2,154	5.9%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #5 General – OCTA	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	903	863	4.6%
Average monthly benefit <sup>(1)</sup>	\$2,463	\$2,402	2.5%
Disabled members			
Number in pay status	258	256	0.8%
Average monthly benefit <sup>(1)</sup>	\$2,304	\$2,254	2.2%
Beneficiaries			
Number in pay status	167	166	0.6%
Average monthly benefit <sup>(1)</sup>	\$1,349	\$1,294	4.3%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #9 General – TCA	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	44	40	10.0%
Average monthly benefit <sup>(1)</sup>	\$2,944	\$2,768	6.4%
Disabled members			
Number in pay status	0	0	N/A
Average monthly benefit <sup>(1)</sup>	N/A	N/A	N/A
Beneficiaries			
Number in pay status	4	3	33.3%
Average monthly benefit <sup>(1)</sup>	\$451	\$427	5.6%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #10 General – OCFA	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	157	141	11.3%
Average monthly benefit <sup>(1)</sup>	\$4,424	\$4,446	-0.5%
Disabled members			
Number in pay status	10	10	0.0%
Average monthly benefit <sup>(1)</sup>	\$2,522	\$2,473	2.0%
Beneficiaries			
Number in pay status	12	10	20.0%
Average monthly benefit <sup>(1)</sup>	\$1,273	\$1,419	-10.3%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.



# Summary of Retired Members and Beneficiaries

Rate Group #11 General – Cemetery District	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	5	5	0.0%
Average monthly benefit <sup>(1)</sup>	\$2,455	\$2,406	2.0%
Disabled members			
Number in pay status	0	0	N/A
Average monthly benefit <sup>(1)</sup>	N/A	N/A	N/A
Beneficiaries			
Number in pay status	4	4	0.0%
Average monthly benefit <sup>(1)</sup>	\$1,598	\$1,567	2.0%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #12 General – Law Library	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	11	10	10.0%
Average monthly benefit <sup>(1)</sup>	\$2,200	\$2,165	1.6%
Disabled members			
Number in pay status	0	0	N/A
Average monthly benefit <sup>(1)</sup>	N/A	N/A	N/A
Beneficiaries			
Number in pay status	0	0	N/A
Average monthly benefit <sup>(1)</sup>	N/A	N/A	N/A

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #6 Safety – Probation Officers	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	306	283	8.1%
Average monthly benefit <sup>(1)</sup>	\$5,444	\$5,429	0.3%
Disabled members			
Number in pay status	29	28	3.6%
Average monthly benefit <sup>(1)</sup>	\$2,872	\$2,821	1.8%
Beneficiaries			
Number in pay status	25	26	-3.8%
Average monthly benefit <sup>(1)</sup>	\$2,473	\$2,387	3.6%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #7 Safety – Law Enforcement	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	1,333	1,283	3.9%
Average monthly benefit <sup>(1)</sup>	\$6,876	\$6,756	1.8%
Disabled members			
Number in pay status	351	350	0.3%
Average monthly benefit <sup>(1)</sup>	\$4,977	\$4,817	3.3%
Beneficiaries			
Number in pay status	351	320	9.7%
Average monthly benefit <sup>(1)</sup>	\$3,011	\$2,886	4.3%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #8 Safety – Fire Authority	Year Ended December 31		Change from Prior Year
	2017	2016	
Retired members			
Number in pay status	414	397	4.3%
Average monthly benefit <sup>(1)</sup>	\$7,976	\$7,788	2.4%
Disabled members			
Number in pay status	164	155	5.8%
Average monthly benefit <sup>(1)</sup>	\$6,628	\$6,602	0.4%
Beneficiaries			
Number in pay status	97	93	4.3%
Average monthly benefit <sup>(1)</sup>	\$3,206	\$3,025	6.0%

<sup>(1)</sup> Excludes monthly benefits payable from the STAR COLA.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #1	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans A and B</i></b>		
Normal Cost	10.73%	9.51%
UAAL	<u>7.89%</u> <sup>(2)</sup>	<u>7.25%</u> <sup>(3)</sup>
Total	18.62%	16.76%
<b><i>Plan U</i></b>		
Normal Cost	9.93%	8.63%
UAAL	<u>7.89%</u> <sup>(2)</sup>	<u>7.25%</u> <sup>(3)</sup>
Total	17.82%	15.88%
<b><i>Rate Group 1 combined</i></b>		
Normal Cost	10.38%	9.12%
UAAL	<u>7.89%</u> <sup>(2)</sup>	<u>7.25%</u> <sup>(3)</sup>
Total	18.27%	16.37%

(1) These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

(2) For FY 19-20, the net UAAL contribution rate for County and IHSS Public Authority after reflecting Board's UAAL contribution rate policy for Cypress Parks and Recreation, U.C.I. and DOE is 4.61%.

(3) For FY 18-19, the net UAAL contribution rate for County and IHSS Public Authority after reflecting Board's UAAL contribution rate policy for U.C.I. and DOE is 4.18%.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #1 (Continued)	Sample Member Rates	
	FY 19 – 20	FY 18 – 19
<b><i>Plans A and B</i></b>		
<u>TIER 1</u>		
Entry Age: 30	6.72%	6.13%
Entry Age: 35	7.28%	6.70%
Entry Age: 40	7.92%	7.34%
<u>TIER 2</u>		
Entry Age: 30	9.04%	8.28%
Entry Age: 35	9.80%	9.03%
Entry Age: 40	10.65%	9.89%
<b><i>Plan U</i></b>		
Entry Age: 30	9.34%	8.16%
Entry Age: 35	10.11%	8.90%
Entry Age: 40	10.96%	9.72%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #2	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans I and J (non-Children &amp; Families)</i></b>		
Normal Cost	14.39%	13.19%
UAAL <sup>(2)</sup>	<u>22.67%</u>	<u>21.72%</u>
Total	37.06%	34.91%
<b><i>Plans I and J (Children &amp; Families)</i></b>		
Normal Cost	14.39%	13.19%
UAAL	<u>1.04%</u>	<u>0.00%</u> <sup>(3)</sup>
Total	15.43%	13.19%
<b><i>Plans O and P</i></b>		
Normal Cost	6.21%	5.53%
UAAL <sup>(2)</sup>	<u>22.67%</u>	<u>21.72%</u>
Total	28.88%	27.25%

(1) These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

(2) Before adjustments for future service benefit improvements.

