

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

REGULAR MEETING
Monday, October 21, 2019
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. **Persons wishing to provide public comment at this time should fill out a speaker card located on the counter at the back of the room and deposit it in the Recording Secretary's inbox on the wall near the middle of the room.** 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.

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) NONE

ADMINISTRATION

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board Meeting Minutes August 19, 2019

Strategic Planning Workshop Meeting Minutes September 18 - 19, 2019

Recommendation: Approve minutes.

**C-3 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
TRIENNIAL REVIEW OF THE OVERPAID AND UNDERPAID BENEFITS POLICY AND THE TRUSTEE
EDUCATION POLICY**

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

- (1) Approve the revisions to the *Overpaid and Underpaid Benefits Policy* as presented; and
- (2) Approve the revisions to the *Trustee Education Policy* as presented.

C-4 RETIREE REQUEST TO BE REINSTATED – BEYAN NEGASH

Recommendation: Reinstate Mr. Negash as an active member under the provisions of Government Code Section 31680.4 and 31680.5.

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

9:00 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.

DC-1: James Aldrich

Firefighter/Paramedic, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of April 5, 2018. (Safety Member)

DC-2: Anna Amaro

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of April 1, 2018. (General Member)

DC-3: Sima Azma

Applications Developer I, Orange County Superior Court

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of October 27, 2017. (General Member)

DC-4: Theresia Balandran

Senior Institutional Cook, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of job causation. (General Member)

DC-5: Matthew Barr

Lieutenant, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 5, 2018. (Safety Member)

DC-6: Donald Blackburn

Fire Apparatus Engineer, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of May 15, 2018. (Safety Member)

DC-7: Terri Brunette

Public Health Nurse III, Orange County Health Care Agency

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (General Member)

DC-8: Dee Clair-Crossen

Deputy Sheriff I, Orange County Sheriff's Department

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

DC-9: Alfredo Contreras

Laborer, Orange County Waste and Recycling

Recommendation: Staff recommends that the Disability Committee grant service connected disability retirement with an effective date of August 21, 2015. (General Member)

DC-10: Elsa Davis

Administrative Manager II, Orange County Health Care Agency

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of August 5, 2016. (General Member)

DC-11: Maria Fierro

Social Worker II, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)

DC-12: John Gammon

Firefighter/Paramedic, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of November 9, 2018. (Safety Member)

DC-13 : Michael Gibson

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of June 1, 2014. (General Member)

DC-14: James Gorski

Fire Apparatus Engineer, Orange County Fire Authority

Recommendation: Staff recommends that the Disability Committee grant service connected disability retirement with an effective date of March 31, 2017. (Safety Member)

DC-15: James Guarneri

Sergeant, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of job causation. (Safety Member)

DC-16: Dione Hernandez

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)

DC-17: Imelda Jimenez De Garcia

Warehouse Worker III, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of October 12, 2018, the day following the last day of regular compensation as a Warehouse Worker III. 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 in the amount of the salary difference between the higher and lower paying positions effective October 12, 2018, the date of the position change until the day Ms. Jimenez De Garcia wishes to retire from the new position. (General Member)

DC-18: Eduardo Macedo

Deputy Juvenile Correctional Officer II, Orange County Probation Department

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

DC-19: Timothy Murray

Deputy Sheriff II, Orange County Sheriff's Department

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

DC-20: Patricia Palacios

Office Specialist, Orange County Health Care Agency

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)

DC-21: Surjiwan Sharma

Data Entry Technician, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (General Member)

DC-22: Michael Whalen

Firefighter/Paramedic, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 16, 2018. (Safety Member)

CLOSED SESSION
(Government Code sections 54957 and 54956.9)

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

ACTION ITEMS

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

DISABILITY/MEMBER BENEFITS AGENDA

DA-2: DISABILITY APPEAL – ELIZABETH FREYRE

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated July 28, 2019 (“Recommendations”), and deny Applicant’s application for service connected disability retirement.

DA-3: DISABILITY APPEAL – CATALINA ZUNIGA

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated April 19, 2019 (“Recommendations”), and deny Applicant’s application for service connected disability retirement.

DA -4: BENEFIT APPEAL – LYDIA E. GONZALEZ

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated June 4, 2019 (Recommendation), and grant an earlier service retirement benefit effective date of June 6, 2008.

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 provide public comment at this time should fill out a speaker card located on the counter at the back of the room and deposit it in the Recording Secretary's inbox on the wall near the middle of the room.**

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

A-2 OCERS 2020-2022 STRATEGIC PLAN

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Approve OCERS 2020-2022 Strategic Plan.

A-3 OCERS 2020 BUSINESS PLAN

Presentation by Steve Delaney, Chief Executive Officer, and Brenda Shott, Assistant CEO Internal Operations, OCERS

Recommendation: Approve OCERS 2020 Business Plan.

A-4 VOTING DIRECTION FOR SACRS BUSINESS MEETING

Presentation by Gina Ratto, General Counsel, OCERS

Recommendation: Give voting direction to OCERS' delegates for November 15, 2019 SACRS business meeting.

A-5 PHONE SYSTEM CONTRACT

Presentation by Jenny Sadoski, Director of Information Technology, OCERS

Recommendation: Approve entering into a three year contract with Dialpad for voice over IP (VOIP), unified communications and contact center services.

A-6 APPROVE MOU WITH THE SANITATION DISTRICT TO PAY OFF ITS CONTINGENT UAAL

Presentation by Brenda Shott, Assistant CEO Internal Operations, OCERS

Recommendation: Approve a Memorandum of Understanding (MOU) with the Orange County Sanitation District Regarding Payment of Unfunded Accrued Actuarial Liabilities and authorize the Chief Executive Officer to execute the final form of the MOU.

**A-7 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
NEW OCERS ADMINISTRATIVE PROCEDURE (OAP) FOR EVALUATING POTENTIAL NEW
EMPLOYERS**

Presentation by Gina Ratto, General Counsel, OCERS

Recommendation: The Governance Committee recommends that the Board of Retirement adopt a new *OCERS Administrative Procedure (OAP) for Evaluating Potential New Employers* who apply to participate in the OCERS pension plan.

**A-8 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
NEW BOARD POLICY: PROTOCOL FOR HANDLING WORKPLACE COMPLAINTS AGAINST MEMBERS
OF THE BOARD AND EXECUTIVE STAFF**

Presentation by Gina Ratto, General Counsel, OCERS

Recommendation: The Governance Committee recommends that the Board of Retirement adopt a new *Board Policy: Protocol for Handling Workplace Complaints Against Members of the Board and Executive Staff*.

**A-9 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
REVISIONS TO THE TRAVEL POLICY**

Presentation by Gina Ratto, General Counsel, OCERS

Recommendation: The Governance Committee recommends that the Board approve revisions to the *Travel Policy* as presented.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices
Death Notices

October 21, 2019
October 21, 2019

I-2 COMMITTEE MEETING MINUTES

- Governance Committee Minutes
- Audit Committee Minutes
- Personnel Committee Minutes

I-3 CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN

Written Report

I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

I-5 LEGISLATIVE UPDATE

Written Report

I-6 THIRD QUARTER 2019 TRAVEL AND TRAINING EXPENSE REPORT

Written Report

I-7 BOARD COMMUNICATION

Written Report

I-8 BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN EXERCISE EXECUTIVE SUMMARY

Written Report

I-9 GENERAL AND RETIRED BOARD MEMBER ELECTION UPDATE

Written Report

I-10 TRAVEL REPORT PROFESSIONAL IN HUMAN RESOURCES CONFERENCES (PIHRA)

Written Report

I-11 TRAVEL REPORT LINKED IN TALENT CONNECT CONFERENCES

Written Report

I-12 REPORT OF ACTION TAKEN IN CLOSED SESSION ON AUGUST 19, 2019 PURSUANT TO GOVERNMENT CODE SECTION 54957.1

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

CLOSED SESSION ITEMS

E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1)) OCERS v. Al Mijares, the Orange County Superintendent of Schools, et al., CA Superior Court, Los Angeles County (Case No. 19STCP04023)

Adjourn pursuant to Government Code section 54956.9(d)(1)

Recommendation: Take appropriate action.

BOARD MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

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

NOTICE OF NEXT MEETINGS

INVESTMENT COMMITTEE MEETING

October 31, 2019

9:00 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

PERSONNEL COMMITTEE MEETING

October 31, 2019

1:00 P.M. OR UPON ADJOURNMENT OF THE INVESTMENT COMMITTEE MEETING, WHICHEVER IS LATER

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

DISABILITY COMMITTEE MEETING

November 5, 2019

10:00 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

REGULAR BOARD MEETING

November 18, 2019

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 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

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: OPTION 4 RETIREMENT ELECTION

This memorandum serves as a placeholder to inform you that there will be no printed materials for this section of the board book this month.

Submitted by:

A handwritten signature in blue ink that reads "Steve Delaney". The signature is written over a horizontal line.

Steve Delaney
Chief Executive Officer

C-2

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

**REGULAR MEETING
Monday, August 19, 2019
9:00 a.m.**

MINUTES

Chair Packard called the meeting to order at 9:02 a.m.

Attendance was as follows:

Present: Charles Packard, Chair; Roger Hilton, Vice Chair; Chris Prevatt; Frank Eley, Shari Freidenrich, Shawn Dewane, Russell Baldwin, Wayne Lindholm, and Jeremy Vallone

Absent: David Ball

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, CIO; Brenda Shott, Assistant CEO, Internal Operations; Gina Ratto, General Counsel; Dawn Matsuo, Staff Attorney; Matt Eakin, Director of Cyber Security; Anthony Beltran, Visual Technician; and Nichol Forbes; Recording Secretary.

Guests: Paul Angelo, Harvey Leiderman, Lori Zeller, Gregg Rademacher

Trustee Dewane led the Pledge of Allegiance.

CONSENT AGENDA

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

C-1 OPTION 4 RETIREMENT ELECTION

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

NONE

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board Meeting Minutes

July 11, 2019

Recommendation: Approve minutes.

**C-3 OUTCOMES OF JULY 31, 2019 PERSONNEL COMMITTEE MEETING
TRIENNIAL REVIEW OF THE CEO PERFORMANCE EVALUATION POLICY**
*Brenda Shott, Assistant CEO, Internal Operations and Cynthia Hockless, Director of
Administrative Services, OCERS*

Recommendation: The Personnel Committee recommends that the Board of Retirement:

1. Approve revisions to the CEO Performance Evaluation Process
2. Approve the timeline for the 2019 CEO Performance Evaluation Process.

The motion passed **unanimously** with Trustee Ball absent.

DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT AGENDA

MOTION by Eley, **seconded** by Lindholm, to approve the recommendations of the Disability Committee on all of the items on the Disability/Member Benefits Consent Agenda as follows:

DC-1: Tabetha Black
Deputy Sheriff I, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of October 12, 2018. (Safety Member)

DC-2: Sheila D. Dailey
Eligibility Technician, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of August 8, 2014. (General Member)

DC-3: Derek Eastham
Fire Captain, Orange County Fire Authority

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

DC-4: Alexandra Le
Legal Research Attorney, Orange County Superior Court

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of October 16, 2015. (General Member)

DC-5: Charles McHugh
Fire Apparatus Engineer, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of July 13, 2018. (Safety Member)

DC-6: Elizabeth Ortiz

Office Technician, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 13, 2012. (General Member)

DC-7: Michelle Wachter

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of April 30, 2017. (General Member)

DC-8: Michael Brown

Environmental Technician, Orange County Sanitation District

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of permanent incapacity or job causation. (General Member)

DC-9: Vanessa Callins

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of job causation. (General Member)

DC-10: Mark Yesia

Employment and Eligibility Specialist, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (General Member)

DC-11: Jean Yu

Administrative Manager III, Orange County Information Technology

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of job causation. (General Member)

The motion passed **unanimously** with Trustee Ball absent.

The Board Meeting adjourned to Closed Session at 9:05 a.m.

CLOSED SESSION
(Government Code sections 54957 and 54956.9)

DISABILITY/MEMBER BENEFITS AGENDA

DA-2: BENEFIT APPEAL – ANGELICA SALDANA

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated June 4, 2019 (Recommendation), and grant Applicant’s request for an earlier effective date of March 3, 2017 of her service connected disability retirement, and deny the Applicant’s request for an earlier effective date of October 29, 2013.

DA-3: BENEFIT APPEAL – LYDIA E. GONZALEZ

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated June 4, 2019 (Recommendation), and grant an earlier service retirement benefit effective date of June 6, 2008.

The Board Meeting reconvened in Open Session at 9:14 a.m.

Chair Packard reported that for **DA-2**, the Board took the following action in Closed Session:

The Staff recommendation to approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated June 4, 2019 (Recommendation), and grant Applicant Angelica Saldana’s request for an earlier effective date of March 3, 2017 of her service connected disability retirement, and deny the Applicant’s request for an earlier effective date of October 29, 2013 was **approved unanimously** with Trustee Ball absent.

There was nothing to report on **DA-3**, the item having been pulled from the Agenda at the request of the Applicant.

Mr. Eley pulled item I-12 to address at the end of the agenda during Board Comments.

Moved to Item I-13.

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 provide public comment at this time should fill out a speaker card located on the counter at the back of the room and deposit it in the Recording Secretary’s inbox on the wall near the middle of the room.**

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

No items were trailed from the Consent Agenda.

A-2 SEGAL CONTRACT RENEWAL

Presentation by Brenda Shott, Assistant CEO, Internal Operations to review the staff recommendation to approve the amendment with Segal Consulting for a full three year extension.

MOTION by Prevatt, **seconded** by Lindholm, to approve an amendment to the contract between OCERS and Segal Consulting to extend the term of the contract for three years.

The motion passed **unanimously** Trustee Ball absent.

Information Item I-18 was taken out of order at this time.

A-3 REAL ESTATE BROKER CONTRACT

Presentation by Brenda Shott, Assistant CEO, Internal Operations to request approval for the contract with Cushman & Wakefield for real estate broker services.

MOTION by Prevatt, **seconded** by Eley, to approve the contract with Cushman & Wakefield.

The motion passed **unanimously** with Trustees Ball and Dewane absent.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices

August 19, 2019

Death Notices

August 19, 2019

I-2 COMMITTEE MEETING MINUTES

Written Report

I-3 CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN

Written Report

I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

I-5 LEGISLATIVE UPDATE

Written Report

I-6 BOARD COMMUNICATION

Written Report

I-7 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2019

Written Report

I-8 SECOND QUARTER 2019 BUDGET TO ACTUALS REPORT

Written Report

I-9 OCERS BY THE NUMBERS (2019 EDITION)

Written Report

I-10 THE EVOLUTION OF THE OCERS UAAL (2019 EDITION)

Written Report

I-11 2019 EMPLOYER AND EMPLOYEE CONTRIBUTIONS MATRIX

Written Report

I-12 2019 BOARD ELECTION, GENERAL MEMBER AND RETIRED MEMBER UPDATE

Written Report

Mr. Eley stated that the registrar of voters was contacted in June and the item was put on the calendar in July with a period of only 14 days for the candidates to get signatures. Mr. Eley suggested moving the OCERS General Election so that it is off the cycle of the Regular General Election and for next year, set the date in January, make the signature period around 30 days to allow more time to get the signatures to run in the election.

Mr. Prevatt stated that Mr. Eley's suggestion should be brought before the Governance Committee at the next meeting to come up with a better way to handle the election process.

The following informational items were presented to the Board:

I-13 SACRS 2020 LEGISLATIVE PROPOSALS AND TIMELINE

Presentation by Gina Ratto, General Counsel, OCERS.

Ms. Ratto presented the timeline for proposing legislative amendments to SACRS with a request that SACRS sponsor said legislation during the 2020 legislative session. Such proposals need to be submitted by August 30, 2019. She stated that neither she nor Mr. Delaney are aware of any desired proposals by the OCERS Board.

Chair Packard stated, after asking all the members of the Board, the Board does not wish to propose any legislative amendments for 2020.

I-14 OCERS ACTUARIAL REVIEW – RISK ASSESSMENT, PLAN MATURITY, AND CASH FLOW

Presentation by Paul Angelo, Segal Consulting presented and discussion by the Board.

The Board recessed for a break at 10:30 a.m.

The Board reconvened at 10:44 a.m.

I-15 ORANGE COUNTY FIRE AUTHORITY – UPDATE ON ACCELERATED PENSION PAYDOWN PLAN

Presentation by Lori Zeller, Deputy Chief, Administration and Support, OCFA and discussion by the Board.

I-16 CITY OF SAN DIEGO EMPLOYEES RETIREMENT SYSTEM – OVERVIEW

Presentation by Gregg Rademacher, Chief Executive Officer, SDCERS and discussion by the Board.

I-17 OCERS BUILDING RENOVATION PROJECT

This item was pulled from the agenda.

I-18 PUBLIC IDENTIFICATION OF REAL PROPERTY SUBJECT TO NEGOTIATIONS AND PERSONS WITH WHOM OCERS NEGOTIATOR MAY NEGOTIATE

Presentation by Gina Ratto, General Counsel, OCERS. Ms. Ratto stated the following for the public record in compliance with the requirements of the Brown Act, which sets forth conditions for the Board to meet in closed session for Item E-1 to conduct property negotiations:

Government Code section 54956.8 permits the Board to hold a closed session with its negotiator prior to the purchase of real property for the agency in order to grant authority to its negotiator regarding the price and terms of payment for the purchase. Prior to the closed session, the Board is required to hold an open and public session in which it identifies its negotiators, the real property and the person with whom its negotiators may negotiate.

For purposes of the Brown Act, closed session Item E-1 involves the following:

OCERS' negotiators:	Brenda Shott, OCERS Asst. Chief Executive Officer, Internal Operations and Trustee Charles Packard Brian Booth, Cushman & Wakefield
Real property:	1200 N. Tustin Avenue, Santa Ana, CA
Negotiating party:	LBR Commercial

CLOSED SESSION ITEMS

The Board **ADJOURNED** to Closed Session at 11:47 a.m. for items E-1, E-2 and E-3.

The Board **reconvened** in Open Session at 12:24 p.m. and reported out the following actions taken during closed session on item E-1, E-2, and E-3.

E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED

(GOVERNMENT CODE SECTION 54956.9(d)(1)) O.C. Department of Education v. OCERS, CA Court of Appeal, 4th Dist. (Case No. G055439); CA Superior Court, Orange County, (Case No. 30-2016-00836897)

Adjourn pursuant to Government Code Section 54956.9(d)(1).

MOTION by Dewane, **seconded** by Eley to authorize the continued legal action against the Department of Education to recover costs incurred by OCERS in defending against the Department of Education’s continued refusal to pay its share of the of the unfunded liability attributable to the Department of Education based on the trial court ruling, affirmed by the Court of Appeals, that the Department of Education has a mandatory ministerial duty to pay all amounts that OCERS determines are due and payable by the Department of Education to OCERS. The **motion passed unanimously 7-0** with voting as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Prevatt			Ball
Lindholm			
Baldwin			
Eley			
Freidenrich			
Chair Packard			
Vice Chair Hilton			

The record is to show that Trustee Lindholm was recused on this matter.

MOTION by Dewane, **seconded** by Eley to engage the firm of Reed Smith to represent OCERS in legal action against the Department of Education to recover costs incurred by OCERS in defending against the Department of Education’s continued refusal to pay its share of the of the unfunded liability attributable to the Department of Education. The **motion passed unanimously 7-0** with voting as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Prevatt			Ball
Lindholm			
Baldwin			
Eley			
Freidenrich			
Chair Packard			
Vice Chair Hilton			

The record is to show that Trustee Lindholm was recused on this matter.

**E-2 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED
(Government Code section 54956.9(d)(1).)**

Jeffrey Gross v. OCERS; County of Orange; et al., CA Superior Court, County of Orange (Case No. 30-2017-00944959)

Adjourn to closed session pursuant to Government Code section 54956.9(d)(1).

There was **no reportable action taken** in closed session.

**E-3 CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(GOVERNMENT CODE SECTION 54956.8)**

Adjourn to closed session pursuant to Government Code Section 54956.8

Property: 1200 N. Tustin Avenue, Santa Ana, CA
Agency Negotiators: Brenda Shott, OCERS Asst. Chief Executive Officer, Internal Operations and
Brian Booth, Cushman & Wakefield
Negotiating Parties: LBR Commercial
Under Negotiation: Price and terms of payment

There was **no reportable action taken** in closed session.

The Board recessed for lunch at 12:26p.m.

The Board reconvened from lunch at 1:13p.m. to address item A-3

BOARD MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

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

The meeting **ADJOURNED** at 1:19 p.m. in memory of the active members, retired members, and surviving spouses who passed away during the past month:

Active Members

Albertson, Barbara
Almario, Jose
Anderson, Melvin
Bottorff, Clark
Cadambi, Suresh
Covarrubias, Ramon
Do, Hue
Eberhart, Warren
Eisenhut, Donna
Fleming, Dan
Franco, Mary
Gerhard, Donald
Guevara, Norma
Hoskin, Charles
Johnson, Darren
Keene, John
Khidir, Christa
Lohnes, George
Nerase, Jody
Pearce, Allen
Pederson, Marilyn

Perkins, Howard
Pflaster, Linda
Reed, Lois
Rodrigues, Clara
Scaggs, Aquila
Tollison, Sandra
Upton, George
Voss, Fred

Surviving Spouses

Kennedy, Rachel
Morgan, Fines
Quintanilla, Elida
Remp, Gayla
Simpson, Harriet
Vonda, Bryan

Submitted by:

Approved by:

Steve Delaney
Secretary to the Board

Charles E. Packard
Chairman

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

STRATEGIC PLANNING WORKSHOP

September 18-19, 2019
8:30a.m.

Embassy Suites by Hilton Santa Ana Orange County Airport
1325 E. Dyer Road, Santa Ana, CA 92705

The OCERS Board takes no actions at the annual Strategic Plan Workshop. Therefore, a summary of discussion topics is provided.

September 18, 2019

Mr. Steve Delaney started the morning off with introductory comments and an overview of the day's schedule.

A. STAKE HOLDER DISCUSSIONS

Ms. Michelle Aguirre, Chief Financial Officer for the County of Orange, opened with good news, County revenues were up by \$300 million over the prior fiscal year. While general funds remain a constrained source for meeting OCERS contribution requirements, she noted the County is anticipating the important pay off of the bulk of unfunded liabilities in the year 2033. Ms. Aguirre specifically thanked the Board for their phased approach when assumption costs rise, as well as appreciating the continued availability of the early payment of contributions discount program.

David Yamasaki, Chief Executive Officer of Orange County Superior Courts provided a historic background as to how the state distributed funds to the courts. A key challenge for the Courts has been their inability to participate in the early payment of contributions discount program. With the state severely limiting how much the courts can keep in reserve for emergencies, they have not yet felt it worth the risk to make an early payment of their OCERS contributions despite the discount such participation provides.

Sergio Klotz representing the 16 employees of the City of San Juan Capistrano who together form the Management and Professional Employees Association, thanked OCERS staff for the recent effort to assign specific team members to the City, promoting benefit expertise when dealing with the small but important group of members.

B. STATE OF OCERS – OVERVIEW

Steve Delaney presented the fourth annual "State of OCERS" overview. Following a consideration of continued growth in fund membership and size, he then outlined a number of challenges as well as opportunities that will be facing the system over the coming 60 years. He encouraged the Board to further study these issues in the coming months, perhaps via the Governance Committee in determining what policies may need to be created or updated in order to meet those future events. Recognizing that the

system still faces funding level, mortality, and benefit accuracy challenges, he reminded all that the Board has laid out a clear plan to address those issues in their long term planning. Mr. Delaney concluded his presentation by stating "The current state of OCERS is strong but continuously challenged. We must always look ahead and plan for what will as well as what may be coming our way."

C. STATE OF OCERS – ANNUAL MEMBER SERVICES QUALITY REPORT

The OCERS Board's charter states the Board will "annually review the quality of services delivered to OCERS members." Ms. Jenike reviewed the past year's accomplishments, such as the completion of the improved OCERS website with a more modern and user friendly member portal. She also provided important metrics, including a 99% positive rating from members who come to the OCERS offices for services, and that less than 1% of member benefit have an unplanned recalculation. That latter data point is important in order to maintain our member's confidence in the ability of OCERS to properly administer and dispense their benefits.

D. STATE OF OCERS – ANNUAL PLAN SPONSOR REVIEW

Mr. David Kim presented the fifth annual OCERS' Plan Sponsor review presentation, summarizing the details in the OCERS' 2019 Plan Sponsor report and highlighting information from the five largest Plan Sponsors. The purpose of the presentation is to provide the Board with information regarding the Plan Sponsors' current financial position to determine if a triggering event has been identified, per the Declining Employer Payroll Policy. The report utilizes 2018 financial information obtained from Plan Sponsors, if available. Upon review of the report, the OCERS CEO and Senior Executive Management did not identify a triggering event that would impede the Plan Sponsors' from meeting their contribution requirements, with the exception of the City of San Juan Capistrano's intent to move a number of employees to a Special Water District. Details of the intended move from the City of San Juan Capistrano and the Board's approved motions were included in the presentation.

E. ACTUARIAL ISSUES – DROP EXPLAINED

Mr. Ray Ciranna, General Manager for the Los Angeles City Fire and Police Pension (LAFPP) provided a broad overview of Deferred Retirement Option Plans, better known by their acronym of DROP, as well as more specific review of the DROP program presently being offered by LAFPP. With a DROP a member has a retirement benefit calculated at initial date of participation, with the benefit paid into a special account run by LAFPP. The member continues to work for five more years, while the benefit accumulates in the DROP account. Key here is when the member terminates employment after five years and receives those funds, the future benefit to be paid has been frozen at the amount initially calculated. Those five additional years of work do not increase the member's future retirement benefit. The City's DROP program began in 2002 with four goals – to improve recruitment, increase morale, lengthen public safety member careers, and to be cost neutral. Mr. Andy Yeung of Segal also participated in the discussion, sharing a number of important actuarial considerations that should be taken into account when creating a DROP program, such as limiting any guaranteed interest accrual rate for that DROP account.

F. ACTUARIAL ISSUES – MORTALITY, BENEFIT WEIGHTED, MATURING PLANS

Mr. Andy Yeung and Mr. Todd Tauzer of Segal provided an overview of a number of different actuarial issues that will influence OCERS next triennial actuarial review of assumptions, due to begin in 2020. An important change to take effect is a move from mortality assumptions based on headcount to instead a benefit weighted basis. This is especially timely with the recent publication by the Society of Actuaries of mortality tables for public sector workers. In general Segal anticipates a change to benefit weighted mortality assumptions will lead to some increase in liabilities and contribution rates for general members, while the additional margin built previously in safety mortality assumptions should be enough to absorb any effect of such a change. In reviewing the maturing of the OCERS plan, Segal foresees benefit payments exceeding contribution in about five to ten years.

G. MANAGING LIQUIDITY

Ms. Shanta Chary, OCERS Investments, led a discussion on Managing Liquidity with a presentation on how OCERS' asset allocation profile drives the plan's overall liquidity needs. Pension plan net cash flows directly connect to a plan's ability to manage illiquidity within their investment portfolio and OCERS allocates roughly 69% of the plan to liquid assets.

The presentation highlighted important liquidity dates for the plan with the first important date being the 'Soft Flip', which is the date where Benefit Payments become greater than Contributions. This was followed by the more important 'Hard Flip' date, which is the date when Income + Contributions is expected to fall below required benefit payments. While OCERS is expected to have negative Net Contributions starting around 2022 – 2027, 60% of plan assets are in the most liquid instruments and just 20% of the portfolio is classified as highly illiquid. This should allow the Plan to manage cash flows and required payments as needed.

Mrs. Chary concluded with the following key takeaways: OCERS liquidity remains strong relative to peers; the Plan has sufficient liquidity to support illiquid/private investments through 2030 and beyond; OCERS Investment staff and consultants closely monitor Plan liquidity and can readily adapt as the pension plan matures; and that overall OCERS continues to be well positioned financially and demographically.

Mr. Michael Buchenholz, Executive Director, J.P. Morgan Asset Management, spoke at length about the risks associated with liquid alternatives and how they are hard to rebalance when the time comes. He reviewed how the Equity market has been profitable, OCERS is at a 2-3% overweight and is still light on public equity compared to its peers.

Mr. Buchenholz stated that we may see a recession in 12-18 months and stated it is always good governance to consistently perform risk budgeting exercises with the portfolio.

H. PRICING EXTERNALITIES: THE INTERSECTION OF RISK ASSETS AND ESG FACTORS

Mr. Reginald Tucker, OCERS Investments, moderated a panel discussion on Pricing Externalities. The panel explored various ways that investment managers use Environmental, Social and Governance ("ESG") factors in their investment process not only to manage risk, but also to drive investment returns.

An esteemed group of industry representatives from Acadian Asset Management, AEW Capital Management and Longfellow Investment Management joined the panel. The panel discussed how their

investment processes take into account ESG factors and risk even when working with a client that does not have an explicit ESG policy. There was also a discussion about where ESG data is obtained, what ESG risks are avoided at all cost, how each prices environmental risk and which ESG factors are most important.

The panel ended with comments about how the use of ESG factors is expected to evolve and the following key take-ways: ESG will become an increasingly important focus for the investment management industry and most investment managers at this point have incorporated a formal ESG policy into their investment process. While OCERS does not have a formal ESG policy, the Plan's Mission to *provide secure retirement and disability benefits with the highest standards of excellence* and its Value of having a *Secure and Sustainable* retirement plan is complemented by the risk management and investment processes of the investment managers with whom OCERS invests.

I. RENEWABLE ENERGY MARKET UPDATE

Mr. Nic DiLoretta, Senior Vice President and Deputy Head of Investment Research, TorreyCove, led a discussion on the renewable energy market. The presentation focused on the transition that is occurring in the Energy sector and that investors need to consider the Energy sector and related investments holistically and with an increased focus on renewables within the overall spectrum of opportunities. Mr. DiLoretta reviewed the cause and effects of this transition energy transition and how it would overall benefit society and how major companies such as Facebook and AT&T have already transitioned to using alternative energy as of 2018. Currently, California is operating at 55% of electricity as fossil fuel. He stated that even major oil/gas companies have invested significantly with companies to become more energy efficient by installing charging stations at their locations.

Mr. DiLoretta reviewed in detail the ways that investors like OCERS can participate in the growing renewables opportunity. He noted that the private markets are becoming the focal point of access to the space with increasing opportunities in growth equity Private Equity investments in adoptable and commercially available assets, as well as through early technology Venture Capital investments. Mr. DiLoretta concluded that within the overall universe of available renewables investments that the optimal way for larger investors like OCERS to access the opportunity set in scale is likely through broadly focused Energy Infrastructure funds.

Ms. Molly Murphy made some closing statements that she has found over the years that you want your ESG to move fluidly as an organization and represent who you are. She stated that today, Millennials are a key deciding factor nearly everything reflective of ESG and good governance regarding ESG.

September 19, 2019

Ms. Molly Murphy started the morning off with introductory comments and an overview of the day's schedule.

A. CHANGING SPACES: THE EVOLVING LANDSCAPE OF REAL ESTATE

Ms. Jennifer Stevens with Townsend Group started with an overview of the OCERS portfolio; 13% of the portfolio is focused in Industrial and 18% in Standard. They anticipate Standard to grow to 20% by 2022. Ms. Stevens reviewed how non-real estate sellers have impacted the traditional retail real estate store fronts and how it continues to grow.

B. THE ROLE OF TECHNOLOGY, PEOPLE AND DATA IN INVESTMENT MANAGEMENT

Mr. Mike Nigro, Managing Director, Two Sigma, a systematic investment manager that applies cutting-edge technology and data analysis in its investment processes, spoke about how technology has made it possible to analyze increasing amounts of data to make investment decisions much faster than and in ways that were not possible before through the use of automation. The challenge, he noted, is that while firms can now analyze more data using computers with Artificial Intelligence and Machine Learning, they must increasingly focus on the quality of the data and assess its value, which requires a discretion that is right now only capable by humans. Mr. Nigro further noted that as AI and Machine Learning techniques evolve, these techniques will require continuous human input to develop their predictive characteristics.

Mr. Nigro concluded with the following key take-aways: There are limitations as to how advanced Machine Learning can evolve in the near-term and Big Data and Machine Learning is highly technology and people intensive. This includes machine learning, optimization, data science & analysis and software engineering infrastructures on the quant side; and portfolio management, risk management, macro awareness, economic sense and markets experience on the human side.

C. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) OVERVIEW

Ms. Marcie Frost, CalPERS, Chief Executive Officer, provided a detailed overview of the work that has been done to restructure their system. She spoke at length on the importance of good governance and the focus they put on the relationships with the team and senior management. Ms. Frost emphasized that they are extremely engaged in constantly improving their work culture and team relationships and expressed that it is important to invest significantly into the team and be a "Destination Employer."

Ms. Frost reviewed CalPERS change to a 20 year amortization from a 30 year amortization and how it helped them go from a negative amortization to a positive one. She stated that they have implemented an asset allocation change and are now focused on low risk investments, as per the Board's preference.

Ms. Frost shared that in August, the system reduced its Investment Committee Meeting schedule to once a quarter and one offsite meeting, and changed the composition of the committee from the whole board to 9 members, which was determined by the Board President.

In July, they implemented a 115 Trust, which allows their employers to set aside contributions on top of their 7% contributions to invest. They decide their own risk factor for these funds. On top of this, they have also implemented a Pension Navigator Tool, which allows an employer to do their own sensitivity analyst up to five years.

D. COMMITTEE BEST PRACTICES PEER ANALYSIS

Mr. Steve McCourt, Chief Executive Officer, Meketa Investment Group, spoke about pension system best practices. The primary source of information for the discussion and analysis was the National Association of Retirement Plan Administrators (NASRA), which has a membership of over 100 public pension plans and partners with Meketa every two years to review best industry practices.

Mr. McCourt began the discussion by highlighting that at an asset size of over \$16 billion, OCERS is one of the largest county pension plans in the country, and has more in common with state plans than with most other counties in California. Over the presentation Meketa found that in most areas, such as reducing the actuarial assumed rate of return and reducing reliance on public equities, OCERS has been a leader in the direction that other plans are moving and is on the leading edge of Investment Committee best practices as well.

OCERS' board size is comparable to the median public plan board size of nine. The plan's conducts a formal asset allocation review every three years versus the majority of plans surveyed who reviewed asset allocation and made formal changes every 4-5 years. Regarding board meetings, there has been a clear industry trend toward fewer meetings, with five peer plans, including CalSTRS and CalPERS, having recently reduced the number of annual board meetings. The average number of meetings for plans in OCERS peer universe is now 7.4 meetings annually.

Other points of distinction Mr. McCourt raised included OCERS' leadership position in alternative assets allocations, transparent and comprehensive fee reporting, well aligned investment structures and below median fees for most asset classes. Taken altogether, OCERS governance and best practice policies and procedures have enabled plan staff and investment committee members to become more efficient and effective. This has helped OCERS generate 3- and 5-year Net Investment Returns higher than the peer group median and a 10-year Total Net Investment Return of 8.10%.

E. THE STATE OF THE LOAN MARKET

Mr. Steve McCourt, Chief Executive Officer and Ms. Mary Bates, Senior Vice President, Meketa Investment Group, spoke about the bank loan and high yield markets. The discussion compared and contrasted bank loans with other credit-related investment strategies and addressed potential concerns related to specific exposures within the OCERS investment portfolio and the credit markets overall. Meketa has been recommending a more conservative positioning of the OCERS credit portfolio given some of the deteriorating credit market fundamentals. Throughout 2019 Meketa and staff have been therefore more closely monitoring the credit exposure OCERS' portfolio and making any adjustments deemed necessary.

Ms. Bates provided comments and statistics further supporting views that credit market fundamentals are weakening to a point that now warrants extra caution going forward. With both bank loan and direct lending markets having grown significantly since the Great Finance Crisis, covenants, which are conditions on commercial loans that require borrowers to fulfill certain financial obligations, have come down as liquidity has increased and lenders compete for business. Lenders are also increasingly using projected earnings rather than actual earnings data to underwrite loans and some market practitioners believe the current loose credit underwriting standards and weakening fundamentals could be the source of a new credit crisis where ratings downgrades in a slowing economy ultimately lead to a broader credit market dislocation.

F. CYBERSECURITY PRESENTATION

Mr. Phil Venables is a Senior Advisor and member of the Board of Directors at Goldman Sachs Bank USA and was Goldman Sachs' first Chief Information Security Officer and Head of Technology Risk, a role he held for 17 years. He provided an overview of the existing cyber threat landscape and the malicious actors

behind these threats. These include nation-state attacks, cyber criminal gangs, trusted insiders gone bad, so-called hacktivists and others who seek to gain from the compromise or dissemination of data.

Mr. Venables discussed the Goldman Sachs cybersecurity model which focuses on threat intelligence, detection and surveillance, prevention and continuous assessment. He emphasized the importance of security controls, especially those which require little friction to implement and yet provide rapid gains in baseline security. He further discussed the importance of third-party relationship assessment and the criticality of evaluating new and existing relationships for appropriate internal cyber security structures.

The key takeaway from Mr. Venables presentation to the Board was to treat cybersecurity as a first-class business risk, to embed risk considerations into the organization's governance structure and to integrate risk considerations into all processes. Of course, no cybersecurity program is infallible and Mr. Venables stressed the importance of a mature resilience and recovery program.

Mr. Venables also spoke at length about good governance being reflected in preparation of cyber-attacks. He stated that it is important to consider this in every part of the business process and to ensure that as an organization, tests and exercise recovery plans are regularly being deployed with customers as well as stakeholders.

The OCERS Information Security team was pleased to host Mr. Venables as his comments affirmed the direction of the OCERS Information Security program. The early focus of the InfoSec team has been on implementation of industry-standard security controls along with the tools, sensors and third-party relationships required to monitor and maintain the program. In conjunction with OCERS' maturing business continuity and disaster recovery program, we strongly believe we are making steady progress on establishing a robust information security program

G. PRELIMINARY 2020-2022 OCERS STRATEGIC PLAN

As an informational item only Mr. Delaney reviewed major achievements completed in the 2019-2021 Strategic Plan, noting especially the effort put forth to complete the Master Final Average Salary matrix. For the 2020-2022 edition, he recommended the Board add a fifth goal of "Effective Governance," with three objectives including employing an improved governance structure, improved governance and management of OCERS records with two primary objectives of employing a governance structure that supports a dynamic system, acknowledging the continuous change and improvement that comes with mature plan growth, as well as seeking to improve the governance and management of OCERS records."

H. PRELIMINARY 2020 OCERS BUSINESS PLAN

Each department head spoke to that portion of the 2020 OCERS Business plan that impacts their activities, with the aim of supporting the five primary goals and related objectives outlined in the 2020-2022 OCERS strategic plan.

I. PROPOSED 2020 REGULAR BOARD MEETING SCHEDULE

Mr. Delaney provided a list of potential Board Meeting Dates for 2020 to the Board to review.

C-3

OCERS Board Policy Overpaid and Underpaid Plan Benefits Policy

Purpose and Background

1. The purpose of the Orange County Employees Retirement System (“OCERS,” “System,” or “Plan”) *Overpaid and Underpaid Plan Benefits Policy* (“policy”) is to provide a framework that the System can use as a basis for resolving erroneous payments of Plan benefits to members and their beneficiaries. In the event that an overpayment is the result of a felony conviction OCERS Administrative Procedure (OAP) *Felony Forfeitures* shall be used as a basis for resolution. The OCERS Board of Retirement (“Board”) is charged with the responsibility of administering the System in a manner that assures appropriate and prompt delivery of benefits and related services to members and their beneficiaries and of managing the assets in a prudent manner. The Internal Revenue Service requires that operational failures be corrected in a prompt, reasonable, and consistent manner that attempts to place the retirement system in the position it would have been in had the erroneous payment not occurred.