(3) These rates are after adjustment to the contribution rates for FY 18-19 for additional UAAL contributions made during calendar year 2017.



# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #2 (Continued)	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plan S</i></b>		
Normal Cost	11.51%	10.35%
UAAL	<u>22.67%</u>	<u>21.72%</u>
Total	34.18%	32.07%
<b><i>Plan T</i></b>		
Normal Cost	7.11%	6.58%
UAAL <sup>(2)</sup>	<u>22.67%</u>	<u>21.72%</u>
Total	29.78%	28.30%
<b><i>Plan U (non-Children &amp; Families)</i></b>		
Normal Cost	8.78%	8.28%
UAAL <sup>(2)</sup>	<u>22.67%</u>	<u>21.72%</u>
Total	31.45%	30.00%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

<sup>(2)</sup> Before adjustments for future service benefit improvements.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #2 (Continued)	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plan U (Children &amp; Families)</i></b>		
Normal Cost	8.78%	8.28%
UAAL	<u>1.04%</u>	<u>0.00%</u> <sup>(2)</sup>
Total	9.82%	8.28%
<b><i>Plan W<sup>(3)</sup></i></b>		
Normal Cost	8.56%	6.68%
UAAL	<u>22.67%</u>	<u>21.72%</u>
Total	31.23%	28.40%
<b><i>Rate Group 2 combined</i></b>		
Normal Cost	12.68%	11.64%
UAAL	<u>22.65%</u>	<u>21.70%</u>
Total	35.33%	33.34%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

<sup>(2)</sup> These rates are after adjustment to the contribution rates for FY 18-19 for additional UAAL contributions made during calendar year 2017.

<sup>(3)</sup> No active members were reported for Plan W in the December 31, 2016 valuation. An entry age of 35, based on hypothetical demographic profile in our letter dated October 8, 2015 was used to estimate the Normal Cost rate. However, based on 1 employee reported in the December 31, 2017 valuation, the entry age was 57.

18/2/17

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #2 (Continued)	Sample Member Rate	
	FY 19 – 20	FY 18 – 19
<b><i>Plans I and J</i></b>		
<u>TIER 1</u>		
Entry Age: 30	13.16%	12.35%
Entry Age: 35	14.31%	13.53%
Entry Age: 40	15.52%	14.78%
<u>TIER 2</u>		
Entry Age: 30	12.58%	11.76%
Entry Age: 35	13.67%	12.87%
Entry Age: 40	14.75%	13.98%
<b><i>Plan P</i></b>		
<u>TIER 2</u>		
Entry Age: 30	8.29%	7.62%
Entry Age: 35	8.98%	8.32%
Entry Age: 40	9.76%	9.10%
<b><i>Plan S</i></b>		
<u>TIER 2</u>		
Entry Age: 30	10.80%	9.94%
Entry Age: 35	11.70%	10.85%
Entry Age: 40	12.72%	11.87%

187/217

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #2 (Continued)	Sample Member Rate	
	FY 19 – 20	FY 18 – 19
<b><i>Plan T</i></b>		
Entry Age: 30	6.50%	5.94%
Entry Age: 35	7.05%	6.48%
Entry Age: 40	7.67%	7.10%
<b><i>Plan U</i></b>		
Entry Age: 30	8.34%	7.59%
Entry Age: 35	9.03%	8.29%
Entry Age: 40	9.78%	9.05%
<b><i>Plan W</i></b>		
Entry Age: 30	6.12%	6.00%
Entry Age: 35	6.64%	6.55%
Entry Age: 40	7.22%	7.18%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #3	Employer Rate	
	FY 19 – 20	FY 18 – 19
<b><i>Plans G and H</i></b>		
Normal Cost	13.30%	12.28%
UAAL	<u>0.00%</u> <sup>(1)</sup>	<u>0.00%</u>
Total	13.30%	12.28%
<b><i>Plan B</i></b>		
Normal Cost	11.25%	10.21%
UAAL	<u>0.00%</u> <sup>(1)</sup>	<u>0.00%</u>
Total	11.25%	10.21%
<b><i>Plan U</i></b>		
Normal Cost	10.37%	9.27%
UAAL	<u>0.00%</u> <sup>(1)</sup>	<u>0.00%</u>
Total	10.37%	9.27%
<b><i>Rate Group 3 combined</i></b>		
Normal Cost	12.46%	11.42%
UAAL	<u>0.00%</u> <sup>(1)</sup>	<u>0.00%</u>
Total	12.46%	11.42%