Policy Objectives

2. Members and their beneficiaries (herein referred to as “members”) have a right to accurate pension benefit payments. No member has the right to receive or retain retirement benefit payments that exceed the amounts to which a member is entitled, and no member may be deprived of any benefit payments that he or she is entitled to receive. Subject to all applicable laws and consistent with this policy and the procedures established by the Board, it shall be OCERS’ policy to make every reasonable effort to recover from a member the amount of any overpaid Plan benefits, and remit to a member the amount of any underpaid Plan benefits.

Policy Guidelines

3. After discovery of overpaid or underpaid benefits, and within a reasonable period of time after written notification to the affected member, OCERS will correct the benefit payment amount prospectively and/or pay to the member, or collect from the member, through lump sum or installment payments the amounts to which the member or the Plan is entitled in accordance with this policy and applicable law.
4. These policies and procedures are designed for use when calculation and other errors affect an individual member’s retirement benefits. In the event of a system-wide error that affects multiple members’ benefits, the Board may implement a system-wide correction process that it determines is appropriate under the circumstances.
5. In the event of any inconsistency between applicable law (including IRS rules) and these policies and procedures, the law shall govern.

OCERS Board Policy **Overpaid and Underpaid Plan Benefits Policy**

Policy Procedures for Overpaid Benefits

6. *Appropriate Interest.* When an overpayment of Plan benefits is discovered more than ninety (90) days after the member/payee's initial benefit payment, OCERS will make a prospective adjustment to the member's benefit and take all reasonable steps to recover the full amount of all overpayments, going back to the inception of the error, and charging "appropriate interest," as defined below, compounded annually during the period in which the benefit overpayments were made and also during any repayment period (*i.e.*, applied to the outstanding amount due until fully repaid).
 - a. In cases where there is evidence that the benefit overpayment resulted from fraud or dishonest conduct by the member/payee or because the member/payee provided, or caused to be provided, inaccurate information to OCERS or the member's employer, then "appropriate interest" shall be determined using the System's actuarially assumed rate of return as of the date OCERS sets for commencing repayment, and charged to the member/payee.
 - b. If the benefit overpayment was solely the result of an error by OCERS and/or the member's employer, then "appropriate interest" shall be equal to the Systems actuarial assumed rate of return as of the date OCERS sets for commencing repayment, and charged to the member's employer as an administrative expense, without amortization.
 - c. Notwithstanding the above, any reduction in the member/payee's ongoing monthly benefit will be limited to a maximum of 15% of the gross monthly benefit. The balance due will be paid over time, subject to this limitation.
7. The Board believes that considerations of cost effectiveness make it prudent and reasonable to pursue recovery of overpaid benefits only where the cumulative total amount of overpaid benefits is \$100 or more. Accordingly, OCERS is authorized to not seek recovery of any such overpaid benefits where the total amount overpaid to the member less than \$100.
8. When recovering benefit overpayments, the following apply:
 - a. *Director of Member Services:* When the total amount of such overpaid benefits, not including interest, is \$10,000 or less, the Director of Member Services shall have authority to agree to extend the time period for the member's installment payments to a period not exceeding the expected lifetime of the member as determined by the actuary.
 - b. CEO:
 - i. Regardless of the amount of the Plan's claim against the member, the CEO shall have the authority to agree to extend the time period for the member's installment payments to a period not exceeding the expected lifetime of the member as determined by the actuary.
 - ii. In addition, when the total amount of the Plan's claim against the member, not including interest, is \$1,000 or less, the CEO, on the advice of legal counsel, shall have the authority to compromise the claim.

OCERS Board Policy Overpaid and Underpaid Plan Benefits Policy

- c. *Board:* Only the Board may compromise claims in which the total amount of such overpaid benefits, not including interest, is greater than \$1,000.
 - d. *Compromising claims:* The amount of the Plan's claim for overpaid benefits is the difference between the amounts actually paid to the member for the recovery period and the amounts that should have been paid, together with "appropriate interest" from the dates of the actual payments to the date(s) the correction is effective. The likelihood of collection, the cost of collection, the amount of possible recovery and extreme hardship to the member will be considered by the CEO and/or the Board when determining whether to compromise a claim. Compromising a claim may include a different method of repayment than is otherwise provided by this Policy and/or forgiveness or partial forgiveness of principal and/or interest.
 - e. *Reporting:* Every year, for cases involving benefit overpayments the Director of Member Services shall provide a report to the Board.
9. The Board adopts the following procedures for accomplishing the recovery of overpaid Plan benefits:
- a. Upon discovery of the benefit overpayment, OCERS will send a letter by certified mail, return receipt requested, or by express delivery service, to the member. Subject to the provisions of this Policy, the letter will provide the following information to the member regarding the overpaid benefits:
 - i. Provide notice of the prospective adjustment to the member's benefit payment (to reflect the correct amount);
 - ii. Request payment to OCERS of the amount of overpaid benefits with appropriate interest; and
 - iii. Unless otherwise determined by the Board, the CEO, or the Director of Member Services (see sections 8.a. and 8.b., above) or, if a repayment plan for a longer period is needed due to the limitation described section 6.b.ii., above, the letter will set a repayment plan with two options:
 - *Option 1* – equal installments deducted from the member's monthly benefit over the same length of time that the overpaid benefits occurred, with "appropriate interest" (as that phrase is defined in section 6 above) applied during the overpayment period and during the repayment period; and
 - *Option 2* – lump sum payment to the Plan for the full amount overpaid, with "appropriate interest" (as that phrase is defined in section 6 above) applied during the overpayment period.
 - b. OCERS may pursue all legal remedies to collect such overpaid Plan benefits, including making a claim on an estate or trust. In addition, if the member dies before the full amount of principal and interest is paid, OCERS may recover the remaining principal and interest from any lump sum amount OCERS is obligated to pay to the member's estate or named beneficiaries of the member; provided, however, OCERS shall not seek to recover any such remaining amounts

OCERS Board Policy

Overpaid and Underpaid Plan Benefits Policy

from any continuation payments made to a surviving spouse or an optional beneficiary of the member, unless an erroneous payment is made to the surviving spouse or optional beneficiary.

- c. OCERS will maintain a permanent record of all amounts of such overpaid Plan benefits and the repayment to OCERS of those overpaid benefits.

Policy Procedures for Underpaid Benefits

10. When the Plan has underpaid benefits to the member, and the underpayment is discovered more than 90 days after the member/payee's initial benefit payment, the member shall be entitled to a prospective adjustment to his or her retirement benefits necessary to correct the error, as well as a lump sum payment for all past amounts owed as a result of the error, with interest compounded annually at the rate of 3%. Interest shall accrue on the amounts owed from the date of each underpaid benefit to the date of the lump sum corrective payment. The payment shall be made within forty-five (45) days of discovery and receipt of all information needed to correct the account.
11. If a member who was underpaid benefits has died prior to payment of the lump sum amount due, the payment will be made according to OCERS' standard procedures for paying residual amounts following the death of the member (*e.g.*, to the designated beneficiary, estate, personal representative, trustee of the member trust, etc.).
 - a. If, after following its standard procedures, Plan staff has not been able locate a person entitled to payment, the Plan shall hold the funds on behalf of that person for five years. If the funds are not claimed within five years, the funds may be transferred into the System's pension reserve fund. If someone later appears to claim the funds, the Board or the CEO will consider such claims on a case-by-case basis.
 - b. The Plan will maintain a permanent record of all amounts of outstanding refunds of underpaid benefits and any amounts that have been transferred into the pension reserve fund.
12. If the total amount that the Plan owes to the member is \$75 or less, the Plan is not required to make the corrective distribution if the reasonable direct costs of processing and delivering the distribution to the member would exceed the amount of the distribution.

Member Appeal Rights

13. A member shall have the right to appeal any decision regarding corrective actions that the plan takes with respect to recovering and/or returning over and underpayments of Plan benefits.
14. The appeal process will generally follow the same pattern as benefit appeals.
 - a. The member will first appeal a staff decision regarding an erroneous payment to the Director of Member Services. The Director of Member Services shall respond to the member in writing.
 - b. If the member does not agree with the decision of the Director of Member Services, the member may appeal that decision, in writing and within forty-five (45) days of mailing of the decision by the Director of Member Services, to the CEO. The CEO shall respond to the member in writing.

OCERS Board Policy **Overpaid and Underpaid Plan Benefits Policy**

- c. If the member does not agree with the decision of the CEO, the member may appeal the matter, in writing and within forty-five (45) days of mailing of the decision by the CEO, to the Board.
- d. The Board will hear the matter at a regularly scheduled meeting giving reasonable notice to the member so the member may appear at the meeting. Staff will provide background information and documentation to the Board to assist it in making its decision. After due consideration, the Board shall vote on the matter and instruct Member Services staff to notify the member in writing of the Board's determination.
- e. If the member disagrees with the determination of the Board, the member may request, in writing and within forty-five (45) days of the date of mailing of the Board's decision, an administrative hearing of the matter.
- f. The matter will then be scheduled for administrative hearing pursuant to OCERS' Board of Retirement Policy for Administrative Hearings.
- g. The findings and recommendations of the hearing officer shall be reviewed by staff, and staff shall make a recommendation to the Board to take action pursuant to Government Code Section 31534. If the Board adopts the recommendation of the hearing officer, that decision of the Board shall be final, and Member Services staff will inform the member of the Board's decision in writing with a proof of service attached. Notice to the member of the Board's final decision shall signify exhaustion of the member's administrative remedies.
- h. This process may be adjusted in cases where the initial determination is made by the CEO.
- i. Offsets and other collection efforts will be stayed during the pendency of the above-outlined appeals process; provided, however, that the Board shall have the discretion to suspend implementing its recovery from the member in whole or in part during any ensuing court action. Interest will continue to accrue on all amounts owed to OCERS during the appeals process and litigation.

Policy Review

- 15. The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

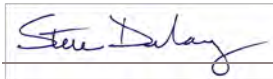
- 16. This policy was adopted by the Board of Retirement on May 16, 2016 and amended on October 21, 2019.



OCERS Board Policy
Overpaid and Underpaid Plan
Benefits Policy

Secretary's Certificate

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



Steve Delaney
Secretary of the Board

10/21/19

Date

Memorandum

DATE: October 21, 2019
TO: Members of the Board
FROM: Cynthia Hockless, Director of Administrative Services
SUBJECT: TRIENNIAL REVIEW OF THE TRUSTEE EDUCATION POLICY

Recommendation

Approve the revisions to the OCERS Trustee Education Policy as recommended by the Governance Committee.

Background/Discussion

Staff coordinated the triennial review of the Trustee Education Policy (Policy) with the Governance Committee (Committee) on September 25, 2019. The attached Policy reflects the changes supported by the Committee and those changes are detailed below.

The government code sections listed below govern the policy but did not have any significant changes with a small exception to the Harassment training.

Trustee Training	§31522.8	passed in 2012 – no new changes
Ethics Training	§53235	passed in 2006 – no new changes

Senate Bill 1343, Sexual Harassment (2018) and SB778 (2019) require that Harassment Training required by §12950.1 is extended to California employers with (5) five or more employees (previously 50). The policy reflects this change to the code.

Trustees will continue to need (2) two hours of Sexual Harassment training every two years. The changes to the Senate Bill are effective January 01, 2021.

Submitted by:



Cynthia Hockless
Director of Administrative Services

Purpose

1. It is the policy of the Board of Retirement to ensure that individual Trustees have sufficient knowledge of the issues and challenges facing OCERS so as to craft policies to guide the administration of the plan and effectively monitor their implementation based on ongoing exposure to up-to-date benefit, financial, investment and policy information and together with staff are properly trained to perform their respective duties.
2. Effective January 1, 2013, Trustees are required to complete a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period in which the Trustee serves on the Board (Gov. Code § 31522.8).
3. Trustees are also required to complete two hours of ethics training every two years. (Gov. Code § 53235) Ethics training received as part of the 24 hours of Trustee education will satisfy this requirement.
4. Trustees are also required to complete two hours of harassment prevention training every two years. (Gov. Code § 12950.1) Harassment prevention training is in addition to the 24 hour education requirement set forth in Gov. Code § 31522.8.
5. To that end, each Trustee is encouraged to regularly participate in those educational opportunities that will enable competent discharge of the obligations of that position and meet the statutory requirements for continuing education.

Policy Objectives

6. The objective of this policy is to ensure that all Trustees have adequate opportunity to acquire the knowledge they need to carry out their fiduciary duties.

Policy Guidelines

7. Trustees agree to develop and maintain knowledge of relevant issues pertaining to the administration of OCERS throughout their terms.
8. Trustees agree to pursue appropriate education across a range of pension-related areas, rather than limiting their education to specific areas. General pension-related areas to be pursued include:
 - a. Pension funding;
 - b. Institutional investments and investment program management;
 - c. Investment performance measurement;
 - d. Actuarial science;
 - e. Benefits structure and administration;
 - f. Disability retirements;
 - g. Due process in benefit determinations;

OCERS Board Policy

Trustee Education Policy

- h. Pension law;
 - i. Organizational structure, methods, and practices;
 - j. Budgeting;
 - k. Governance and fiduciary duty; and
 - l. Ethics.
9. Trustees agree that at least two hours of education they receive will qualify as ethics training relevant to the Trustees' public service. Subject matter that qualifies for ethics training includes, but is not limited to:
- a. Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
 - b. Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
 - c. Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.
 - d. Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.
10. Educational tools for trustees include, but are not limited to:
- a. External conferences, seminars, workshops, roundtables, courses or similar sessions (henceforth referred to collectively as "conferences");
 - b. Industry association meetings or events;
 - c. In-house educational seminars or briefings;
 - d. Periodicals, journals, textbooks and similar materials; and
 - e. Electronic media including CD ROM-based education, Internet-based education and video-based education.
11. On an ongoing basis, the Chief Executive Officer and the Chief Investment Officer will identify appropriate educational opportunities, based on the needs of individual Trustees or the Board as a whole, and include details of such in Board meeting information packages for Trustee consideration. Trustees are encouraged to suggest educational opportunities that may provide value to the Board of Retirement.
12. Standards for determining the appropriateness of a potential educational opportunity shall include:
- a. The extent to which the opportunity is expected to provide Trustees with the knowledge they need to carry out their roles and responsibilities;
 - b. The extent to which the opportunity meets the requirements of this policy; and

OCERS Board Policy Trustee Education Policy

- c. The cost-effectiveness of the program in light of travel, lodging and related expenses.
13. Beginning January 1, 2013, Trustees will acquire a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period for which the Trustee serves on the Board.
 - a. Trustees will endeavor to complete 24 hours of education in the remainder of the first and second calendar year after appointment. For trustees who are appointed later in November or December, the first education year will commence on January 1 of the subsequent calendar year.
 - b. After the initial two years after assuming office, education hours will be tracked on a calendar year basis with each trustee required to complete 24 hours of education within each two year period.
 - c. OCERS staff will track hours on an odd and even year basis with trustees grouped according to the year of term commencement.
 - d. For example, if a trustee assumes office on April 1, 2016, he or she will be expected to complete 24 hours of education by December 31, 2017. Subsequent to January 1, 2018, his or her education will be tracked on a rolling basis with completion of the 24 hour requirement on December 31, 2019, 2021, 2023, etc.
14. Trustees will attempt to meet the following minimum goals:
 - a. To secure, over time, a useful level of understanding in each of the topic areas listed in paragraph 8 above;
 - b. To attend at least one conference annually. In accordance with a. above, Trustees are encouraged to attend conferences, on occasion, that address pension topics other than investments; and
 - c. Participate in any in-house educational seminars or briefings that are organized by the Chief Executive Officer and Chief Investment Officer including:
 - i. The educational component of the annual Strategic Planning Session;
 - ii. The Education Forum;
 - iii. Individual sessions at regular Board meetings; and
 - iv. Workshops available to Board and staff members.
15. The Board shall maintain a record of Trustee compliance with this policy, and the Chief Executive Officer or his designee will ensure that the policy and annual compliance report are placed on the OCERS website.

Attendance at Conferences & Industry Association Meetings

16. Approval for attendance and reimbursement of travel expenses in connection with educational conferences and industry association meetings will be in accordance with the Travel Policy.
17. In furtherance of this policy, the Chief Executive Officer shall have discretionary authority to approve staff travel as necessary to carry out the administrative responsibilities of the OCERS,

OCERS Board Policy

Trustee Education Policy

such as attendance at legislative meetings or hearings, conducting on-site visits as part of due diligence evaluation of existing and proposed service providers, participating in continuing education programs, and other duties as directed.

18. The Board will periodically review the programs, training or educational sessions that qualify for Trustee education.

Harassment Prevention Training

19. As an employer of over 5 employees, OCERS is required to provide two hours of harassment and abusive conduct prevention training to all “supervisory employees” every two years, and (effective calendar year 2020) one hour of prevention training to all nonsupervisory employees.
20. Trustees are considered “supervisory employees” for the purposes of the statute since Trustees may influence the terms and conditions of employment for OCERS employees.
21. The Chief Executive Officer working with the Legal Department and outside vendors will schedule appropriate training for Trustees every two years.

Orientation Program

22. Working with the Chief Investment Officer and OCERS’ professional advisors, the Chief Executive Officer will hold an orientation program, covering the general topic areas outlined in paragraph 8 above, and designed to introduce new Trustees to all pertinent operations of the System and highlight the knowledge bases required of a Trustee. The aim of the orientation program will be to ensure that new Trustees are in a position to contribute fully to Board of Retirement and committee deliberations, and effectively carry out their fiduciary duties as soon as possible after joining the Board.
23. Prior to a Trustee’s first official meeting with the Board of Retirement, he or she will endeavor to attend a Board meeting or a standing committee meeting in the role of an observer.
24. Within 30 days of a trustee’s election or appointment to the Board, the Chair will designate an incumbent member of the Board to provide the new Trustee an orientation to current Board governance practices.
25. As part of the orientation process, new Trustees will, within 30 days of their election or appointment to the Board of Retirement:
 - a. Be briefed by the Chief Executive Officer on the history and background of OCERS;
 - b. Be oriented by the Chair on current issues before the Board;
 - c. Be introduced to members of senior management;
 - d. Be provided a tour of OCERS offices by the Chief Executive Officer;
 - e. Be briefed by the Board’s fiduciary counsel on their fiduciary duties, conflict of interest guidelines, the County Employees Retirement Law of 1937, Proposition 162, The Brown Act, and other pertinent legislation; and

OCERS Board Policy
Trustee Education Policy

- f. Be provided with an iPad (or other electronic device) with access to a document repository containing the following:
 - i. A Trustee Reference Manual (the contents of which are listed in the Appendix);
 - ii. A listing of upcoming recommended educational opportunities; and
 - iii. Other relevant information and documentation deemed appropriate by the Chief Executive Officer.
- 26. During the course of their first 12 months on the Board of Retirement, new Trustees will endeavor to attend a seminar on the principles of pension management or a comparable program.
- 27. The Chief Executive Officer will review, and if necessary, update all orientation material. It is the responsibility of Trustees to maintain their Trustee Reference Manuals, by ensuring that they contain the most up to date materials. A master copy of the Trustee Reference Manual will be available for use by Trustees at the OCERS office.

Policy Review

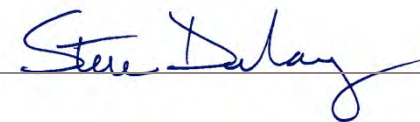
- 28. The Board of Retirement will review this policy at least every three years to ensure that it remains relevant and appropriate.

Policy History

- 29. This policy was adopted by the Board of Retirement on February 19, 2002.
- 30. The policy was revised on May 16, 2005, March 24, 2008, June 18, 2012, November 19, 2012, July 20, 2015, and December 19, 2016, September 25, 2019

Secretary's Certificate

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



10/21/19

Date

Steve Delaney
Secretary of the Board

APPENDIX 1

Trustee Reference Manual

A Trustee Reference Manual will include the following materials:

- a. OCERS Board Handbook;
- b. Relevant sections of the *County Employees Retirement Law of 1937*;
- c. The Brown Act and Proposition 162;
- d. Most recent plan description and member handbook;
- e. Copies of Board policies;
- f. Most recent Annual Report;
- g. Most recent actuarial valuation and financial statements;
- h. Most recent actuarial experience study;
- i. Most recent asset/liability study;
- j. Most recent investment performance report;
- k. Most recent Business Plan and budget;
- l. Organizational chart;
- m. Names and phone numbers of the trustees and the Chief Executive Officer;
- n. Listing of current committee assignments;
- o. Listing of current service providers; and
- p. Glossary of key pension administration terms and definitions.

C-4

Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Megan Cortez, Disability Manager
SUBJECT: RETIREE REQUEST TO BE REINSTATED – BEYAN NEGASH

Recommendation:

Reinstate Mr. Negash as an active member under the provisions of Government Code Section 31680.4 and 31680.5.

Background:

Application for re-employment of retired member
Orange County Transportation Authority, Coach
Operator

Date of request: 08/30/2019; Date of entry to OCERS: 09/07/2003

Total years of service: 6.30639

Separation Date: 06/30/2010; Date of Service Retirement: 03/27/2014

Former position: Orange County Transportation Authority, Window
Dispatcher

Discussion:

Mr. Negash service retired from the Orange County Transportation Authority on March 27, 2014. He has requested to be reinstated as an active employee under the provisions of Government Code Sections 31680.4 and 31680.5.

Mr. Negash was a Window Dispatcher prior to his separation from Orange County Transportation Authority on June 30, 2010. The Transportation Authority has offered to return him to regular full time employment as a Coach Operator.

Pursuant to OCERS policy, Mr. Negash underwent a physical examination on October 4, 2019 with an independent OCERS panel physician to determine whether he was physically capable of returning to full time employment. It is the panel physician's opinion that Mr. Negash can return to work without restriction.

Submitted by:



MC-approved

Megan Cortez
Disability Manager

A-2



Memorandum

DATE: October 3, 2019
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **OCERS 2020-2022 STRATEGIC PLAN**

Recommendation

Approve OCERS 2020-2022 Strategic Plan.

Background

Since 2009 OCERS has been working with and modifying the use of a multi-year strategic plan. The formal plan was completely revamped two years ago and we continue the new format for this Strategic Plan which covers the period of January 1, 2020 through December 31, 2022.

OCERS staff reviewed the proposed 2020-2022 Strategic Plan, during OCERS Board's Strategic Planning Workshop last month. The proposed plan was developed using the OCERS Mission, Vision Statement and Values Statements as our guide. The plan is streamlined and focused on the core goals of the organization:

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management
- Effective Governance

Each of the goals are supported by objectives that will be pursued by staff to achieve the goals.

Effective Governance

As discussed at the September 2019 OCERS Board Strategic Planning Workshop, the primary modification to the prior three year Strategic Plan is to add continued improvements to OCERS positive governance experience as implemented to date.

Objective A under Effective Governance will allow OCERS to engage the Funston Group, presently working with the CalPERS Board, in considering similar improved governance training opportunities for Trustees as well as giving consideration to streamlining the meeting process with a streamlined agenda process in support.

Objective B under Effective Governance will support a Legal Department led initiative that focuses on improved Agency-wide record retention processes.

Based on previous Board direction, staff will review the progress of the plan on a quarterly basis and will provide suggested edits or changes to the Board

As the Strategic Plan is to be reviewed quarterly, my anticipation is that we will have an Objective C by early 2020, outlining how the OCERS Board plans to prepare for the various challenges as well as opportunities that will face this system over the coming 60 years as considered in the State of OCERS address last month.

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

Orange County Employees Retirement System
2223 East Wellington Avenue | Santa Ana | 92701

2020-2022 STRATEGIC PLAN



MISSION, VISION AND VALUES

MISSION STATEMENT:

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

VISION STATEMENT:

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

VALUES:

- **O**pen and Transparent
- **C**ommitment to Superior Service
- **E**ngaged and Dedicated Workforce
- **R**eliable and Accurate
- **S**ecure and Sustainable

STRATEGIC PLAN

2020-2022 STRATEGIC GOALS

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management
- Effective Governance

FUND SUSTAINABILITY

STRENGTHEN THE LONG-TERM STABILITY OF THE PENSION FUND

Objective A: Mitigate the risk of significant investment loss

Objective B: Prudent Use and Security of Resources

EXCELLENT SERVICE AND SUPPORT

ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND PLAN SPONSORS

- Objective A:** Provide accurate and timely benefits
- Objective B:** Provide education to our members and plan sponsors
- Objective C:** Continuously improve business processes and procedures to be efficient and effective

RISK MANAGEMENT

CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Objective A: Provide system and data security and a robust business continuity solution

Objective B: Ensure a safe and secure workplace and public service facility

TALENT MANAGEMENT

RECRUIT, RETAIN AND INSPIRE A HIGH-PERFORMING WORKFORCE

Objective A: Recruit and retain a high-performing workforce to meet organizational priorities

Objective B: Develop and empower every member of the team

Objective C: Cultivate a collaborative, inclusive and creative culture

EFFECTIVE GOVERNANCE

IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE BOARD AND STAFF BY CLARIFYING ROLES AND RESPONSIBILITIES, IMPROVING OVERSIGHT, CLARIFYING ACCOUNTABILITY AND IMPROVING DECISION MAKING

Objective A: Employ a governance structure that supports a dynamic System

Objective B: Improve the governance and management of OCERS' records



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with the highest standards of excellence.

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A-3

Memorandum

DATE: October 8, 2019
TO: Members of the Board of Retirement
FROM: Brenda Shott, Assistant CEO Finance and Internal Operations
SUBJECT: OCERS 2020 BUSINESS PLAN

Recommendation

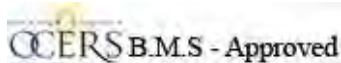
Approve OCERS 2020 Business Plan.

Background/Discussion

The OCERS 2020 Business Plan is presented to the Board for approval. The OCERS 2020 Business Plan is directly linked to the OCERS 2020-2022 Strategic Plan which was developed using OCERS Mission Statement, Vision and Values as its foundation. The Business Plan is a one year plan that lays out initiatives aimed to move the longer term strategic goals and objectives towards completion.

The Business Plan is also an initial planning step in the 2020 budget process. The goals and initiatives included in the Business Plan, if approved by the Board, become directives for staff to finalize 2020 budget requests. The 2020 Business Plan was first reviewed on September 19, 2019 as part of the annual Strategic Planning Workshop. The initial draft of the proposed budget will be reviewed with the Board on October 17, 2019 at the Budget Workshop. During the Workshop, the Board will not be asked to approve items, rather it will be an opportunity to ask questions and give feedback to staff as they work to finalize the 2020 Annual Budget. Attached to the OCERS 2020 Business Plan is a presentation that includes estimates of amounts needed in 2020 to fund specific initiatives being proposed in next year's Business Plan. Actual funding of goals and initiatives are subject to final budget approval by the Board at the regularly scheduled meeting in November.

Prepared by:

OCERS B.M.S - Approved

Approved by:

Steve Dalay

Orange County Employees Retirement System
2223 East Wellington Avenue | Santa Ana | 92701

2020 BUSINESS PLAN



MISSION, VISION AND VALUES

MISSION STATEMENT:

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

VISION STATEMENT:

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

VALUES:

- **O**pen and Transparent
- **C**ommitment to Superior Service
- **E**ngaged and Dedicated Workforce
- **R**eliable and Accurate
- **S**ecure and Sustainable

2020-2022 STRATEGIC GOALS

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management
- Effective Governance

FUND SUSTAINABILITY

GOAL: STRENGTHEN THE LONG-TERM STABILITY OF THE PENSION FUND

Business Plan Initiatives

Objective A: Mitigate the Risk of Significant Investment Loss

Executive Lead – Molly Murphy

1. Conduct and begin implementation of a triennial asset allocation study
2. Conduct a competitive procurement for an investment/risk management system

Objective B: Prudent Use and Security of Resources

Executive Leads – Molly Murphy;

1. Investigate Custodial Bank Services options

EXCELLENT SERVICE AND SUPPORT

GOAL: ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND PLAN SPONSORS

Business Plan Initiatives

Objective A: Provide Accurate and Timely Benefits

Executive Leads – Suzanne Jenike;

1. Streamline the service retirement process by implementing;
 - a. LEAN action items
 - b. Application packets
2. Improve customer service standards by enhancing V3 workflows, monitoring and reporting (year two)

Objective B: Provide Education to our Members and Employers

Executive Lead – Suzanne Jenike

1. Design and implement a bi-annual employer workshop
2. Create white board videos that will provide education to members and stakeholders about OCERS benefits (year two)

Objective C: Continuously Improve Business Processes and Procedures to be Efficient and Effective

Executive Lead – Brenda Shott and Suzanne Jenike

1. Explore the process of obtaining LEAN certifications
2. Identify additional business process to implement LEAN principles
3. Procure and begin conversion to new accounting software

RISK MANAGEMENT

GOAL: CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Business Plan Initiatives

Objective A: Provide System and Data Security and a Robust Business Continuity Solution

Executive Leads – Brenda Shott, Matt Eakin & Jenny Sadoski

1. Continue implementation plan for security and operational best practice controls
2. Continuously assess current Information Security environment and address identified risks:
 - a. Implement software application whitelisting solution to prevent the installation and execution of unknown programs on OCERS systems
 - b. Implement a Privileged Account Management (PAM) solution to secure, control, manage and monitor privileged accounts
 - c. Perform review of firewall solutions and migrate to new firewall solution if warranted
 - d. Continue development of OCERS data map, data classification structure and data exchange flows and identify associated risks (year two)
 - e. Develop a process for mitigating risks associated with external third party IT business partners
3. Implement tools and processes to mitigate the risk of data or financial loss or information disclosure:

- a. Implement an Identity and Access Management (IAM) solution incorporating Single Sign-On (SSO) and Multi-Factor Authentication (MFA)
 - b. Implement tools to secure OCERS cloud based environments
 - c. Implement automated hardware and software inventory tool
 - d. Enhance processes between Managed Security / Managed Detection & Response vendor and Information Security staff
 - e. Determine alternative methods of exchanging member identification protocols
4. Enhance the Business Continuity and Disaster Recovery Program:
 - a. Establish alternate work space / work site plan (year two)
 - b. Expand the Business Continuity and Disaster Recovery test plan

Objective B: Ensure a Safe and Secure Workplace and Public Service Facility
Executive Lead – Brenda Shott

1. Plan and implement building security, safety and health upgrades and space management projects (year three)

TALENT MANAGEMENT

GOAL: RECRUIT, RETAIN AND INSPIRE A HIGH-PERFORMING WORKFORCE

Business Plan Initiatives

Objective A: Recruit and Retain a Diverse High-Performing Workforce to Meet Organizational Priorities

Executive Lead – Steve Delaney and Cynthia Hockless

1. Enhance onboarding and transitioning of new hires into the organization
 - a. Continue to expand the newly implemented onboarding process
2. Expand advertising and outreach sources in order to continue to encourage diversity in recruitments
3. Implement recommendations from workforce analysis (year three)
4. Implement recommendations of the Personnel Committee regarding staff retention strategies

Objective B: Develop and empower every member of the team

Executive Lead – Steve Delaney

1. Design and develop a comprehensive training program that embeds a talent management mindset throughout the organization
2. Customize training programs based on individual needs and career goals within OCERS
3. Create succession plans across the agency (year three)
4. Develop a comprehensive standardized library of procedure manuals accessible on the OCERS Intranet following last year's initial review

Objective C: Cultivate a Collaborative, Inclusive and Creative Culture

Executive Lead – Steve Delaney

1. Explore methods to measure OCERS culture of engagement and continuous improvement
2. Provide inclusion training to staff
3. Celebrate OCERS 75th Anniversary

EFFECTIVE GOVERNANCE

GOAL: IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE BOARD AND STAFF BY CLARIFYING ROLES AND RESPONSIBILITIES, IMPROVING OVERSIGHT, CLARIFYING ACCOUNTABILITY AND IMPROVING DECISION MAKING

Objective A: Employ a Governance Structure that Supports a Dynamic System

Executive Lead – Steve Delaney

1. Explore methods of focusing Board and staff time and effort on activities that support or advance OCERS' Strategic Goals

Objective B: Improve the Governance and Management of OCERS' Records

Executive Lead – Gina Ratto

1. Identify “best practices” in record retention
2. Develop and implement a records retention program that reflects best practices and identifies appropriate retention periods for each category of records
3. Establish storage protocols and automate destruction schedules for electronic mail
4. Establish an alternative “work space” and/or storage place for emails
5. Systematically bring each department within OCERS into compliance with the records retention program
6. Establish procedures to maintain and audit compliance with the record retention program



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2019



2020 BUSINESS PLAN

Presented on Monday October 21, 2019

by

Steve Delaney & OCERS Management Team

- Mission, Vision, Values
- Business Plan Initiatives
- Next Steps

2020 Business Plan

Orange County Employees Retirement System
2223 East Wellington Avenue | Santa Ana | 92701

2020 BUSINESS PLAN

Mission, Vision & Values

MISSION STATEMENT:

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

VISION STATEMENT:

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

VALUES:

Open and Transparent
Commitment to Superior Service
Engaged and Dedicated Workforce
Reliable and Accurate
Secure and Sustainable

GOAL: STRENGTHEN THE LONG-TERM STABILITY OF THE PENSION FUND

Business Plan Initiatives

Objective A: Mitigate the Risk of Significant Investment Loss
Executive Lead – Molly Murphy

1. Conduct and begin implementation of a triennial asset allocation study
2. Conduct a competitive procurement for an investment/risk management system - **\$100,000**

Objective B: Prudent Use and Security of Resources
Executive Leads – Molly Murphy

1. Investigate Custodial Bank Services options

GOAL: ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND PLAN SPONSORS

Business Plan Initiatives

Objective A: Provide Accurate and Timely Benefits

Executive Leads – Suzanne Jenike;

1. Streamline the service retirement process by implementing;
 - a) LEAN action items - **\$10,000**
 - b) Application packets
2. Improve customer service standards by enhancing V3 workflows, monitoring and reporting (year two) -**\$10,000**

Objective B: Provide Education to our Members and Employers

Executive Lead – Suzanne Jenike

1. Design and implement a bi-annual employer workshop
2. Create white board videos that will provide education to members and stakeholders about OCERS benefits (year two) - **\$50,000**



Objective C: Continuously Improve Business Processes and Procedures to be Efficient and Effective

Executive Lead – Brenda Shott and Suzanne Jenike

1. Explore the process of obtaining LEAN certifications
2. Identify additional business process to implement LEAN principles -**\$25,000**
3. Procure and begin conversion to new accounting software - **\$150,000**

GOAL: CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Business Plan Initiatives

Objective A: Provide System and Data Security and a Robust Business Continuity Solution
Executive Leads – Brenda Shott, Matt Eakin & Jenny Sadoski

1. Continue implementation plan for security and operational best practice controls
2. Continuously assess current Information Security environment and address identified risks:
 - a) Implement software application whitelisting solution to prevent the installation and execution of unknown programs on OCERS systems - **\$15,000**
 - b) Implement a Privileged Account Management (PAM) solution to secure, control, manage and monitor privileged accounts - **\$15,000**
 - c) Perform review of firewall solutions and migrate to new firewall solution if warranted - **\$150,000**
 - d) Continue development of OCERS data map, data classification structure and data exchange flows and identify associated risks (year two) - **\$60,000**
 - e) Develop a process for mitigating risks associated with external third party IT business partners



3. Implement tools and processes to mitigate the risk of data or financial loss or information disclosure:
 - a) Implement an Identity and Access Management (IAM) solution incorporating Single Sign-On (SSO) and Multi-Factor Authentication (MFA) - **\$20,000**
 - b) Implement tools to secure OCERS cloud based environments - **\$20,000**
 - c) Implement automated hardware and software inventory tool
 - d) Enhance processes between Managed Security / Managed Detection & Response vendor and Information Security staff
 - e) Determine alternative methods of exchanging member identification protocols

4. Enhance the Business Continuity and Disaster Recovery Program:
 - a) Establish alternate work space / work site plan (year two)
 - b) Expand the Business Continuity and Disaster Recovery test plan



Objective B: Ensure a Safe and Secure Workplace and Public Service Facility
Executive Lead – Brenda Shott

1. Plan and implement building security, safety and health upgrades and space management projects (year three) – **(\$200,000)**

GOAL: RECRUIT, RETAIN AND INSPIRE A HIGH-PERFORMING WORKFORCE *Business Plan Initiatives*

Objective A: Recruit and Retain a Diverse High-Performing Workforce to Meet Organizational Priorities
Executive Lead – Steve Delaney and Cynthia Hockless

1. Enhance onboarding and transitioning of new hires into the organization
 - a) Continue to expand the newly implemented onboarding process
2. Expand advertising and outreach sources in order to continue to encourage diversity in recruitments
3. Implement recommendations from workforce analysis (year three)
4. Implement recommendations of the Personnel Committee regarding staff retention strategies



Objective B: Develop and empower every member of the team
Executive Lead – Steve Delaney

1. Design and develop a comprehensive training program that embeds a talent management mindset throughout the organization - **\$50,000**
2. Customize training programs based on individual needs and career goals within OCERS - **\$95,000**
3. Create succession plans across the agency (year three)
4. Develop a comprehensive standardized library of procedure manuals accessible on the OCERS Intranet following last year's initial review **\$150,000**



Objective C: Cultivate a Collaborative, Inclusive and Creative Culture
Executive Lead – Steve Delaney

1. Explore methods to measure OCERS culture of engagement and continuous improvement
2. Provide inclusion training to staff - **\$5,000**
3. Celebrate OCERS 75th Anniversary - **\$2,000**



GOAL: IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE BOARD AND STAFF BY CLARIFYING ROLES AND RESPONSIBILITIES, IMPROVING OVERSIGHT, CLARIFYING ACCOUNTABILITY AND IMPROVING DECISION MAKING

Objective A: Employ a Governance Structure that Supports a Dynamic System
Executive Lead – Steve Delaney

1. Explore methods of focusing Board and staff time and effort on activities that support or advance OCERS' Strategic Goals **-\$40,000**



Objective B: Improve the Governance and Management of OCERS' Records
Executive Lead – Gina Ratto

1. Identify “best practices” in record retention
2. Develop and implement a records retention program that reflects best practices and identifies appropriate retention periods for each category of records
3. Establish storage protocols and automate destruction schedules for electronic mail
4. Establish an alternative “work space” and/or storage place for emails
5. Systematically bring each department within OCERS into compliance with the records retention program
6. Establish procedures to maintain and audit compliance with the record retention program



October 1

Personnel Committee

- discuss personnel related budget requests

October 17

Budget Workshop

October 21

Board Meeting – Approve
Business Plan

November 18

Board Meeting – Approve 2020
Budget



A-4

Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Gina M. Ratto, General Counsel
SUBJECT: VOTING DIRECTION FOR SACRS BUSINESS MEETING

Recommendation

Give voting direction to OCERS' delegates for the November 15, 2019 SACRS business meeting.

Background/Discussion

SACRS will hold its Business Meeting on November 15, 2019. At the meeting, OCERS, as a member of SACRS, will be asked to vote on matters presented to the membership.