<sup>(1)</sup> These rates are after adjustment for \$24,042,000 asset transfer from O.C. Sanitation District UAAL Deferred Account.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #3 (Continued)	Sample Member Rate	
	FY 19 – 20	FY 18 – 19
<b><i>Plans G and H</i></b>		
<u>TIER 1</u>		
Entry Age: 30	12.90%	12.16%
Entry Age: 35	14.03%	13.31%
Entry Age: 40	15.22%	14.54%
<u>TIER 2</u>		
Entry Age: 30	12.34%	11.57%
Entry Age: 35	13.41%	12.66%
Entry Age: 40	14.46%	13.76%
<b><i>Plan B</i></b>		
<u>TIER 2</u>		
Entry Age: 30	9.10%	8.34%
Entry Age: 35	9.86%	9.10%
Entry Age: 40	10.72%	9.96%
<b><i>Plan U</i></b>		
Entry Age: 30	8.83%	7.94%
Entry Age: 35	9.56%	8.66%
Entry Age: 40	10.36%	9.46%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #5	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans A and B</i></b>		
Normal Cost	12.10%	10.76%
UAAL	<u>15.94%</u>	<u>14.76%</u>
Total	28.04%	25.52%
<b><i>Plan U</i></b>		
Normal Cost	11.32%	10.25%
UAAL	<u>15.94%</u>	<u>14.76%</u>
Total	27.26%	25.01%
<b><i>Rate Group 5 combined</i></b>		
Normal Cost	12.02%	10.71%
UAAL	<u>15.94%</u>	<u>14.76%</u>
Total	27.96%	25.47%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #5 (Continued)	Sample Member Rates	
	FY 19 – 20	FY 18 – 19
<b><i>Plans A and B</i></b>		
<u>TIER 1</u>		
Entry Age: 30	6.83%	6.26%
Entry Age: 35	7.41%	6.84%
Entry Age: 40	8.05%	7.49%
<u>TIER 2</u>		
Entry Age: 30	9.15%	8.40%
Entry Age: 35	9.92%	9.17%
Entry Age: 40	10.78%	10.03%
<b><i>Plan U</i></b>		
Entry Age: 30	9.76%	8.74%
Entry Age: 35	10.57%	9.54%
Entry Age: 40	11.46%	10.42%



# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #9	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans M and N</i></b>		
Normal Cost	14.51%	13.30%
UAAL	<u>11.49%</u>	<u>11.46%</u>
Total	26.00%	24.76%
<b><i>Plan U</i></b>		
Normal Cost	11.02%	10.40%
UAAL	<u>11.49%</u>	<u>11.46%</u>
Total	22.51%	21.86%
<b><i>Rate Group 9 combined</i></b>		
Normal Cost	13.02%	12.07%
UAAL	<u>11.49%</u>	<u>11.46%</u>
Total	24.51%	23.53%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #9 (Continued)	Sample Member Rates	
	FY 19 – 20	FY 18 – 19
<b><i>Plans M and N</i></b>		
<u>TIER 1</u>		
Entry Age: 30	9.90%	9.23%
Entry Age: 35	10.73%	10.08%
Entry Age: 40	11.67%	11.04%
<u>TIER 2</u>		
Entry Age: 30	9.47%	8.79%
Entry Age: 35	10.26%	9.60%
Entry Age: 40	11.15%	10.50%
<b><i>Plan U</i></b>		
Entry Age: 30	8.75%	7.95%
Entry Age: 35	9.48%	8.68%
Entry Age: 40	10.27%	9.47%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #10	Employer Rate	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans I and J</i></b>		
Normal Cost	14.72%	13.61%
UAAL	<u>15.74%</u>	<u>18.35%</u>
Total	30.46%	31.96%
<b><i>Plans M and N</i></b>		
Normal Cost	13.46%	12.64%
UAAL	<u>15.74%</u>	<u>18.35%</u>
Total	29.20%	30.99%
<b><i>Plan U</i></b>		
Normal Cost	10.41%	8.99%
UAAL	<u>15.74%</u>	<u>18.35%</u>
Total	26.15%	27.34%
<b><i>Rate Group 10 combined</i></b>		
Normal Cost	13.22%	12.05%
UAAL	<u>15.74%</u>	<u>18.35%</u>
Total	28.96%	30.40%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

195/217

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #10 (Continued)	Sample Member Rate	
	FY 19 – 20	FY 18 – 19
<b><i>Plans I and J</i></b>		
<u>TIER 1</u>		
Entry Age: 30	13.15%	12.38%
Entry Age: 35	14.30%	13.55%
Entry Age: 40	15.51%	14.80%
<u>TIER 2</u>		
Entry Age: 30	12.58%	11.78%
Entry Age: 35	13.67%	12.89%
Entry Age: 40	14.74%	14.00%
<b><i>Plan N</i></b>		
<u>TIER 2</u>		
Entry Age: 30	9.59%	8.81%
Entry Age: 35	10.39%	9.62%
Entry Age: 40	11.29%	10.52%
<b><i>Plan U</i></b>		
Entry Age: 30	9.11%	8.05%
Entry Age: 35	9.87%	8.79%
Entry Age: 40	10.70%	9.59%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #11	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans M and N</i></b>		
Normal Cost	11.98%	11.09%
UAAL	<u>0.48%</u>	<u>0.00%</u>
Total	12.46%	11.09%
<b><i>Plan U</i></b>		
Normal Cost	12.03%	9.98%
UAAL	<u>0.48%</u>	<u>0.00%</u>
Total	12.51%	9.98%
<b><i>Rate Group 11 combined</i></b>		
Normal Cost	12.00%	10.81%
UAAL	<u>0.48%</u>	<u>0.00%</u>
Total	12.48%	10.81%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #11 (Continued)	Sample Member Rates	
	FY 19 – 20	FY 18 – 19
<b><i>Plans M and N</i></b>		
<u>TIER 1</u>		
Entry Age: 30	9.90%	9.23%
Entry Age: 35	10.73%	10.08%
Entry Age: 40	11.67%	11.04%
<u>TIER 2</u>		
Entry Age: 30	9.47%	8.79%
Entry Age: 35	10.26%	9.60%
Entry Age: 40	11.15%	10.50%
<b><i>Plan U</i></b>		
Entry Age: 30	9.43%	8.26%
Entry Age: 35	10.21%	9.01%
Entry Age: 40	11.06%	9.84%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #12	Employer Rates	
	FY 19 – 20	FY 18 – 19
<b><i>Plans G and H</i></b>		
Normal Cost	14.11%	13.32%
UAAL	<u>0.00%</u>	<u>0.00%</u> <sup>(1)</sup>
Total	14.11%	13.32%
<b><i>Plan U</i></b>		
Normal Cost	9.36% <sup>(2)</sup>	7.59%
UAAL	<u>0.00%</u>	<u>0.00%</u> <sup>(1)</sup>
Total	9.36%	7.59%
<b><i>Rate Group 12 combined</i></b>		
Normal Cost	13.85%	13.14%
UAAL	<u>0.00%</u>	<u>0.00%</u> <sup>(1)</sup>
Total	13.85%	13.14%

(1) These rates are after adjustment to the contribution rates for FY 18-19 for additional UAAL contributions made during calendar year 2017.