Voting by OCERS at the SACRS business meeting is determined in accordance with the Board's Policy on SACRS Voting Authority. The Policy provides that:

- The Board Chair will be designated as OCERS' primary voting delegate;
- If the Board Chair is unable to attend the SACRS business meeting, the Vice Chair will be designated as the alternate voting delegate;
- If the Board Chair and Vice Chair are both unable to attend the business meeting, the alternate voting delegate will be determined, among the Board members in attendance, alphabetically by the Board member's last name; and
- Finally, the Administrator (CEO) will also be designated as an alternate voting delegate.

At the Board's October 21, 2019 meeting, the Board will be asked to give direction to OCERS' delegates on the matters that will require a vote of the membership at the SACRS business meeting on November 15, 2019. Those items requiring a vote of OCERS' delegate are described in the attachment to this memorandum.

The SACRS Board and Legislative Committee recommend the systems vote "yes" in support of the two legislative proposals.

Submitted by:



Gina Ratto
General Counsel



5. SACRS Legislative Committee Update - Vote

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2019 Legislative Report – No Action
- B. SACRS Omnibus Bill SB 783- Vote
- C. Los Angeles CERA Proposal – Vote



**SACRS Legislative Committee
Ad Hoc Committee on Employer Liabilities
August 2019**

On February 15, 2019, the Legislative Committee established an ad hoc committee to study the statutory tools that county retirement systems can use to ensure payment of contributions from employers. Dave Nelsen (Alameda), Gina Ratto (Orange), Eric Stern (Sacramento), Julie Wyne (Sonoma), and actuarial advisor Andy Yeung (Segal Consulting) were appointed to the ad hoc committee.

This memo reflects the ad hoc committee's findings and recommendations.

Background

This issue gained media attention in recent years as CalPERS exercised its statutory authority for the first time to reduce benefit payments for retirees after two employers terminated membership and stopped making required pension payments. CalPERS also has statutory authority to place a lien on the assets of a terminating agency.

County retirement systems do not have the same enforcement tools as CalPERS, though several CERL statutes address the retirement board's authority to require payments from counties and districts.

- **Policy question:** Is more legislation needed to provide CERL systems with sufficient tools to ensure payments from employers?

Recommendations

The ad hoc committee does not recommend any significant legislative changes.

- We believe the current statutory structure and case law provide the necessary legal support for collecting contributions from employers.
- We advise CERL systems to adopt declining employer payroll and/or terminating employer liability policies to establish a process to identify liabilities and collect payments from employers.
- We also recommend that CERL systems use strong language in participation agreements with district employers that include contractual remedies for a breach.
- We recommend affirming the *Mijares* ruling in the CERL omnibus bill, SB 783, to emphasize the Board's authority to collect contributions from employers,



regardless of whether the county or district has active employees participating in the retirement system.

- We do not recommend pursuing CalPERS-type remedies, such as reducing member's benefits or securing a lien for collection purposes, though those tools may be appropriate for a larger system like CalPERS, with 3,000 participating employers and more resources.

Analysis

- Public employees have a contractual right to an actuarially sound retirement system. *Board of Administration v. Wilson* (1997) 52 Cal.App.4th 1109 at 1137
- Retirement Boards have the sole and exclusive duty to administer the system in a manner that will assure prompt delivery of benefits and to provide for actuarial services to assure the competency of assets. *County of Orange v. Association of Orange County Deputy Sheriffs* (2011) 192 Cal.App.4th 21 at 34; Cal. Constitution Article XVI, Sec. 17
- Contribution rates are binding on the County and participating districts and are set by law. *City of Oakland v. PERS* (2002) 95 Cal.App.4th 29 at 49; *In re Retirement Cases* (2003) 110 Cal.App.4th 421 at 453 and CERL Section 31586
- The obligation to pay the unfunded liability arises from predictions and future estimates about often-fluctuating factors over the years and is a highly variable amount. *Orange*, supra at 37
- The court in the *Mijares* case that OCERS took up on appeal found that Section 31453.5 applied to both active and inactive employers who have retired employees currently receiving benefits from the County retirement system. *Mijares v. Orange County Employees Retirement System*, 32 Cal.App. 5th 316
- The *Mijares* court also found that the unfunded liability payment is not required to be deducted from active employee payroll and recognized the system's right to recommend changes in county and district appropriations as necessary. (Section 31453)
- The *Mijares* court also found that the board's plenary constitutional authority to administer the system in a manner that will assure prompt delivery of benefits and related services to participants and beneficiaries supports the ability to collect from an employer that has no active payroll but still has deferred or retired members.



2020 CERL Clean-Up/Omnibus Bill

August 28, 2019

Dear SACRS Board of Directors:

At its August 16, 2019 meeting, the Legislative Committee approved bill language for a CERL Omnibus Bill and recommended approval by the SACRS Board of Directors.

A “shell” bill – SB 783 – has been filed on behalf of SACRS by the Senate Committee on Labor, Public Employment and Retirement. If approved by the SACRS membership at the Fall Conference, SB 783 can be amended in January 2020 for consideration during the 2020 legislative session.

The enclosed language reflects the work of Legislative Committee members, in collaboration with system administrators, over the past six months to develop non-controversial, technical, and clarifying amendments to the CERL. The proposed amendments will help the 1937 Act systems administer benefits in accordance with changes in federal law and recent appellate court rulings, provide more flexibility to Retirement Boards, and add parity to the CERL by aligning certain statutes with CalPERS and CalSTRS laws. Specifically, the amendments:

- Consolidate the military service-credit statutes to better conform to federal law and ensure members who are called to duty are made whole for their time away.
- Affirm the recent *Mijares v. OCERS* appellate case regarding an employer’s liability and obligation to make contributions for pension benefits.
- Allow counties to authorize members to purchase parental leave service credit, aligning with CalPERS and CalSTRS statutes and evolving law about family leave.
- Clarify existing law regarding which benefit tier a member rejoins when reinstated to active service after an involuntary separation is overturned.
- Allow Boards to delegate to staff the authority to finalize retirement applications and put retirees on payroll, in compliance with the *Wilmot vs CCCERA* ruling.
- Provide flexibility to Retirement Boards to accept retirement applications earlier than the current 60-day limit.
- Allow for the lump-sum distribution of contributions when a member reaches mandatory distribution age instead of requiring a pension benefit that may be only a few dollars.
- Update incorrect statutory references, and make other technical changes.

The bill language and a summary matrix are enclosed.

Respectfully,

Dave Nelsen and Eric Stern
Legislative Committee Co-Chairs

Amendments to SB 783

VERSION 5

As Adopted by SACRS Legislative Committee
August 16, 2019

Additional Member Contributions; Removes Incorrect Cross Reference

Amend Section 31465:

“Additional contributions” means contributions made by members in addition to normal contributions under ~~Sections 31504 and~~ **Section** 31627.

Additional Member Contributions; Removes Incorrect Cross Reference

Amend Section 31627.1:

A member who has additional contributions under Section 31627 of the Government Code, ~~or under Section 31504 of the Government Code,~~ **Code** may, within 30 days prior to retirement, elect in writing to have all or any part of ~~his~~ **the member's** accumulated additional contributions returned to ~~him~~. **the member**. The portion returned shall not be included in the calculation of the member's annuity.

Additional Member Contributions; Removes Incorrect Cross Reference

Amend Section 31627.2:

In any county in which the provisions of Section 31676.1 apply, any member who has additional contributions under Section ~~31504 of the Government Code, or under~~ ~~Section~~ 31627 of the Government Code, **Code** may elect in writing to have all or any part of ~~his~~ **the member's** accumulated additional contributions returned to ~~him~~. **the member**. The portion returned shall not be included in the calculation of the member's annuity. The board may order payment in whole or in part withheld for a period not to exceed 90 days after receipt of such written election.

Amend Section 31631.5:

Member Contributions; Removes Incorrect Cross Reference

(a) (1) Notwithstanding any other provision of this chapter, a board of supervisors or the governing body of a district may require that members pay 50 percent of the normal cost of benefits. However, that contribution shall be no more than 14 percent above the

applicable normal rate of contribution of members established pursuant to this article for local general members, no more than 33 percent above the applicable normal rate of contribution of members established pursuant to Article 6.8 (commencing with Section ~~21639~~ **31639**) for local police officers, local firefighters, county peace officers, and no more than 37 percent above the applicable normal rate of contribution of members established pursuant to Article 6.8 (commencing with Section 31639) for all local safety members other than police officers, firefighters, and county peace officers.

(2) Before implementing any change pursuant to this subdivision for any represented employees, the public employer shall complete the good faith bargaining process as required by law, including any impasse procedures requiring mediation and factfinding. This subdivision shall become operative on January 1, 2018. This subdivision shall not apply to any bargaining unit when the members of that unit are paying at least 50 percent of the normal cost of their pension benefit or are subject to an agreement reached pursuant to paragraph (1). Applicable normal rate of contribution of members means the statutorily authorized rate applicable to the member group as the statutes read on December 31, 2012.

(b) Nothing in this section shall modify a board of supervisors' or the governing body of a district's authority under law as it existed on December 31, 2012, including any restrictions on that authority, to change the amount of member contributions.

Employer Liabilities; Affirming the Mijares vs OCERS Ruling

Amend Section 31453:

(a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, recommend a rate which is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision. (b)(1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary. (2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable in that county.

(c) The legislature affirms the ruling of *Mijares v. Orange County Employees Retirement System* (2019) 32 Cal.App.5th 316 with respect to the board's plenary authority to recommend adjustments to county and district contributions as necessary to ensure the appropriate funding of the system, and with respect to the mandate of Section 31454 that the county and districts adjust the rates of contributions of members and appropriations in accordance with the board's recommendations. Under all circumstances, the county and districts shall each remain liable to the retirement system for their respective share of any unfunded actuarial liability of the system, as determined by the board.

Member Refunds; Removes Incorrect Cross Reference

Amend Section 31641.45:

Whenever a member is entitled to redeposit funds previously withdrawn from a retirement system and thereby becomes eligible to receive a pension or retirement allowance for the service for which he was granted public service credit as authorized in Section 31641.1, regardless of whether or not the member elects to exercise such entitlement, the member shall be refunded the amount deposited by him in accordance with Section 31641.2 plus interest which has been credited to such amount and shall receive no credit in the system for such service.

This section applies only to a member who would be eligible to receive the benefit of Section 31835 or ~~20023.4~~**20638** on making the redeposit.

Concurrent Retirement; Clarifies Age Requirement for PEPRA members

Amend Section 31835.1 to read:

Notwithstanding the provisions of Sections 31835 and 31836, a member of a retirement system established under this chapter who is eligible to retire at age 50 pursuant to Section 31672 **or Section 7522.25, or at age 52 pursuant to Section 7522.20**, or who is required to retire because of age while a member of the Public Employees' Retirement System, a retirement system established under this chapter in another county, the State Teachers' Retirement System, or a retirement system of any other public agency of the state that has established reciprocity with the Public Employees' Retirement System subject to the conditions of Section 31840.2, but who cannot retire concurrently from the Public Employees' Retirement System, a retirement system established under this chapter in another county, the State Teachers' Retirement System, or a retirement system of any other public agency of the state that has established reciprocity with the Public Employees' Retirement System subject to the conditions of Section 31840.2, shall be entitled to have his final compensation and service determined under Sections 31835 and 31836 as if he had retired concurrently under such other system.

Service Credit Purchases for Parental Leave

Amend 31646:

- (a) A member who returns to active service following an uncompensated leave of absence on account of illness may receive service credit for the period of such absence upon the payment of the contributions that the member would have paid during such period, together with the interest that such contributions would have earned had they been on deposit, if the member was not absent. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit may not be received for any period of such absence in excess of 12 consecutive months.
- (b) (1) A member who returns to active service following an uncompensated leave of absence on account of parental leave, may receive service credit for the period of such absence upon the payment of the contributions that the member and the employer would have paid during such period, together with the interest that such contributions would have earned had they been on deposit, if the member was not absent. For purposes of this subsection, parental leave is defined as any time, up to one year, during which a member is granted an approved maternity or paternity leave and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit may not be received for any period of such absence in excess of 12 consecutive months.**
- (2) This subsection shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county, and applies to parental leave that commences after the adoption by the board of supervisors.**

Military Leave; Streamlines Military Service Credit Provisions

Government Code section 31649 should be amended to read:

- ~~(a) Any member who resigns to enter and does enter the Armed Forces of the United States on a voluntary or involuntary basis, and within 90 days after the termination of that service under honorable conditions, reenters county service, or~~
- ~~(b) Any member who obtains a leave of absence to enter and does enter the Armed Forces of the United States on a voluntary or involuntary basis, and within one year after the termination under honorable conditions of~~

~~leave of absence reenters county service, if he or she has not contributed to the retirement fund the total percentage of his or her compensation earnable due pursuant to Section 31461 or pensionable compensation as defined in Section 7522.34, whichever is applicable, due under this chapter for the entire period during which he or she was out of county service and in military service, may, not more than 90 days after his or her reentrance into county service, file with the board his or her election that no further contributions be deducted from his or her compensation except contributions due because of current service.~~

~~(c) A member who reenters county service under either (a) or (b) above may be allowed up to five years credit for vesting in the system~~

(a) This chapter shall comply with the Uniformed Services Employment and Reemployment Act of 1994 (USERRA) (38 U.S.C. § 4301 et. seq.) as amended from time to time. Any member who was absent from county or district employment for military service and is eligible for reemployment benefits pursuant to USERRA, may, as provided in USERRA, make contributions and receive service credit for the time absent.

(b) Any member who does not qualify for reemployment benefits under (a) due to the length of the military service and who returns to county or district employment within one year of being honorably discharged from the Armed Forces of the United States, shall receive credit for service for all or any part of his or her military service, if, before retirement from the county or district, he or she contributes what he or she would have paid to the fund based on his or her compensation earnable as defined by section 31461 or pensionable compensation as defined in section 7522.34, whichever is applicable, at the time of the beginning of the absence together with regular interest thereon.

(c) Nothing in this section shall affect any arrangement to pay contributions pursuant to section 31653.

Sections 31649.5, 31649.6, 31650, and 31651 should be repealed.

Board Approval/Notification of Retirement Applications; Delegation to Staff

Amend Section 31670:

(a) Retirement of a member who has met the requirements for age and service shall be made by the board pursuant to this article or pursuant to the California Public Employees' Pension Reform Act of 2013, whichever is applicable.

(b) The board may authorize the administrator or other personnel to exercise the board's power and perform its duty to retire members under this section. The administrator or other personnel shall report service

retirements to the board at the next public meeting of the board after the retirement.

Amend Section 31662.2:

- (a) Retirement of a safety member in a county subject to the provisions of 31676.1, or of Section 31695.1, if applicable, who has met the requirements for age and service shall be made by the board pursuant to this article or pursuant to the California Public Employees' Pension Reform Act of 2013, whichever is applicable.
- (b) **The board may authorize the administrator or other personnel to exercise the board's power and perform its duty to retire members under this section. The administrator or other personnel shall report service retirements to the board at the next public meeting of the board after the retirement.**

60-Day Application Window; Provides Option for Longer Period

Amend Sections 31672, 31672.1, 31672.2, 31672.3 et al:

...may be retired upon filing with the board a written application, setting forth the date upon which he or she desires his or her retirement to become effective ~~not earlier than the date the application is filed with the board and not more than 60 days after the date of filing the application.~~ **That effective retirement date shall not be:**

- (a) **earlier than the date the application is filed with the board, and**
- (b) **more than 60 days after the date of filing the application, or such number of days as approved by the Board.**

Reinstatement to Prior Benefit Level

Add Section 31680.10:

- (a) **A person who has been retired under this chapter for service following an involuntary termination of his or her employment, and who is subsequently reinstated to that employment pursuant to an administrative or judicial proceeding that is final and not subject to appeal, shall be reinstated from retirement as if there were no intervening period of retirement. Except as provided in subdivision (b), the requirements of Sections 31680.4, 31680.5, and 31680.7 shall not apply to that reinstatement.**
- (b) **The allowance received by the person during retirement shall be repaid by him or her to the retirement system from which he or she retired in accordance with the retirement system's repayment policy. Contributions shall be made for any period for which salary is awarded in the administrative or judicial proceedings in the amount that would have contributed had the member's employment not been terminated, and he or**

she shall receive credit for the period for which salary is awarded. If the person fails to repay the allowance received during retirement, then his or her contributions and allowance upon retirement subsequent to reinstatement shall be calculated under Sections 31680.5 or 31680.7, as applicable.

- (c) As used in this section, “administrative proceeding” means the process for appeal of an involuntary termination established by county or district ordinance or charter.
- (d) This section shall only apply to persons reinstated to such employment by final action on or after the effective date of this section pursuant to an administrative or judicial proceeding.

Minimum Age Distributions; Timing and Lump-Sum Option

Amend Section 31706:

Any member who has left county service and has elected to leave accumulated contributions in the retirement fund or who is deemed to have elected a deferred retirement pursuant to subdivision (b) of Section 31700 and has attained age 70 but has not yet applied for a deferred retirement allowance and who is not a reciprocal member of a retirement system established pursuant to this chapter or the Public Employees' Retirement Law shall be notified in writing by the treasurer, or other entity authorized by the board, that the member is eligible to apply for and shall begin receiving **either**; a deferred retirement allowance by April 1 of the year following the year in which the member attains age 70 ½, **or, a one-time distribution of all accumulated contributions and interest.** The notification shall be made at the time the deferred member attains age 70 and shall be sent by certified mail to the member's last known address, or to the member's last known employer, as shown by the records of the retirement system. If the member can be located but does not make proper application for a deferred retirement allowance with retirement to be effective by April 1 of the year **following the year** in which the member attains age 70 ½, the retirement system shall commence paying **either** an unmodified allowance to the member **if the member was eligible to begin receiving a deferred retirement allowance under the provisions of 31485.22, or, a one-time distribution of all accumulated contributions and interest if the member is otherwise ineligible for a deferred retirement allowance.** If the member cannot be located by April 1 of the year following the year in which the member attains age 70 ½, all of the member's accumulated contributions and interest thereon shall be deposited in, and become a part of, the current pension reserve fund of the retirement system. The board may at any time after transfer of proceeds to the reserve fund upon receipt of proper information satisfactory to it, redeposit the proceeds to the credit of the claimant, to be administered in the manner provided under this law. This section shall not apply to a member while the member is actively employed past mandatory retirement age in a retirement system established under the provisions of this chapter or the Public Employees' Retirement Law.

Optional Retirement Allowances and Survivor Benefits; Clarifies Age for Children

Amend sections 31760.1, 31760.2, 31765, 31765.1, 31781.1, 31781.2, 31785, 31785.1, 31786, 31786.1, 31787, and 31787.5:

...Notwithstanding any other provisions of this section, the benefits otherwise payable to the children of the member shall be paid to ~~such children through the age of 21~~**those children up to the 22nd birthday of the children** if such children remain unmarried and are regularly enrolled as full-time students in and accredited school as determined by the board.

And, amend section 31855.3 (c) to read:

(c) ~~Between 18 and 22 years of age,~~ **Over age 18 but under age 22,** and enrolled as a full-time student in an accredited school, as determined by the board.

SB 783 -- 1937 Act Omnibus Bill

Gov Code	Topic	Issue/Justification
31465	Additional member contributions	Removes incorrect reference to GC 31504, which was repealed
31627.1	Additional member contributions, refunds	Removes incorrect cross reference to GC 31504; adds gender neutral language
31627.2	Additional member contributions, refunds	Removes incorrect cross reference to GC 31504; adds gender neutral language
31631.5	Member contributions, normal cost-sharing	Fixes incorrect cross reference to GC 31639 (currently 21639)
31453	Withdrawn Employer Liabilities	Affirms <i>Mijares vs. OCERS</i> ruling to emphasize Board's authority to set contributions for employers (even if they no longer have active members) to ensure sustainability of the fund.
31641.45	Refunds	Removes incorrect cross reference to 20023.1, which was repealed in 1995.
31646	Service Purchase for Uncompensated Illness	Allows members to purchase parental leave time, similar to CalPERS (GC 21013) and CalSTRS (EC 22803). Current statute does not permit purchases for unpaid absences other than for illness. This amendment adds parity for county retirement systems in an area of law and practice that has been evolving regarding parental leave. Unlike current statute that requires only member contributions for service purchases related to unpaid medical leave, this amendment requires the member to pay ALL contributions (employee and employer). This provision also require BOS approval, and applies prospectively to future parental leave to ensure compliance with PEPRAs ban on retroactive benefit increases.
31649 31649.5, 31649.5, 31649.6, 31650, and 31651	Military Leave	Consolidates military service credit statutes to conform to federal laws to ensure members who have been called to duty and return to work can be made whole for retirement purposes due to their leave of absence. These amendments do not contain policy changes, but add clarity and remove potential conflict with federal law regarding the treatment of military service purchases.

<p>31662.2 31670</p>	<p>Board Approval of Retirements</p>	<p>Delegates authority to the system administrator or other personnel to accept and process service retirement applications, approve effective retirement dates, and pay members, and directs staff to notify Board at the next public meeting. The recent Willmot v. CCCERA appellate ruling raised a question as to when a member officially retires. The court, citing section 31670, held that a member was not retired until the Board formally approved the member's retirement application. There are various approaches that retirement boards currently use to approve, ratify, or review service retirement applications. By formally delegating the authority to staff to process service retirements, current practices can be codified to comply with section 31670 to ensure members can be paid in a timely manner.</p>
<p>31672, 31672.1, 31672.2, 31672.3</p>	<p>60-Day Advance Application Window</p>	<p>Allows each system to set an application window based on business needs/ability. Statute currently prohibits members from submitting applications more than 60 days before retirement, which will remain the default unless proactively changed by the Board. The 60-day rule is arbitrary and likely reflected the constraints on a manual processes. Technology solutions today can accommodate applications filed earlier, which can help facilitate retirement planning for the individual and succession planning for the employer.</p>
<p>31680</p>	<p>Reinstatement from Retirement</p>	<p>Reinstates to prior status members who had involuntarily termination overturned by administrative or judicial proceeding. This amendment clarifies what Tier the member should return to, if the member was separated from service during the appeal that may have stretched for long periods. Similar to CalPERS (GC 21198)</p>
<p>31706</p>	<p>Minimum Age Distribution</p>	<p>Conforms to IRC regulations the timing of notice for mandatory distribution by clarifying that member deadline to retire/take action is April 1 of year following the year in which the member attains age 70 ½. Adds language for flexibility for lump sum distribution of contributions instead of an "allowance." There are frequent situations in which a deferred member who worked for the county many years ago may have a small amount of member contributions on file. It is cumbersome and inefficient to provide an annual pension on what may amount to a few dollars, instead of providing a lump sum distribution.</p>

<p>31760.1, 31760.2, 31765, 31765.1, 31781.1, 31782.2, 31785, 31785.1, 31787, 31787.5, 31853.3</p>	<p>Optional Retirement Allowances and Death Benefits: Age 21</p>	<p>Amends CERL sections to clarify survivor benefit are to be paid up to the child's 22nd birthday as long as the child remains unmarried and enrolled full time. CERL provides for a benefit to be paid to a child over the age of 18 who is regularly enrolled as a full-time student in an accredited school. The benefit is to be paid "through the age of 21." "Through the age of 21" could mean up to the date that the child turns 21 because as of that date the child is 21 plus one day. On the other hand, it could mean up to the child's 22nd birthday. This amendment reflects the majority interpretation and practice.</p>
<p>31835.1</p>	<p>Concurrent Retirement: PEPRAs members</p>	<p>Adds clarifying language regarding early retirement for PEPRAs members who also have legacy status in another system. This section deals with concurrent retirement for reciprocal members who can retire in one system at age 50 but aren't eligible to retire in the reciprocal system until after age 50, and ensures reciprocity is maintained if they retire in the earlier eligible system. There could be a situation where a member is a Legacy member in the first system, and leaves for more than 180 days and enters the second system as a PEPRAs member. If the Legacy system has not passed a resolution to lower age 55 to age 50, then the member could be subject to an age 55 requirement in one system, and an age 50 or 52 requirement in the other system. This amendment adds PEPRAs reference to age 52.</p>

#1

COMPLETE

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Q1 Title of Issue:

Nonservice-connected Disability Retirement and Intemperate Use of Alcoholic Liquor or Drugs

Q2 Retirement Association/System:

Los Angeles County Employees Retirement Association

Q3 Contact Person:

Barry Lew, Legislative Affairs Officer

Q4 Contact e-mail:

blew@lacara.com

Q5 Contact Phone #:

626-564-2370

Q6 Description of issue:

Government Code Sections 31726 and 31726.5 were added to CERL in 1937 and 1951, respectively. These sections limit a member's nonservice-connected disability retirement allowance to an annuity that is the actuarial equivalent of his accumulated contributions if the member's disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part. In the successive decades since 1937 and 1951, views on alcohol and drug use have evolved from a legal and moral perspective to a medical, scientific, and public health perspective—from temperance and prohibition to treatment, recovery, and counseling. The public policy underlying the limitation on nonservice-connected disability retirement allowances due to intemperate use of alcoholic liquor or drugs may no longer reflect contemporary views of alcohol and drug use. If alcohol and drug use were viewed from a disease perspective rather than a moral failure, the benefit limitation as a consequence would be financially punitive and discriminatory for members.

Q7 Recommended solution:

Amend the CERL sections related to nonservice-connected disability retirement to remove the element related to intemperate use of alcoholic liquor or drugs.

Q8 Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers:

Section 31726: Upon retirement for nonservice-connected disability a member who has attained age 65 shall receive his or her service retirement allowance. Every member under age 65 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the State Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of the following: (a) The sum to which he or she would be entitled as service retirement. (b) A sum which shall consist of any of the following: (1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement. (2) If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district. (3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph shall only apply to a person who becomes a member of the system on or after January 1, 1988. Section 31726.5: Upon retirement for nonservice-connected disability a safety member who has attained age 55 shall receive his or her service retirement allowance. Every safety member under age 55 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of: (a) The sum to which he or she would be entitled to as service retirement; or (b) A sum which shall consist of: (1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement. (2) If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district. (3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. Paragraph (3) shall only apply to a person who becomes a member of the association on or after January 1, 1988. Section 31728: If, in the opinion of the board, the disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on the part of the member, and his annuity is less than two hundred forty dollars (\$240) a year, the board may pay the member his accumulated contributions in one lump sum in lieu of his annuity. Section 31838: Every safety member under age 55 years and every other member under age 65 years who is retired for nonservice-connected disability and who is retired simultaneously under a disability retirement allowance from the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a retirement allowance equal to the greater of the following amounts: (1) The sum to which he would be entitled as service retirement; or (2) A sum which shall consist of: (a) An annuity which is the actuarial equivalent of his accumulated contributions at the time of his retirement, and (b) If, in the opinion of the board, his disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on his part, a disability retirement pension purchased by contributions of the county or district, all computed as provided in Sections 31727 or 31727.2.

Q9 Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?

The nonservice-connected disability retirement provisions apply to all SACRS systems.

Q10 Do you anticipate that the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations/systems?

As plan administrators, the other SACRS systems may not be amenable to this proposal that would substantively change the policy underlying the benefit structure for nonservice-connected disability retirements. This proposal may put a plan administrator at odds with its plan sponsor.

Q11 Who will support or oppose this proposed change in the law?

SACRS systems that view the benefit limitation as financially punitive and discriminatory may support this proposal. Plan sponsors may oppose this proposal because it is a substantive change to the benefit structure of a nonservice-connected disability retirement allowance.

Q12 Who will be available from your retirement association/system to testify before the Legislature?

Barry Lew, Legislative Affairs Officer Joe Ackler, Ackler & Associates

SACRS 2020 Legislative Platform Submission Information

- **Title of Issue**
Nonservice-connected Disability Retirement and Intemperate Use of Alcoholic Liquor or Drugs
- **Retirement Association/Name**
Los Angeles County Employees Retirement Association
- **Contact Name**
Barry Lew, Legislative Affairs Officer
- **Contact Phone Number**
626-564-2370
- **Contact Email Address**
blew@lacera.com
- **Description of Issue**
Government Code Sections 31726 and 31726.5 were added to CERL in 1937 and 1951, respectively. These sections limit a member's nonservice-connected disability retirement allowance to an annuity that is the actuarial equivalent of his accumulated contributions if the member's disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part.

In the successive decades since 1937 and 1951, views on alcohol and drug use have evolved from a legal and moral perspective to a medical, scientific, and public health perspective—from temperance and prohibition to treatment, recovery, and counseling. The public policy underlying the limitation on nonservice-connected disability retirement allowances due to intemperate use of alcoholic liquor or drugs may no longer reflect contemporary views of alcohol and drug use. If alcohol and drug use were viewed from a disease perspective rather than a moral failure, the benefit limitation as a consequence would be financially punitive and discriminatory for members.
- **Recommended Solution**
Amend the CERL sections related to nonservice-connected disability retirement to remove the element related to intemperate use of alcoholic liquor or drugs.
- **Specific language changed or added to the 1937 Act and suggested code section number(s)**

Section 31726

Upon retirement for nonservice-connected disability a member who has attained age 65 shall receive his or her service retirement allowance.

Every member under age 65 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the ~~State-Public~~ Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of the following:

(a) The sum to which he or she would be entitled as service retirement.

(b) A sum which shall consist of any of the following:

(1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

(2) If, in the opinion of the board, his or her disability is not due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

(3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph shall only apply to a person who becomes a member of the system on or after January 1, 1988.

Section 31726.5

Upon retirement for nonservice-connected disability a safety member who has attained age 55 shall receive his or her service retirement allowance. Every safety member under age 55 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of:

(a) The sum to which he or she would be entitled to as service retirement; or

(b) A sum which shall consist of:

(1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

(2) If, in the opinion of the board, his or her disability is not due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

(3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. Paragraph (3) shall only apply to a person who becomes a member of the association on or after January 1, 1988

Section 31728

If, in the opinion of the board, the disability is due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on the part of the member, and his annuity is less than two hundred forty dollars (\$240) a year, the board may pay the member his accumulated contributions in one lump sum in lieu of his annuity.

Section 31838

Every safety member under age 55 years and every other member under age 65 years who is retired for nonservice-connected disability and who is retired simultaneously under a disability retirement allowance from the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a retirement allowance equal to the greater of the following amounts:

(1) The sum to which he would be entitled as service retirement; or

(2) A sum which shall consist of:

(a) An annuity which is the actuarial equivalent of his accumulated contributions at the time of his retirement, and

(b) If, in the opinion of the board, his disability is not due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on his part, a disability retirement pension purchased by contributions of the county or district, all computed as provided in Sections 31727 or 31727.2.

- **Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?**

The nonservice-connected disability retirement provisions apply to all SACRS systems.

- **Do you anticipate the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations/systems?**

As plan administrators, the other SACRS systems may not be amenable to this proposal that would substantively change the policy underlying the benefit structure for nonservice-connected disability retirements. This proposal may put a plan administrator at odds with its plan sponsor.

- **Who will support or oppose this proposed change in the law?**

SACRS systems that view the benefit limitation as financially punitive and discriminatory may support this proposal. Plan sponsors may oppose this proposal because it is a substantive change to the benefit structure of a nonservice-connected disability retirement allowance.

- **Who will be available from your association/system to testify before the Legislature?**

Barry Lew, Legislative Affairs Officer

Joe Ackler, Ackler & Associates

A-5

Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Brenda Shott, Assistant CEO Finance and Internal Operations
SUBJECT: PHONE SYSTEM CONTRACT

Recommendation

Approve entering into a three year contract with Dialpad for voice over IP (VOIP), unified communications and contact center services.

Background/Discussion

Due to substantial disruptions of service and poor customer support from OCERS current telephony service provider, OCERS issued a request for proposal (RFP) for a new unified communications and contact center service provider. An RFP evaluation committee consisting of team members and leadership from Members Services, Information Technology and Administrative Services reviewed and evaluated the proposals, then interviewed and participated in demonstrations from the top three firms. Each member of the RFP evaluation committee then scored the firms based on: Experience, Functionality, Reporting capabilities, Implementation Services, Pricing and overall proposal quality and sample reports.

Based on the committee's evaluations, Dialpad was selected as the best value provider for the requested services, pending final contract negotiations. In accordance with OCERS Procurement & Contracting Policy (Section II.C.10.iii, page 5), Non Routine Items "valued over \$100,000 must be approved by the CEO and the Board as either part of the annual budget or a specific Board Approval." Therefore staff is requesting approval from the Board to enter into a contract with Dialpad for telephony services.

History

- 2013 - OCERS approved the contract and implementation of ShoreTel on premise Telephony solution
- 2017 - OCERS migrates it's ShoreTel on premise Telephony solution to ShoreTel's Cloud based Voice Over IP Solution, as part of OCERS Business Continuity and Disaster Recovery program initiatives to address a "single point of failure" concern poised by our on premise solution, and to provide phone services in the event of a local or regional disruption. Shortly after the migration to the new VOIP solution, ShoreTel was acquired by Mitel Networks.
- 2018 - Within the first year after the Mitel acquisition was made, Mitel began making major updates to their infrastructure and product code. The subsequent changes resulted in a significant number of downtime incidents and software product updates that broke core functionality resulting in OCERS staff's not being able to effectively answer incoming calls from our members during our regular business hours. OCERS worked with Mitel customer support representatives to address the various technical

issues, as well as with OCERS' assigned Mitel account managers to address concerns with the disruption of service and functionality of the Mitel product.

- 2019 – Mitel service and support incidents continued to impact OCERS customer service to OCERS' members. OCERS staff reviewed options for moving to another VOIP solution and issued a RFP for a new unified communications solution and contact center on May 15th 2019. Proposals from five vendors received. Upon the recommendation of RFP evaluation team [Dialpad](#) was selected.

Contract Term and Costs:

Contract Terms: 3 years

Contract Costs: \$295,932.32 (includes total subscription, one- time expenses and termination fees)

The estimated subscriptions costs for the contract for 3 years is:

Service	Quantity	Unit Price	Monthly Price	Total Contract Price
Dialpad Talk Enterprise User	130	\$ 21.00	\$ 2,730.00	\$ 98,280.00
Dialpad Support - Enterprise	54	\$ 60.00	\$ 3,240.00	\$ 116,640.00
Dialpad Fax Line	5	\$ 10.00	\$ 50.00	\$ 1,800.00
Dialpad Room Line	10	\$ 15.00	\$ 150.00	\$ 5,400.00
E911 Regulatory Recovery Fee	194	\$ 0.99	\$ 192.06	\$ 6,914.16
Compliance Recovery Fee	194	\$ 1.99	\$ 386.06	\$ 13,898.16
Subscription Products Total (3 Years):			\$ 6,748.12	\$ 242,932.32
Annual Subscription Amount:				\$ 80,977.44

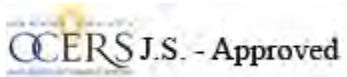
The estimated one-time professional services and equipment purchase costs is:

One Time Expense	Quantity	Unit Price	Total Price
Dialpad Starter	1	\$5,000.00	\$ 5,000.00
Desk phones and equipment	130	\$ 130.00	\$ 15,000.00
One Time Products Total:			\$ 20,000.00

The estimated cost to terminate the existing vendor contract is:

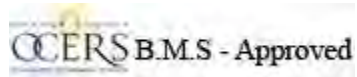
One Time Expense	Quantity	Unit Price	Total Price
Mitel Termination Fee	6	\$5,500.00	\$ 33,000.00
Termination Fee Total:			\$ 33,000.00

Submitted by:



Jenny Sadoski
Director of Information Technology

Approved by:



Brenda Shott
Assistant CEO, Finance and Internal Operations

A-6



Memorandum

DATE: October 7, 2019
TO: Members, Board of Retirement
FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations
SUBJECT: **MEMORANDUM OF UNDERSTANDING WITH ORANGE COUNTY SANITATION DISTRICT**

Recommendation

Approve a Memorandum of Understanding (MOU) with the Orange County Sanitation District Regarding Payment of Unfunded Accrued Actuarial Liabilities and authorize the Chief Executive Officer to execute the final form of the MOU.

Background/Discussion

On November 1, 2016, Orange County Sanitation District (OCSD) made an Unfunded Accrued Actuarial Liability (UAAL) payment totaling \$39,116,110 which payed off both OCSD's UAAL and their proportionate share of deferred losses that had not yet been recognized in the December 31, 2015 actuarial valuation (due to smoothing). As a result of the OCSD paying off their UAAL and making the additional payment on the deferred losses, a Memorandum of Understanding (MOU) was executed between OCERS and the OCSD. As described in the MOU, a bookkeeping account referred to as the District Reserve account was created. The purpose of the District Reserve account was to provide a mechanism to track the contributions made related to the deferred losses. At that time, the balance in the account was not included immediately as valuation assets. Instead, the balance in the District Reserve account was used to offset UAAL as it was recognized in subsequent valuations. As of December 31, 2018 the balance in the District Reserve account was \$0 as the full balance had been used to offset UAAL related to OCSD.

As of December 31, 2018 the OCSD had UAAL of \$7,753,000. In addition, OCERS also had \$644,715,000 of total net deferred investment losses. OCSD made a request to pay off their UAAL as well as their portion of the deferred investment losses as they had done in 2016. Segal performed a calculation of the OCSD's deferred UAAL which resulted in \$30,232,235 being attributed to OCSD (see attached letter). OCSD paid OCERS \$8,116,226 on September 4, 2019 for their UAAL plus accrued interest through the payment date. OCSD intends to pay OCERS \$29,883,774 on November 1, 2019 to pay down their deferred UAAL.

Consistent with the 2016 MOU, a new MOU has been drafted that specifies how the contributions made by OCSD will be accounted for by OCERS including how interest will be applied and when balances in the bookkeeping account will be moved out of the account and become valuation assets to cover UAAL. The MOU is in substantially final form as attached with the OCSD reviewing it for final edits.

Submitted by:

A rectangular stamp with the OCERS logo on the left and the text "OCERS B.M.S. - Approved" in a bold, sans-serif font on the right.

Brenda Shott
Assistant CEO, Finance and Internal Operations



180 Howard Street Suite 1100 San Francisco, CA 94105-6147
T 415.263.8200 www.segalco.com

VIA E-MAIL & USPS

September 5, 2019

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

**Re: Orange County Employees Retirement System
Accelerated Funding of UAAL for O. C. Sanitation District with Additional
Contributions to be Made on September 4, 2019 for Existing UAAL and on
October 1, 2019 for Contingent UAAL**

Dear Steve:

In this letter we have calculated the additional payment required by O.C. Sanitation District (the District) to pay off their full existing Unfunded Actuarial Accrued Liability (UAAL) with OCERS, using the results from the December 31, 2018 valuation. As further directed by OCERS and requested by the District, we have also included an additional payment for the contingent UAAL that may result from recognizing the deferred investment losses¹ from asset smoothing as of December 31, 2018.

According to the District, the payment for the existing UAAL and contingent UAAL will be made on September 4, 2019 and October 1, 2019, respectively. If such payments are made and all actuarial assumptions were met in the future, the District would only be required to contribute the normal cost rate for FY 2020/2021 and beyond.

CALCULATION OF EXISTING UAAL

Based on the most current valuation as of December 31, 2018, the District's UAAL is \$7,753,000. We propose that the payoff amount be determined by adjusting \$7,753,000 with interest at the assumed rate of investment return from December 31, 2018 to the actual date of the funding of the UAAL. We understand that the District has requested a calculation based on a payment date of September 4, 2019. If a payment is made on that date, the payment amount would be equal to \$8,116,226 (i.e., \$7,753,000 adjusted with interest for 247 days from December 31, 2018 to September 4, 2019).