(2) There is only one member in Plan U. The increase in the employer Normal Cost rate from last year to this year is primarily due to changes in actuarial assumptions. There is also an impact due to rounding of the Normal Cost to the nearest \$1000 when we calculate that rate.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #12 (Continued)	Sample Member Rates	
	FY 19 – 20	FY 18 – 19
<b><i>Plan H</i></b>		
<u>TIER 2</u>		
Entry Age: 30	12.34%	11.60%
Entry Age: 35	13.41%	12.70%
Entry Age: 40	14.47%	13.79%
<b><i>Plan U</i></b>		
Entry Age: 30	8.77%	7.81%
Entry Age: 35	9.50%	8.52%
Entry Age: 40	10.30%	9.30%



# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #6	Employer Rates	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans E and F</i></b>		
Normal Cost	23.71%	21.87%
UAAL	<u>28.74%</u>	<u>26.06%</u>
Total	52.45%	47.93%
<b><i>Plan V</i></b>		
Normal Cost	16.63%	15.24%
UAAL	<u>28.74%</u>	<u>26.06%</u>
Total	45.37%	41.30%
<b><i>Rate Group 6 combined</i></b>		
Normal Cost	23.58%	21.75%
UAAL	<u>28.74%</u>	<u>26.06%</u>
Total	52.32%	47.81%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #6 (Continued)	Sample Member Rates	
	FY 19 – 20	FY 18 – 19
<b><i>Plans E and F</i></b>		
<u>TIER 1</u>		
Entry Age: 30	13.28%	12.34%
Entry Age: 35	14.31%	13.30%
Entry Age: 40	15.55%	14.44%
<u>TIER 2</u>		
Entry Age: 30	18.04%	16.89%
Entry Age: 35	19.38%	18.14%
Entry Age: 40	20.80%	19.52%
<b><i>Plan V</i></b>		
Entry Age: 30	16.85%	15.60%
Entry Age: 35	18.06%	16.71%
Entry Age: 40	19.44%	17.99%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #7	Employer Rate	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans E and F</i></b>		
Normal Cost	26.69%	25.63%
UAAL	<u>37.36%</u>	<u>38.19%</u>
Total	64.05%	63.82%
<b><i>Plans Q and R</i></b>		
Normal Cost	23.69%	23.00%
UAAL	<u>37.36%</u>	<u>38.19%</u>
Total	61.05%	61.19%
<b><i>Plan V</i></b>		
Normal Cost	19.29%	19.39%
UAAL	<u>37.36%</u>	<u>38.19%</u>
Total	56.65%	57.58%
<b><i>Rate Group 7 combined</i></b>		
Normal Cost	25.02%	24.20%
UAAL	<u>37.36%</u>	<u>38.19%</u>
Total	62.38%	62.39%

(1) These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

203/217

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #7 (Continued)	Sample Member Rate	
	FY 19 – 20	FY 18 – 19
<b><i>Plans E and F</i></b>		
<u>TIER 1</u>		
Entry Age: 30	14.01%	13.32%
Entry Age: 35	15.10%	14.35%
Entry Age: 40	16.39%	15.58%
<u>TIER 2</u>		
Entry Age: 30	18.75%	17.94%
Entry Age: 35	20.13%	19.24%
Entry Age: 40	21.58%	20.66%
<b><i>Plan R</i></b>		
<u>TIER 2</u>		
Entry Age: 30	17.57%	16.82%
Entry Age: 35	18.86%	18.04%
Entry Age: 40	20.22%	19.36%
<b><i>Plan V</i></b>		
Entry Age: 30	18.66%	18.13%
Entry Age: 35	20.00%	19.43%
Entry Age: 40	21.53%	20.91%

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #8	Employer Rate	
	FY 19 – 20 <sup>(1)</sup>	FY 18 – 19
<b><i>Plans E and F</i></b>		
Normal Cost	27.24%	26.84%
UAAL	<u>20.80%</u>	<u>22.27%</u>
Total	48.04%	49.11%
<b><i>Plans Q and R</i></b>		
Normal Cost	21.97%	21.86%
UAAL	<u>20.80%</u>	<u>22.27%</u>
Total	42.77%	44.13%
<b><i>Plan V</i></b>		
Normal Cost	15.44%	14.84%
UAAL	<u>20.80%</u>	<u>22.27%</u>
Total	36.24%	37.11%
<b><i>Rate Group 8 combined</i></b>		
Normal Cost	25.44%	25.04%
UAAL	<u>20.80%</u>	<u>22.27%</u>
Total	46.24%	47.31%

<sup>(1)</sup> These rates reflect only 1/3 of UAAL cost impact due to assumptions changes.