¹ These deferred investment losses are contingent on the System earning the assumed 7.00% rate of return on a market value basis after the December 31, 2018 valuation.

We would also propose that upon receiving the amount required to pay off the UAAL, OCERS consider reducing the District's total contribution rate for FY 2020/2021 to only the level required to pay the normal cost. In particular, this means that if the District were to pay off their UAAL on September 4, 2019, then their total contribution rate for FY 2020/2021 would be reduced to the normal cost rate. This means in essence that all of the amortization bases as of December 31, 2018 associated with the District would be considered fully amortized.

CALCULATION OF CONTINGENT UAAL

In the December 31, 2018 valuation, the System had \$644,715,000 in total net deferred investment losses. The District requested that an allocated share of those losses be included in the UAAL payoff amount. As the deferred investment losses are expected to be allocated among the different rate groups in future valuations in proportion to the valuation value of assets for each rate group in those valuations, we have approximated the District's allocation (i.e., Rate Group #3) by using the District's proportion of 4.6892% of total valuation value of assets determined as of December 31, 2018, resulting in an allocation of \$30,232,235² of the total net unrecognized investment losses to the District.

We propose that the full payment amount be determined by adjusting \$30,232,235 with interest at the assumed rate of investment return from December 31, 2018 to the actual date of the funding of the contingent UAAL. If a payment is made on October 1, 2019, the payment amount would be equal to \$31,807,403 (i.e., \$30,232,235 adjusted with interest for 274 days from December 31, 2018 to October 1, 2019).

If the District were to proceed with a payment towards some or all of this contingent UAAL, that contribution should be placed in the O.C. Sanitation District UAAL Deferred Account similar to last time the District made a contingent UAAL payment on November 1, 2016. The balance in the O.C. Sanitation District UAAL Deferred Account would not be included immediately as valuation assets and therefore would not be used to immediately reduce the District's UAAL amount. Instead, the balance adjusted with actual market rates of return (similar to how such rates have been used to adjust the amounts in the County Investment Account) would be used to make payments on the UAAL on a year-by-year basis until the O.C. Sanitation District UAAL Deferred Account becomes depleted.

This is the second time we have provided a contingent UAAL to one of OCERS' employers (specifically, O.C. Sanitation District) for funding purposes. Again, the Retirement System should be reminded that:

- 1) The actual amount of UAAL from deferred investment losses may be higher or lower in future valuations if the System either earns less or more than the assumed rate of 7.00% after December 31, 2018.

² The \$30,228,223 calculated in our GASB 68 report includes an allocation of the \$85,000 in non-valuation reserves.

- 2) In determining the District's share of the \$644.7 million in total net deferred investment losses, we have made the simplifying assumption that the District's proportion of assets would remain unchanged after the December 31, 2018 valuation.

OTHER CONSIDERATIONS

Even though the District may pay off their full UAAL, they should be reminded that new UAAL (either positive or negative) may emerge as a result of any deviation of actual experience from that expected by the assumptions or changes in assumptions. In practice, any new positive UAAL that emerges afterward would result in the District resuming the payment of UAAL contributions in a future valuation. Conversely, any new negative UAAL (i.e., surplus) would be amortized over the Board's funding policy of 30 years and be used to reduce the District's contribution to a level below the normal cost rate. Because of the requirements imposed by the CalPEPRA, surplus would not be amortized until the funded status is in excess of 120% and all other legal conditions imposed by CalPEPRA are met.

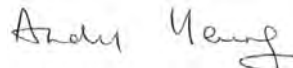
We are members of the American Academy of Actuaries and we meet the qualification requirements to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,



Paul Angelo, FSA, EA, MAAA, FCA
Senior Vice President and Actuary



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

AW/hy

cc: Ms. Suzanne Jenike
Ms. Brenda Shott

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into effective the 21st day of October, 2019, by and between the Orange County Employees Retirement System (“OCERS”) and the Orange County Sanitation District (“District”), by and through the parties’ respective governing bodies.

WHEREAS, OCERS is a multiple employer trust fund that provides retirement, disability and other benefits to the active, deferred and retired employees of the County of Orange, District and other participating employers, and their beneficiaries; and

WHEREAS, the Board of Retirement of OCERS has the sole, exclusive and plenary constitutional and statutory authority to administer the retirement system and invest the funds of the system for the benefit of its members and their beneficiaries; and

WHEREAS, as a participating employer in OCERS, District contributes to OCERS on an annual basis such contributions as OCERS determines are due and payable to OCERS from District, as an employer, to help fund the benefits referred to above; and

WHEREAS, District’s annual contributions as determined by OCERS currently are calculated as a percentage of pensionable payroll that includes both a normal contribution rate (“Normal Cost”) and a rate that reflects the amortization of an unfunded accrued actuarial liability attributable to District, pursuant to Government Code sections 31453 and 31453.5; and

WHEREAS, as of September 4, 2019, the total unfunded accrued actuarial liability attributable to the District (“UAAL”) was \$8,116,226; and

WHEREAS, as of December 31, 2018, an additional unfunded accrued actuarial liability attributable to District on the books of OCERS totaled \$30,232,235 (“Deferred UAAL”), which amount has been deferred and is projected to be due and payable by the District in amortizing installments commencing July 2021; and

WHEREAS, the amortizing installments of District’s Deferred UAAL in any future year may be more or less than the total unfunded accrued actuarial liability attributable to the District in such future year (“Actual UAAL”); and

WHEREAS, on or about September 4, 2019, the District contributed \$8,116,226 to OCERS in full satisfaction of its UAAL and accrued interest on the UAAL through the payment date (“UAAL Contribution”) that is due and payable by District to OCERS as part of its total contribution for the period July 1, 2020 through and including June 30, 2021; and

WHEREAS, on or about November 1, 2019, the District plans to contribute \$29,883,774 towards the District’s Deferred UAAL (“Deferred UAAL Contribution”); and

WHEREAS, on or about November 1, 2016, OCERS established a reserve account on its books and records (the "District Reserve Account") for the purpose of recording and accounting for Deferred UAAL contributions; and

WHEREAS, as of December 31, 2018, the balance in the District Reserve Account was \$0; and

WHEREAS, District and OCERS wish to enter into this MOU to set forth the terms and conditions under which OCERS shall recognize and apply District's UAAL Contribution and Deferred UAAL Contribution; and

WHEREAS, each of the governing bodies of OCERS and District has approved and accepted the terms and conditions of this MOU and has authorized its executive officer to execute this MOU on its behalf.

NOW THEREFORE OCERS and District agree as follows:

1. Crediting of UAAL Contribution. OCERS agrees to credit the UAAL Contribution toward District's UAAL as of December 31, 2018 plus accrued interest through the payment date. No portion of the UAAL Contribution shall be credited toward the Normal Cost portion of District's employer contribution for such period. OCERS shall further recognize the above credits in all financial statements and other reports prepared in accordance with generally accepted accounting principles and as required by the Government Accounting Standards Board. Upon being credited, these amounts shall be considered as "valuation assets" to be counted against the liabilities of District in calculating its share of future unfunded accrued actuarial liabilities.

2. Crediting of Deferred UAAL Contribution.

A. OCERS shall credit the Deferred UAAL Contribution to the District Reserve Account.

B. Commencing as of December 31, 2019 and annually thereafter until there is no remaining balance of funds in the District Reserve Account, OCERS shall transfer from the District Reserve Account into an account on OCERS' books and records that is used to record and account for cumulative employer contributions to OCERS for future retirement benefits of active and deferred members the amount necessary to satisfy the Actual UAAL attributed to District, as determined by OCERS pursuant to Government Code sections 31453 and 31453.5. The purpose of this transfer is to ensure that District's future annual employer contribution obligation to OCERS shall consist of either the Normal Cost portion only, or the Normal Cost and amortizing installments of only such amount of future Actual UAAL that exceeds the amount of funds remaining in the District Reserve Account.

C. None of the moneys in the District Reserve Account shall be considered "valuation assets" on OCERS' books and records, and shall not be counted in

calculating District's share of future Actual UAAL, but shall be held and transferred only as described in this Paragraph 2.B.

D. OCERS shall not credit any amount of the District Reserve Account to District's Normal Cost portion of its annual employer contribution at any time. District shall remain responsible for making its full Normal Cost contributions to OCERS as determined by OCERS from time to time.

3. Commingling of Funds. Upon crediting by OCERS, all amounts of the UAAL Contribution and the Deferred UAAL Contribution shall be commingled with all other funds and assets of the OCERS trust fund, to be administered, invested and disbursed within the sole, exclusive and plenary authority of the OCERS Board of Retirement, as provided by law. None of the UAAL Contribution or the Deferred UAAL Contribution shall remain property of District, nor shall any such funds be disbursed to or on behalf of District for any purpose other than the payment of benefits to OCERS' members and administrative and investment expenses of the retirement system.

4. Crediting of Interest. OCERS shall credit (or debit) interest to the District Reserve Account at the actual annual rate of return (or loss) experienced by the entire OCERS trust fund on a calendar year basis. Interest crediting (or debiting) for the calendar year shall occur on or before March 31 of each subsequent year, on the balance in the District Reserve Account as of December 31 of the immediately preceding year.

5. OCERS' Sole Right to Determine Contributions and Appropriations. Notwithstanding any provision in this MOU to the contrary, the parties acknowledge and agree that OCERS has the sole, exclusive and plenary authority to determine employer and employee contribution rates and appropriation amounts; that OCERS may change, amend or otherwise alter its practices and policies regarding the setting of contribution rates and amounts of appropriations to be made by its participating employers, including but not limited to District; and that District is obligated to make the contributions and appropriations required by OCERS, all as provided by law.

6. Additional Provisions.

A. This MOU shall be governed by and interpreted under the laws of the State of California applicable to contracts made and to be performed entirely within the State.

B. This MOU sets forth the entire agreement between OCERS and District with regard to the subject matter herein, and fully supersedes any and all prior agreements and understandings between them pertaining to the subject matter of this MOU. The parties agree that no change to or modification of this MOU shall be valid or binding unless it is in writing and signed by an authorized signatory for each of the parties.

C. The language of all parts in this MOU shall be construed as a whole, according to its fair meaning, and not strictly for or against either party. Should

any provision in this MOU be declared or determined to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected and the illegal or invalid part, term, or provision shall be deemed not to be part of this MOU, and all remaining provisions shall remain valid and enforceable. The parties further agree that in the event any provision of this MOU is held to be illegal or unenforceable, each will fully cooperate with the other to effectuate its purpose to conform the provision(s) to law.

D. This MOU is deemed to have been drafted jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any party, since both parties have participated in the negotiations and drafting of this MOU.

E. This MOU may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Furthermore, signatures delivered via electronic transmission shall have the same force, validity and effect as the originals thereof.

F. Should any dispute arise between the parties as to their respective rights and obligations under this MOU, the parties will make a good faith effort to resolve their differences informally and without resort to legal process. Should any such dispute remain unresolved after 90 days after one party notifies the other party in writing of the dispute (unless shortened or extended by mutual agreement of the parties), either party may commence legal action as provided by law to resolve the matter. In any such legal action, the prevailing party shall be entitled to an award of its reasonable attorneys fees and costs of suit.

7. Term. This agreement shall terminate and be of no further force or effect at such time as there is no remaining balance in the District Reserve Account.

WITNESS THE EXECUTION HEREOF on the day and year first hereinabove written.

ORANGE COUNTY SANITATION
DISTRICT

ORANGE COUNTY EMPLOYEES'
RETIREMENT SYSTEM

By _____
Authorized Signatory

By _____
Authorized Signatory

Name: _____

Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

A-7



Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Gina M. Ratto, General Counsel
SUBJECT: **GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
NEW OCERS ADMINISTRATIVE PROCEDURE (OAP) FOR EVALUATING POTENTIAL NEW EMPLOYERS**

Recommendation

The Governance Committee recommends that the Board of Retirement adopt a new *OCERS Administrative Procedure (OAP) for Evaluating Potential New Employers* who apply to participate in the OCERS pension plan.

Background/Discussion

The Governance Committee met on September 25, 2019, and approved and now recommends that the Board adopt a new *OCERS Administrative Procedure (OAP) for Evaluating Potential New Employers* who apply to participate in the OCERS pension plan (the OAP).

OCERS is a governmental pension plan under the Internal Revenue Code (IRC) – specifically, under IRC section 414(d). Section 414(d) generally defines the term “governmental plan” as a plan established and maintained for its employees by the government of the United States, the government of any state or political subdivision thereof, or by any of their agencies or instrumentalities. A pension plan that qualifies as a “governmental plan” under IRC section 414(d) is generally treated differently than a private sector pension plan under federal tax laws. To retain the significant benefits afforded governmental plans, such plans must comply with certain requirements of federal tax law, including the requirements of section 414(d), and any interpretive regulations or guidance issued by the Internal Revenue Service (IRS). This generally means that OCERS must prohibit the participation in the OCERS plan of any entity that is not “an agency or instrumentality of the state or a political subdivision of a state” as those terms are interpreted by the IRS.

In 2012, the IRS issued an advance notice of proposed rulemaking on determining governmental plan status (Notice). The Notice stated that the Treasury Department and IRS anticipated issuing regulations under section 414(d) to define the term “governmental plan.” The Notice included a comprehensive “facts and circumstances” test for a governmental plan to determine whether an entity (employer) qualifies as “an agency or instrumentality of a State or political subdivision of a State” for purposes of section 414(d).

Seven years later, the IRS has yet to propose the regulations previewed in the Notice. Notwithstanding this, governmental plans are well-advised to ensure adherence to the guidance set forth in the Notice. Although OCERS has not received a formal request to participate in the OCERS plan from an employer in years, staff recommended to the Governance Committee and the Committee agreed and now recommends that the Board adopt the attached OAP so that we are prepared in the event we receive such a request. The OAP is intended to ensure that only qualified entities participate in the OCERS plan in order to preserve OCERS’ governmental plan status under federal law. Staff has prepared the attached OAP, which staff believes reflects the IRS interpretation of the

requirements of IRC section 414(d) and the facts and circumstances test set forth in the Notice. The OAP has been reviewed by external tax counsel and the Board's fiduciary counsel, both of whom concur with the provisions of the OAP and agree that it should be adopted and implemented.

Attached to the OAP is a worksheet for staff to use in evaluating applications received from employers who wish to participate in the plan. The OAP provides that staff will evaluate the criteria, and together with the General Counsel, will make a recommendation to the CEO as to whether the entity's request to participate in the plan should be approved or denied. The CEO will then make an independent determination of whether to recommend to the Board approving or denying the request. The approval or denial is ultimately the Board's decision.

The Governance Committee recommends that the Board adopt the OAP.

Submitted by:



Gina M. Ratto
General Counsel

OCERS Administrative Procedure (OAP) Evaluating Potential New Employers

Authority

Internal Revenue Code (IRC) section 414(d) generally defines the term “governmental plan” as a plan established and maintained for its employees by the government of the United States, the government of any state or political subdivision thereof, or by any of their agencies or instrumentalities. A pension plan that qualifies as a “governmental plan” under IRC section 414(d) is generally treated differently than a private sector pension plan under federal tax laws. To retain the significant benefits afforded governmental plans, such plans must comply with certain requirements of federal tax law, including the requirements of section 414(d).

The Orange County Employees Retirement System (OCERS) is a governmental pension plan within the meaning of IRC section 414(d), and therefore is subject to any regulation or guidance issued by the Internal Revenue Service (IRS) interpreting the requirements of section 414(d). This generally means that OCERS must prohibit the participation in the OCERS plan of any entity that is not “an agency or instrumentality of the state or a political subdivision of a state” as those terms are interpreted by the IRS.

OCERS adopts this Administrative Procedure in order to ensure that only entities that qualify as agencies or instrumentalities of the state or a political subdivision of the state participate in the OCERS plan and to protect and preserve OCERS’ governmental plan status under federal law. OCERS believes the requirements of this Administrative Procedure are consistent with the interpretation by the IRS of the requirements of IRC section 414(d).

Process

1. When OCERS receives a request from an entity that wishes to contract with OCERS to provide pension benefits for the entity’s employees, OCERS staff will collect all of the information required by the Eligibility Determination Worksheet and Determination Analysis, Appendix A to this Administrative Procedure. The information will be collected from the entity directly and from other reliable sources. Until OCERS receives adequate information, it shall be under no obligation to evaluate the entity as described below.
2. After collecting the required information, OCERS staff will evaluate the entity against the following criteria to determine whether to recommend approval of the entity’s request to contract with OCERS for pension benefits:
 - a. **Main Factors**
The main factors for determining whether, and indicating that, an entity is an agency or instrumentality of the State or political subdivision of the State include whether:

- i. **Control:**
 - The entity's governing board or body is controlled by the State or political subdivision of the State;
 - The members of the governing board or body are publicly nominated and elected;
 - ii. **Fiscal Responsibility:**
 - The State or a political subdivision of the State has fiscal responsibility for the general debts and other liabilities of the entity, including funding responsibility for the employee benefits under the entity's plan;
 - iii. **Employee Status:**
 - The entity's employees are treated in the same manner as employees of the State or political subdivision of the State for purposes other than providing employee benefits (for example, the entity's employees are granted civil service protection);
 - iv. **Sovereign Powers:**
 - In the case of an entity that is not a political subdivision, the entity is delegated, pursuant to a statute of the State or political subdivision of the State, the authority to exercise sovereign powers of the State or a political subdivision of the State (such as the power of taxation, power of eminent domain, police power).
- b. **Other Factors**
- Other factors for determining whether, and indicating that, an entity is an agency or instrumentality of the State or political subdivision of the State include whether:
- i. **Governmental Purpose:** The entity serves a governmental purpose.
 - ii. **Operational Control:** The entity's operations are controlled by the State or a political subdivision of the State.
 - iii. **Funding Sources:** The entity is directly funded through tax revenues or other public sources; however, this factor is not satisfied if an entity that is not otherwise an agency or instrumentality is paid from public funds under a contract to provide a governmental service or is funded through grants by the state or federal government.
 - iv. **Statutory Creation:** The entity is created by the State government or a political subdivision of the State pursuant to a specific enabling statute that prescribes the purposes, powers, and manners in which the entity is to be established and operated. However, a nonprofit corporation that is incorporated under the State's general corporation law is not created under a specific enabling statute.

- v. **Tax Status:** The entity is treated as a governmental entity for federal employment tax or income tax purposes (such as the authority to issue tax-exempt bonds under section 103(a)) or under other federal laws.
 - vi. **Public Access:** The entity is determined to be an agency or instrumentality of the State or political subdivision of the State for purpose of state laws, for example, the entity is subject to open meetings laws or the requirement to maintain public records that apply only to governmental entities.
 - vii. **Ownership Interests.** The State or a political subdivision of the State has the ownership interest in the entity and no private interests are involved.
3. In evaluating the aforementioned criteria, it is understood that OCERS staff will apply judgment and exercise discretion in weighing the factors. The “Other Factors” will be taken into consideration but will not be given as much weight as the “Major Factors.” In addition, within the “Major Factors” more weight will generally be given to the “Control” and “Fiscal Responsibility” factors than to the other “Major Factors.”
 4. After conducting the evaluation above, and with the concurrence of OCERS’ General Counsel, OCERS staff will make a recommendation to the CEO as to whether the entity’s request to contract with OCERS for pension benefits should be approved or denied.
 5. The CEO shall consider OCERS staff’s recommendation and make an independent determination of whether to recommend to the Board of Retirement approving or denying the request. The CEO’s recommendation will be presented to the Board of Retirement for approval at a regular public meeting of the Board. The requesting entity may address the Board at this meeting. The Board’s decision will be final and not appealable.
 6. If the requesting entity’s participation in OCERS is approved by the Board, the entity will be required to enter into an Employer Participation Agreement with OCERS, on terms satisfactory to OCERS, before the entity’s participation will be effective.