205/217

# Contribution Rates - Fiscal Years Beginning July 1, 2018 and July 1, 2019

Rate Group #8 (Continued)	Sample Member Rate	
	FY 19 – 20	FY 18 – 19
<b><i>Plans E and F</i></b>		
<u>TIER 1</u>		
Entry Age: 30	13.45%	12.74%
Entry Age: 35	14.50%	13.73%
Entry Age: 40	15.77%	14.92%
<u>TIER 2</u>		
Entry Age: 30	18.16%	17.35%
Entry Age: 35	19.52%	18.64%
Entry Age: 40	21.00%	20.07%
<b><i>Plan R</i></b>		
<u>TIER 2</u>		
Entry Age: 30	17.18%	16.50%
Entry Age: 35	18.47%	17.73%
Entry Age: 40	19.87%	19.09%
<b><i>Plan V</i></b>		
Entry Age: 30	15.77%	14.92%
Entry Age: 35	16.91%	15.99%
Entry Age: 40	18.20%	17.20%

**1-12**

# Memorandum

**DATE:** May 14, 2018  
**TO:** Members of the Board of Retirement  
**FROM:** Suzanne Jenike, Asst. CEO, External Operations and Gina M. Ratto, General Counsel  
**SUBJECT: REFRESHER ON THE NEW PROCESS FOR DISABILITY RETIREMENT DETERMINATIONS**

## Written Report and Presentation

### Background/Discussion

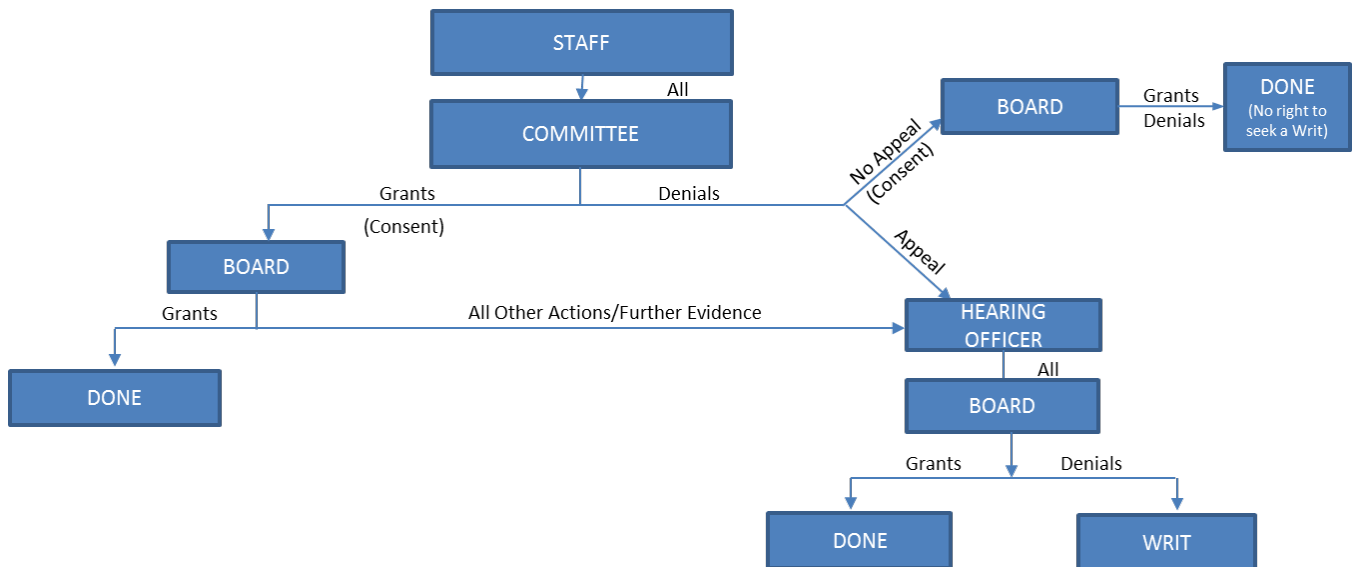
In January, the Board created a Disability Committee and approved a new Adjudication Policy and Administrative Hearing Rules for Disability and Non-Disability Benefits with the goal of improved customer service.

The Disability Committee convened for the first time on April 24, 2018, to discuss implementation of the new procedures and the role of the committee and the Board in reviewing and acting upon member disability retirement applications. The Disability Committee will meet again on June 5, 2018, and at that meeting, the committee will be presented with disability matters for the first time. Then, starting with the Board’s meeting on June 18, 2018, the Board will be integrated into the new disability retirement process.

This agenda item is intended to refresh the Board’s recollection of the new process.

### NEW DISABILITY PROCESS FLOW CHART

The Board members will recall the following flow chart as depictive of the new process:





## MEETING CALENDAR AND TIMELINES

The calendar for the meetings of the Disability Committee and the Board is attached. The timeline for the disability matters and the roles of the Disability Committee and the Board are outlined below, using the June and October, 2018 meetings as examples:

### DISABILITY COMMITTEE – MEETING JUNE 5, 2018:

1. Staff will present applications for disability retirement to the Disability Committee with Staff's usual recommendation to "grant" or "deny" the application.
2. The Disability Committee will meet in closed session/closed hearing<sup>1</sup> with Staff, OCERS legal counsel (acting as advocates on behalf of Staff), the member, the member's attorney, and any of the member's witnesses.
3. The Disability Committee will have the following options on each disability application:
  - a. Recommend that the Board **GRANT** the application;
  - b. Recommend that the Board **DENY** the application; or
  - c. **Send the matter back to Staff** for further research.
4. If the Disability Committee recommends that the Board **GRANT** the application, the committee's recommendation will be presented to the Board at its next meeting on **June 18, 2018**.
5. If the Disability Committee recommends that the Board **DENY** the application, the member will have 90 days to appeal the committee's recommendation.
  - a. If the member does not appeal, the Disability Committee's recommendation to **DENY** the application will be presented to the Board at its **October 15, 2018** meeting.
  - b. If the member appeals, a hearing will be conducted, and the Hearing Officer's recommendation will be presented to the Board at a future meeting of the Board.
6. If the Disability Committee sends the matter back to Staff for further research, the application will be presented to the Disability Committee at a future meeting, after Staff has completed its research.

### BOARD MEETING – JUNE 18, 2018:

1. The Board's Consent Agenda will include the applications that the Disability Committee heard on **June 5, 2018** for which the Committee recommends the Board **GRANT** the applications.
2. The Board will have the following options:
  - a. **GRANT** the application (upholding the Disability Committee's recommendation) as part of the Consent Agenda; or
  - b. **PULL** the application from the Consent Agenda to discuss or ask questions (in closed session/closed hearing), and then either:

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<sup>1</sup> The terms "closed session" and "closed hearing" are used somewhat interchangeably for these purposes. The Brown Act uses the term "closed session," not "closed hearing." We include the term "closed hearing" here simply to convey that, unlike the Board's typical "closed sessions," parties external to OCERS (e.g., the member, member's attorney, employer, witnesses) will be invited to attend and participate in these closed proceedings.

- i. **GRANT** the application by majority vote of the Board members; or
- ii. **REFER** the application to a hearing by majority vote of the Board members.

#### **BOARD MEETING – OCTOBER 15, 2018:**

1. The Board's Consent Agenda will include:
  - a. The applications that the Disability Committee heard on **October 2, 2018** for which the committee recommends the Board **GRANT** the applications; and
  - b. The applications that the Disability Committee heard on **June 5, 2018**, for which the Committee recommended a **DENIAL**, and the member **DID NOT APPEAL**.
2. The Board will have the following options with respect to the Disability Committee's recommended **GRANTS** from the committee's **October 2, 2018** meeting:
  - a. **GRANT** the application (upholding the Disability Committee's recommendation) as part of the Consent Agenda; or
  - b. **PULL** the application from the Consent Agenda to discuss or ask questions (in closed session/closed hearing), and then either:
    - i. **GRANT** the application by majority vote of the Board members; or
    - ii. **REFER** the application to a hearing by majority vote of the Board members.
3. The Board will have the following options with respect to the Disability Committee's recommended **DENIALS** from **June 5, 2018**, that the member **DID NOT APPEAL**:
  - a. **DENY** the application as part of the Consent Agenda (upholding the Disability Committee's recommendation); or
  - b. **PULL** the application from the Consent Agenda to discuss or ask questions (in closed session/closed hearing), and then either:
    - i. **DENY** the application by majority vote of the Board members; or
    - ii. **GRANT** the application by majority vote of the Board members.
4. If the Board's agenda includes the recommendation from a Hearing Officer after an appeal and hearing, the Board would have the following options:
  - a. Uphold the Hearing Officer's recommendation;
  - b. Refer the matter back to the Hearing Officer for the taking of additional evidence; or
  - c. Hear the matter itself, *de novo*.

#### **MATERIALS THAT WILL PRESENTED TO THE DISABILITY COMMITTEE AND THE BORAD**

The Disability Committee will receive the Staff summary and recommendation and supporting documentation and as heretofore received by the Board in connection with disability matters.

The Board will receive the Disability Committee's recommendation, and supporting documentation will be available on BoardVantage in the folder associated with the date the matter was heard by the Disability Committee.

#### Attachment

**Submitted by:**



S. J. – APPROVED

Suzanne Jenike  
Asst. CEO, External Operations

A handwritten signature in blue ink that reads "Gina M. Ratto".

Gina M. Ratto  
Gina M. Ratto  
General Counsel

# 2018 Disability Committee Calendar

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3	<del>4</del>	<del>5</del>	<del>6</del>		1	2	<del>3</del>
7	8	9	10	11	12	13	4	5	6	7	8	9	10	11	12	13	14	15	16	17
14	15	16	17	18	19	20	11	12	13	14	15	16	17	18	19	20	21	22	23	24
21	22	23	24	25	26	27	18	19	20	21	22	23	24	25	26	27	28	29	30	31
28	29	30	31				25	26	27	28										
<b>NCPERS 1/28-30</b>							<b>NASRA 2/25-26</b>							<b>CALAPRS GA</b>						
							<b>NIRS 2/27-28</b>													

### 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					

DC after IC

### 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		

SACRS Anaheim

### 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	

SACRS IW

### 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					

## Key

**Holiday**

BOR

ICM

Strategic Planning Workshop Offsite

FY 18 Budget Workshop

Disability Committee Board work - 2 weeks prior to BOR meeting

DC Materials Deadline Staff work - 10 days prior to DC meeting

BOR Materials Deadline Staff work - 10 days prior to BOR meeting

~~INDUSTRY CONFERENCES~~

BOR/IC combined on 12/17

*Orange County Employees Retirement System  
Retirement Board Meeting  
May 14, 2018  
Application Notices*

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Akbulut, Yavuz</b>	Superior Court	3/16/2018
<b>Anderson, Embret</b>	Fire Authority (OCFA)	3/16/2018
<b>Avila, Miriam</b>	Health Care Agency	3/16/2018
<b>Barnes, David</b>	Sheriff's Dept	3/16/2018
<b>Becerra, Fernando</b>	Sheriff's Dept	3/16/2018
<b>Beezley, Donald</b>	Probation	3/16/2018
<b>Bennett, Ronald</b>	Health Care Agency	3/16/2018
<b>Berry, Steven</b>	Probation	3/16/2018
<b>Borkowski, Richard</b>	Probation	3/16/2018
<b>Borst, Mary</b>	Superior Court	3/16/2018
<b>Bowman-Arquidin, Cheryl</b>	Social Services Agency	3/16/2018
<b>Bruyn, Walter</b>	Sheriff's Dept	3/16/2018
<b>Bunetta, Elizabeth</b>	Probation	3/16/2018
<b>Byers, Ronald</b>	Sheriff's Dept	3/16/2018
<b>Carpio, Dennis</b>	Sheriff's Dept	3/16/2018
<b>Castillo, Delia</b>	Child Support Services	3/16/2018
<b>Chang, Maureen</b>	Auditor-Controller	3/16/2018
<b>Chewiwie, David</b>	Sheriff's Dept	2/2/2018
<b>Choo, John</b>	District Attorney	3/16/2018
<b>Cochran, Brian</b>	Probation	3/16/2018
<b>Cordova, Caroline</b>	Health Care Agency	3/16/2018
<b>Cordova, Ramon</b>	Social Services Agency	3/16/2018
<b>Costa, Deanna</b>	Probation	3/30/2018
<b>Coulter, James</b>	District Attorney	3/16/2018
<b>Cruz, Kenneth</b>	Fire Authority (OCFA)	3/16/2018
<b>Delgado, Rebecca</b>	Assessor	3/16/2018
<b>Deloye, David</b>	OCTA	3/10/2018
<b>Desmond, Patrick</b>	Assessor	3/16/2018
<b>Dinh, Binh</b>	Social Services Agency	3/16/2018
<b>Dominquez, Martha</b>	Health Care Agency	3/16/2018
<b>Donahue, Nga</b>	Superior Court	3/16/2018
<b>Dworakowski, David</b>	Public Defender	1/5/2018
<b>Dunlap, Ruth</b>	OC Public Works	3/16/2018
<b>Earlywine, Bobby</b>	Sheriff's Dept	3/16/2018
<b>Eastman, Susan</b>	OC Public Works	3/16/2018
<b>Eberhardt, Daniel</b>	Health Care Agency	3/16/2018
<b>Fattaleh, Saba</b>	Health Care Agency	3/16/2018
<b>Fairley, Catherine</b>	OCERS	3/30/2018
<b>Fenton, Betty</b>	Sheriff's Dept	3/21/2018
<b>Fitch, Scott</b>	Sheriff's Dept	3/3/2018
<b>Frey, John</b>	Sheriff's Dept	3/16/2018
<b>Garcia, Maria</b>	Social Services Agency	3/16/2018
<b>Garcia, Sara</b>	Superior Court	3/2/2018
<b>Gillespie, C J</b>	Social Services Agency	3/16/2018
<b>Gionet-Gonzales, Anthony</b>	OC Public Works	3/16/2018
<b>Gomez, Sandra</b>	Social Services Agency	3/16/2018
<b>Goodman, Jack</b>	Assessor	3/16/2018
<b>Gramstad, Lisa</b>	Superior Court	3/16/2018
<b>Greer, Todd</b>	Sheriff's Dept	3/17/2018



<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Guidi, Jorqe</b>	Registrar Of Voters	3/16/2018
<b>Guillen, Victor</b>	OC Community Resources	3/16/2018
<b>Gutierrez, Vivian</b>	Superior Court	3/16/2018
<b>Hanson, Jay</b>	Sheriff's Dept	3/15/2018
<b>Hantsche, Diana</b>	Public Defender	3/16/2018
<b>Herrera, Steven</b>	Sheriff's Dept	3/16/2018
<b>Hollis, Deborah</b>	Superior Court	3/16/2018
<b>Holzhauer, Jeffrey</b>	Superior Court	3/16/2018
<b>Huqqins, Karen</b>	Sheriff's Dept	3/16/2018
<b>Iorqa, Lydia</b>	Health Care Agency	3/8/2018
<b>Ishida, Nancy</b>	Auditor-Controller	3/9/2018
<b>Iturriaga, Judith</b>	Health Care Agency	3/16/2018
<b>Jarvis, Scott</b>	Sheriff's Dept	3/3/2018
<b>Johnson, Charles</b>	Sheriff's Dept	3/16/2018
<b>Juliano, Rebecca</b>	OC Public Works	3/16/2018
<b>Kelekian, Robert</b>	Social Services Agency	3/16/2018
<b>Klein, Eric</b>	OC Public Works	3/16/2018
<b>Koqa, Julie</b>	Health Care Agency	3/16/2018
<b>Lamar, Ginger</b>	Superior Court	3/16/2018
<b>Lee, Patricia</b>	Social Services Agency	3/16/2018
<b>Lim, Jaime</b>	Sheriff's Dept	3/16/2018
<b>Lopez, Della</b>	Superior Court	3/16/2018
<b>Lopez, Jesse</b>	Fire Authority (OCFA)	3/16/2018
<b>Lopez, Pedro</b>	Probation	3/15/2018
<b>Lozano, Debbie</b>	Assessor	3/16/2018
<b>Lowe, David</b>	Transportation Corridor Agency (TCA)	1/6/2018
<b>Lucero, Renato</b>	Sheriff's Dept	3/16/2018
<b>Luqo, Richard</b>	Sheriff's Dept	3/16/2018
<b>Mandarino, Peter</b>	OCTA	3/3/2018
<b>Mann, Laurence</b>	Fire Authority (OCFA)	3/16/2018
<b>Mata, Sharon</b>	Sheriff's Dept	3/16/2018
<b>Mc Carley, Ann</b>	John Wayne Airport	2/2/2018
<b>Mccanne, Marta</b>	Health Care Agency	3/16/2018
<b>Megha, Brenda</b>	Social Services Agency	3/16/2018
<b>Minnie, Leo</b>	Sheriff's Dept	3/16/2018
<b>Mollazadeh, Minerva</b>	County Executive Office (CEO)	3/16/2018
<b>Montgomery, Catherine</b>	Sheriff's Dept	3/3/2018
<b>Morikawa, Rodney</b>	Sheriff's Dept	3/16/2018
<b>Mullarky, Darci</b>	Superior Court	3/16/2018
<b>Naranjo, Robert</b>	Sheriff's Dept	3/16/2018
<b>Nunez, Nancy</b>	Social Services Agency	3/16/2018
<b>O, Han</b>	Sheriff's Dept	3/16/2018
<b>Olszewski, Michelle</b>	Sheriff's Dept	3/10/2018
<b>Palmer, Steven</b>	Probation	3/16/2018
<b>Pascual, Elena</b>	OC Community Resources	3/16/2018
<b>Petersen, Debra</b>	Superior Court	3/16/2018
<b>Pham, Hao</b>	Social Services Agency	3/16/2018
<b>Pham, Loan-Anh</b>	Health Care Agency	3/16/2018
<b>Phillips, Tammie</b>	Superior Court	3/16/2018
<b>Poma, Lisa</b>	County Executive Office (CEO)	3/16/2018
<b>Preble, Christina</b>	Health Care Agency	3/16/2018
<b>Quinty, Joseph</b>	Fire Authority (OCFA)	3/16/2018
<b>Ramos, Blanca</b>	Sheriff's Dept	3/3/2018
<b>Renner, Elaine</b>	County Executive Office (CEO)	3/16/2018
<b>Rice, Kelly</b>	Social Services Agency	3/16/2018
<b>Richard, Barbara</b>	Health Care Agency	3/16/2018
<b>Ritz, Geoffrey</b>	County Counsel	3/16/2018

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
<b>Rosin, Joy</b>	OCTA	3/16/2018
<b>Ross, Victoria</b>	County Executive Office (CEO)	3/16/2018
<b>Sage, Frederick</b>	Fire Authority (OCFA)	3/16/2018
<b>Salazar, Yvonne</b>	Social Services Agency	3/16/2018
<b>Scalise, Michael</b>	Sheriff's Dept	3/16/2018
<b>Seto, Johnny</b>	Sheriff's Dept	3/16/2018
<b>Siefkes, Karla</b>	Probation	3/16/2018
<b>Simpson, Stephen</b>	Sheriff's Dept	3/16/2018
<b>Spaulding, Thomas</b>	Sheriff's Dept	3/16/2018
<b>Stadnik, Jeffrey</b>	OC Waste and Recycling	3/15/2018
<b>Swaim, David</b>	Sheriff's Dept	3/16/2018
<b>Swart, Dean</b>	OC Public Works	3/16/2018
<b>Szewczyk, Robert</b>	Sheriff's Dept	3/16/2018
<b>Varela, Elaine</b>	OC Public Works	3/16/2018
<b>Vargas, Doris</b>	District Attorney	3/16/2018
<b>Veloz, Anthony</b>	Probation	3/16/2018
<b>Virgoe, Brad</b>	Sheriff's Dept	3/16/2018
<b>Whittaker, Maria</b>	Sheriff's Dept	3/19/2018
<b>Yen, Wendy</b>	Health Care Agency	3/16/2018
<b>Zirtman, Sandra</b>	Public Defender	3/16/2018

*Orange County Employees Retirement  
Retirement Board Meeting  
May 14, 2018  
Death Notices*

<i>Active Members</i>	<i>Agency/Employer</i>
<b>Partida, Maritza</b>	Social Services Agency
<b>Rios, Claudio</b>	OC Public Works

<i>Retired Members</i>	<i>Agency/Employer</i>
<b>Agee, Thomas</b>	Probation
<b>Al-Sunna, Saeb</b>	Assessor
<b>Bernard, G-Jimmie</b>	Social Services Agency
<b>Bien, Ann</b>	Health Care Agency
<b>Burns, Ardith</b>	OC Community Resources
<b>Chesshir, Leeds</b>	OC Public Works
<b>Chicklo, Michael</b>	OC Waste and Recycling
<b>Clark, Dane</b>	Social Services Agency
<b>Cobbett, William</b>	County Executive Office (CEO)
<b>Compton, Ariel</b>	Health Care Agency
<b>Coons, Bonnie</b>	Social Services Agency
<b>Curtis, Edward</b>	Social Services Agency
<b>Denisac, Raul</b>	OCTA
<b>Dionne, Linda</b>	Auditor-Controller
<b>Dirden, Josephine</b>	Social Services Agency
<b>Frazier, Carol</b>	Social Services Agency
<b>Graner, Beverly</b>	Health Care Agency
<b>Hiller, Robert</b>	John Wayne Airport
<b>Kay, Barbara</b>	OC Community Resources
<b>Kimpo, Ramon</b>	OC Public Works
<b>Kohlberg, Charles</b>	Fire Authority (OCFA)
<b>Liberator, Carol</b>	Sheriff's Dept
<b>Mandell, Irma</b>	Sheriff's Dept
<b>Mannion, Horace</b>	Superior Court
<b>Marquez, Anna</b>	Social Services Agency
<b>May, Kay</b>	Probation
<b>Mc Nealey, Evelyn</b>	Superior Court
<b>McDonald, Bredaline</b>	OC Public Works
<b>Mishica, Josheph</b>	Sheriff's Dept
<b>Morrow, Kathryn</b>	Superior Court
<b>Mucia, Anton</b>	Health Care Agency
<b>Powell, Robin</b>	Superior Court
<b>Reza, Connie</b>	Health Care Agency
<b>Sherman, Natalie</b>	OC Community Resources
<b>Simpson, Warren</b>	OC Waste and Recycling
<b>Slupsky, Suzanne</b>	Registrar of Voters
<b>Smith, Elmer</b>	Sanitation District



<i>Retired Members</i>	<i>Agency/Employer</i>
<b>Towne, Leroy</b>	Public Defender
<b>Truitt, Patricia</b>	Superior Court
<b>Ureta, Ignacio</b>	OCTA
<b>Walker, Milo</b>	Assessor
<b>Waterman, Patricia</b>	Superior Court
<b>White, Betty</b>	Superior Court

<i>Surviving Spouses</i>	
<b>Allemant, Jose</b>	
<b>Brady, Floy</b>	
<b>Collins, Marlene</b>	
<b>Heppert, Elizabeth</b>	
<b>Johnston, Ann</b>	
<b>Kuroda, Hideo</b>	
<b>Lane, Thomas</b>	
<b>Powers, Gail</b>	
<b>Sena, Alice</b>	