Evaluating Potential New Participating Employers

Eligibility Determination Worksheet and Determination Analysis

Applicant Contact Information

Official Entity Name: _____
 Mailing Address: _____
 Street Address: _____
 City, State, Zip: _____
 County: _____
 Fed. Tax ID #: _____

Authorized Entity Representative:

Name: _____
 Title: _____
 Telephone: _____
 E-Mail: _____

Alternative Entity Representative:

Name: _____
 Title: _____
 Telephone: _____
 E-Mail: _____

Entity/Employer Demographics

1. Has the Entity/Employer had any name changes? Yes _____ No _____

If yes, please list the previous name(s):

Previous Entity Name	Begin Date	End Date

2. Has the Entity/Employer reorganized, merged with, or assumed the functions of another Entity? Yes _____ No _____

If yes, please provide copies of the relevant documents.

Entity Name (list reorganized/merged with, assumed functions)	Begin Date	End Date

3. Has the Entity/Employer previously participated in the OCERS plan? Yes _____ No _____

If yes, please indicate date ranges and all related Entity names participating in the plan.

Entity/Employer Name	Begin Date	End Date

Entity/Employer Analysis - Public Agency Statutory Qualifications

4. Entity Type. What type of entity is the Employer? If the entity is a County, City, or Town, then no further review is needed, as the entity is generally considered to be a public Entity.

____City/Town ____County ____Joint Powers Authority (JPA) ____Non-profit Corporation

____District ____Agency

____ Other Type (describe) : _____

5. District under CERL. Does the Entity/Employer qualify as a “district” under Government Code section 31468; and if so, under what subdivision of section 31468?

Yes/No/NA	Explanation

6. Public Entity. Is the Entity/Employer a Joint Powers Authority (JPA) as defined in Government Code 6500 *et. seq.*?

Yes/No/NA	Explanation

7. Supporting Documentation. Did the Entity/Employer provide copies of documents of creation?

Yes/No/NA	Explanation

For example, did the entity include:	Yes/No/NA
<ul style="list-style-type: none"> Enabling Legislation 	

• Local Ordinance creating entity	
• Joint Powers Authority Agreement, with signature(s)	
• Articles of Incorporation, w/each named director's signature	
• Secretary of State filing, Resolutions with signature(s)	
• Charters	
• By-laws, Amendments to By-laws with signature(s)	
• Amendments to Agreements, Articles or By-laws, with signature(s)	
• Memorandums of Understanding	
• Service Agreement with signature(s)	
• Certificates of Corrections or Certificates of Amendments, with signature(s)	
• If the entity is a JPA, any and all agreements or arrangements between the JPA members and/or other related entity related to employees or employee benefits, including funding of such benefits.	
• Other Supporting Documentation: Basic Financial Statements and Independent Auditors Report	

Entity/Employer Analysis – IRS Factors Determination

8. Control. Is the Entity/Employer's governing board or body controlled by the State or a political subdivision of the State or by their respective laws? [Note: Control is demonstrated by the ability to appoint and to remove incumbents; consider the impact of multiple layers of control, if applicable.]

Yes/No/NA	Explanation

9. Control. Are the members of the Entity/Employer's governing board or body publicly nominated and elected? (Consider who can remove and elect directors or officials).

Yes/No/NA	Explanation

10. Control: What factors indicate the Joint Powers Authority (JPA) is independent from its creating bodies? What powers do the forming public agencies have over the JPA?

Yes/No/NA	Explanation

For example, does the JPA have	Yes/No/NA
<ul style="list-style-type: none"> • Fiscal independence from its creating member public agencies? 	
<ul style="list-style-type: none"> • The authority to hire and fire employees? 	
<ul style="list-style-type: none"> • The authority to contract? 	
<ul style="list-style-type: none"> • The authority to sue and be sued? 	
<ul style="list-style-type: none"> • The power to incur debt? 	
<ul style="list-style-type: none"> • The power to borrow money? 	
<ul style="list-style-type: none"> • The power to acquire property? 	

11. Fiscal Responsibility/Control. Does the State (or political subdivision thereof) have fiscal responsibility for the general debts and other liabilities of the entity (including funding responsibility for the employee benefits under the entity's plan)?

Yes/No/NA	Explanation

12. Employee Status. Are the entity's employees treated in the same manner as employees of the State (or political subdivision thereof) for purposes other than providing employee benefits? For example, are the entity's employees granted civil service protection; or, are the entity's employees subject to public employee collective bargaining laws (Meyers-Milias-Brown Act, 1968)?

Yes/No/NA	Explanation

13. Sovereign Powers. In the case of an entity that is not a political subdivision, is the entity delegated, pursuant to a statute of the State or political subdivision of the State, the authority to exercise sovereign powers of the State or political subdivision of the State (such as the power of taxation, the power of eminent domain, and the police power)?

Yes/No/NA	Explanation

- If yes, list the entity, cite the authorizing government codes and associated code sections.

Entity Name	Relevant California Code	Code Section

14. Governmental Purpose. Does the entity/employer serve a governmental purpose? Describe.

Yes/No/NA	Explanation

15. Operational Control. Are the entity's operations controlled by the State (or political subdivision of the State)?

Yes/No/NA	Explanation

16. Public Funding. Is the entity directly funded through tax revenues or other public sources? (This factor is not satisfied if an entity that is not otherwise an Entity or instrumentality is paid from public funds under a contract to provide a governmental service or is funded through grants by the State or federal government.)

Yes/No/NA	Explanation

17. Statutory Creation. Is the entity is created by the State or a political subdivision of the State pursuant to a specific enabling statute that prescribes the purposes, powers, and manners in which the entity is to be established and operated? (However, a nonprofit corporation that is incorporated under a State's general corporation law is not created under a specific enabling statute.) If yes, cite the authorizing government codes and associated code sections.

Yes/No/NA	Explanation

18. Tax Status. Is the entity is treated as a governmental entity for Federal employment tax or income tax purposes (such as the authority to issue tax-exempt bonds under section 103(a) or under other Federal laws)?

Yes/No/NA	Explanation

19. Public Access. Is the entity determined to be an agency or instrumentality of the State (or a political subdivision of the State) for purposes of State laws? For example, is the entity subject to open meetings laws (*Ralph M. Brown Act, GC 54950, et seq.*) the California Public Records Act (GC 6250, et seq.), the California Political Reform Act (GC 87100, et seq.) and FPPC regulations thereunder?

Yes/No/NA	Explanation

20. Court Representation. Has the entity been determined to be an instrumentality of a State (or political subdivision thereof) by a State or Federal court?

Yes/No/NA	Explanation

21. Ownership Interests. Does the State (or political subdivision thereof) have the sole ownership interest in the entity and no private interests are involved? (If a JPA, consider if there are any private members or if agreement allows for private members?).

Yes/No/NA	Explanation

Entity Analysis - Financial Risk Determination

22. Fiscal Status. Did the entity's Independent Auditors Report demonstrate the entity follows the General Accounting Standards Board (GASB) accounting practices (AQ, Q19)?

Yes/No/NA	Explanation

23. Fiscal Status. Does the entity's Independent Auditors Report demonstrate a positive Balance Sheet cash flow (AQ, Q19)?

Yes/No/NA	Explanation

Entity Analysis – Common Law Employer Determination

24. Employees. Information regarding the entities employees.

	#Active	# Retired	# Deferred
a. How many employees does the Employer have currently?			
b. How many employees when fully operational?			
c. How many employees are currently reported to OCERS through another entity?			

If needed, explain responses related to question 24, a through c.

Explanation

25. **Employees.** Are the employees currently considered to be employees of the applying entity? If No, then list the name of the other entity that is the employer.

Yes/No/NA	Explanation

For example, is any other entity:	Yes/No/NA (if yes, include name of the entity)
• Is another entity identified as the employer on employees' IRS Form W-2 statements?	
• Is another entity responsible for costs related to the employees, such as payroll costs, employee benefit costs or the like?	
• Is another entity considered a co-employer with the applying entity or a "worksite" employer?	
• Does another entity have responsibility for day-to-day oversight of the employees?	
• Are the employees leased to or from another entity?	

Other Required Documentation

26. The Entity/Employer is required to submit all of the following:

- Enabling Legislation
- Local Ordinance creating Entity/Employer
- Demographic information of employees entering Plan
- Reciprocity status of all employees entering Plan
- Last two years' of audited financial statements. **If the Entity/Employer is a JPA, the last two years' of audited financial statements will be required of each and every member of the JPA.**
- Personnel Transition Plan
- Most recent Memorandum of Understanding (MOU) with union(s) for all classifications of employees entering Plan

- Private Letter Ruling regarding Tax Status
- Authorized Signatory List
- Primary Contacts information

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Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Gina M. Ratto, General Counsel
SUBJECT: **GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
NEW BOARD POLICY: PROTOCOL FOR HANDLING WORKPLACE COMPLAINTS AGAINST MEMBERS
OF THE BOARD AND EXECUTIVE STAFF**

Recommendation

The Governance Committee recommends that the Board of Retirement adopt a new *Board Policy: Protocol for Handling Workplace Complaints Against Members of the Board and Executive Staff*.

Background/Discussion

The Governance Committee met on September 25, 2019, and approved and now recommends that the Board adopt a new *Board Policy: Protocol for Handling Workplace Complaints Against Members of the Board and Executive Staff*.

At its March 18, 2019 meeting, the Board approved, on recommendation of the Governance Committee, revisions to the Board of Retirement Chair Charter and the Board of Retirement Vice-Chair Charter to partially address how complaints or reports regarding a Board member's failure to comply with law or Board charters or policies will be handled.

At the September 25 meeting of the Governance Committee, Staff recommended to the committee, and the committee approved, a new Board policy to set forth the protocols that will be followed when OCERS receives a workplace complaint against a member of the Board or a member of OCERS' Executive Staff (Policy). The Policy is intended to provide clear guidance to the Director of Human Resources when such a workplace complaint is received, and includes protocols regarding:

- Documenting the complaint (Paragraph 3);
- Consulting with the Board Chair, CEO, General Counsel and Fiduciary Counsel (Paragraph 4);
- Notifying the subject of the complaint of the receipt of the complaint (Paragraph 5);
- Retaining an investigator to investigate the complaint (Paragraph 6);
- Informing the subject of the complaint of the substance of the complaint, the identity of the complainant, and the opportunity to respond to the complaint (Paragraph 7);
- Advising the Board of complaints against members of the Board (Paragraph 8);

- Authorizing the subject of the complaint to engage independent legal counsel at OCERS' expense (Paragraph 9);
- Determining actions or measures to be taken in response to the complaint after the investigation is concluded (Paragraph 10); and
- Informing the subject of the complaint and the complainant when the complaint has been fully investigated, addressed and closed (Paragraph 11).

A copy of the Policy is attached. The Governance Committee now recommends that the Board adopt the Policy.

Submitted by:



Gina M. Ratto
General Counsel

OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

Background and Objectives

1. The Board of Retirement takes very seriously workplace complaints against members of the Board or OCERS executive staff. Formal procedures and practices are required to ensure complaints are timely, fairly and appropriately investigated and addressed.
2. The objectives of this policy are to:
 - a. Establish protocols for the OCERS Human Resources department to respond to workplace complaints against members of the Board or OCERS executive staff; and
 - b. Clarify the roles and responsibilities of the OCERS Human Resources department, the Board, and OCERS staff in the process of handling the complaints covered by this protocol.

Policy Guidelines

In the event the OCERS Human Resources department receives a workplace complaint against a member of the Board of Retirement or member of the OCERS executive staff (“subject of the complaint”), the following protocols will be observed in addition to the procedures normally followed in response to a workplace complaint:

3. The Director of Human Resources (“Director”) will provide a form to the complainant for the purpose of accurately documenting the complaint in a signed writing. If the Director does not receive the signed form back from the complainant in a timely manner, the Director will prepare a writing based on the information provided orally by the complainant, and request that the complainant confirm the accuracy of the writing. If the complainant declines or fails to confirm the accuracy of the writing, the Director will so indicate in the record of the matter.
4. Before following the procedures normally followed in response to a workplace complaint, the Director will consult with the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel, and outside Fiduciary Counsel. The group may decide to alter the normal procedures based on the facts and circumstances of the complaint.
5. Upon commencing any procedures in response to a complaint against a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) will notify the subject of the complaint that a complaint has been made, the general nature of the complaint, and that an investigation of the complaint will proceed. If the subject of the complaint is a member of OCERS executive staff, such notification will be delivered to the subject of the complaint by the CEO. In all cases, the subject of the complaint will be cautioned that it is against the law and OCERS’ policies to retaliate against the complainant.
6. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel, and outside Fiduciary Counsel will

Protocol for Handling Workplace Complaints Against Board Members and Executives

together select and retain an investigator to investigate the complaint. During the investigation, Fiduciary Counsel will serve as liaison to the investigator. The investigator's report will be delivered to Fiduciary Counsel and shared only with the individuals identified in Paragraph 4 above. The investigator's report will be confidential and will not be shared with the subject of the complaint or the complainant.

7. During the course of any such investigation, the subject of the complaint will be advised in writing of the substance of the complaint and the identity of the complainant, and will be provided a timely opportunity to respond both orally and in writing. Where the subject of the complaint is a member of the Board or the CEO, such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO. Any written response by the Board member or CEO shall be delivered to the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) and any written response by the OCERS executive staff member shall be delivered to the CEO. The complainant will be advised in writing of the substance of any written response by the subject of the complaint.
8. Upon the advice of the individuals identified in Paragraph 4 above, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), on a confidential basis, may advise the Board of the existence and nature of the complaint, the status of the process in response to the complaint, and any findings and recommendations resulting from that process.
9. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) may authorize the Board member or the CEO who is the subject of the complaint, and the CEO may authorize the OCERS executive staff member who is the subject of the complaint, to engage independent counsel of his or her choice to advise him or her during the process, at OCERS' expense, with an appropriate reservation of rights. The authority to authorize engagement of counsel at OCERS' expense will not exceed \$10,000 in actual fees and costs reasonably incurred, without further action by the Board.
10. Upon conclusion of the investigation and receipt of the investigator's report, where the subject of the complaint is a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint. Where the subject of the complaint is a member of OCERS executive staff, the CEO, upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint, including any recommended action to be taken by the Board.
11. Once the actions or measures determined in Paragraph 10 have been taken, the subject of the complaint and the complainant will be informed that the complaint has been fully investigated, addressed, and closed. Where the subject of the complaint is a member of the Board or the CEO, such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the



OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO.

12. The identities of the complainant and the subject of the complaint will remain confidential to the fullest extent possible, consistent with the law and customary practice.

Policy Review

13. The Board will review this policy at least every three years to ensure that it remains relevant and appropriate.

Policy History

14. This policy was adopted on October 21, 2019.

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 rectangular box containing a handwritten signature in cursive that reads "Steve Delaney".

Steve Delaney
Secretary of the Board

10/21/19

Date

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Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Gina M. Ratto, General Counsel
SUBJECT: **GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
REVISIONS TO THE TRAVEL POLICY**

Recommendation

The Governance Committee recommends that the Board approve revisions to the Travel Policy as presented.

Background/Discussion

The Governance Committee met on September 25, 2019, approved, and now recommends that the Board approve, revisions to the Travel Policy (Policy) as set forth below.

The Board adopted the Policy on December 16, 2002. Since then, the Policy has been revised and enhanced several times, most recently on August 20, 2018.

At the September 25, 2019 meeting of the Governance Committee, staff recommended and the committee approved revisions to the Policy as follows:

- Add conferences sponsored by the National Association of Police Organizations (NAPO) to the list of pre-approved conferences in Paragraph 10 of the Policy;
- Revise Paragraph 11 of the Policy to add “or elected” after “appointed” in two places;
- Allow Board members to attend approved full curriculum pension management programs and courses once during each Board member’s term on the Board instead of only one time (Paragraph 12); and
- Clarify the amount that will be reimbursed to a traveler who elects to use his/her personal automobile for travel (Paragraph 36).

The Policy, with revisions approved by the Governance Committee noted in redlined text, is attached. The Governance Committee recommends approval by the Board.

Submitted by:



Gina M. Ratto
General Counsel



OCERS Board Policy Travel Policy

Purpose

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

Content Requirements

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

Board Member

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

Travel Authorization

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



OCERS Board Policy Travel Policy

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

Limitation on Meeting for Business Purpose

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

Cost of Administration

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

Pre-Approved Conferences and Meetings

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

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

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OCERS Board Policy Travel Policy

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



OCERS Board Policy Travel Policy

- i. Conferences sponsored by The Pension Bridge;
 - j. Conferences sponsored by the Investment Management Consultants Association (IMCA);
 - k. Conferences sponsored by SuperReturn;
 - l. Conferences sponsored by Global ARC;
 - m. Conferences sponsored by CIO Magazine;
 - n. Conferences sponsored by the Institutional Limited Partners Association;
 - o. Conferences sponsored by the Falk Marques Group; and
 - p. Conferences sponsored by Public Retirement Information Systems Management (PRISM).
15. The Chief Executive Officer shall provide newly elected or appointed Board members with a list of approved conferences scheduled to take place within the current calendar year.

Limitation on Attendance at Conferences and Seminars

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



OCERS Board Policy Travel Policy

International Travel and Travel Outside the Continental United States

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

Travel Reports

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

Report on Conference or Seminar

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

Claims for Reimbursement

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

Cash Advances

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



OCERS Board Policy Travel Policy

Board of Retirement and the Chief Executive Officer. Notice of all cash advances for travel and training shall be placed on the Consent Agenda for the next Regular Meeting of the Board of Retirement as an informational item.

Time Limit for Expense Claims

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

Expenses for Traveling Companions

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

Limitation on Time and Expense Allowance

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

Travel and Lodging Cancellations

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

Meals

29. **Meals While Attending Events that Require Overnight Travel.** Meals purchased by a Board or staff member while attending an event (i.e., conference, seminar, meeting or course) that requires overnight travel will be reimbursed at the actual and reasonable cost of the meals, including non-alcoholic beverages, tax and tip, (a) provided that both an itemized receipt and a charge receipt (when a payment card is used) are submitted, and (b) provided further that any meals included and already paid for by OCERS (such as through the conference registration fee) and meals paid for by a third party and subject to reporting requirements under the Political Reform Act will not be reimbursed. If an itemized receipt is not submitted, OCERS will reimburse the Board or staff member up to the GSA rate for that meal, upon request.



OCERS Board Policy Travel Policy

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

Hotels

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

Airline Travel

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

Automobile Mileage

35. A Board member or staff member who uses his/her personal automobile for transportation on OCERS business will keep records of the actual mileage driven on business, and will report such mileage on an OCERS Expense Report Form and will provide documentation of the miles driven (e.g., copy of map and route). Reimbursement will be made at the per-mile rate allowed by the IRS. Mileage will be reimbursed for only those miles incurred beyond the staff member's normal commute to his or her regular worksite (i.e., if an employee departs from or returns to his or her



OCERS Board Policy Travel Policy

home instead of the regular worksite, only the mileage in excess of the normal daily commute will be reimbursed).

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

Parking and Tolls

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

Public Transportation

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

Car Rentals

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

Incidental Business Expenses

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



OCERS Board Policy Travel Policy

Porterage/Housekeeping/Other

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

Excluded Expenses

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

Staff Travel

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

Policy Review

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

Policy History

46. The Retirement Board adopted this policy on December 16, 2002, ~~and last revised on August 20, 2018~~ October 21, 2019.
47. ~~This policy was revised on June 18, 2007, March 24, 2008, March 22, 2010, June 21, 2010, June 18, 2012, February 19, 2013, January 21, 2014, February 17, 2015, November 16, 2015, April 18, 2018, and August 20, 2019.~~

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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

10/21/19

Date

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Form

Report of Attendance at Conference or Seminar

Name of Member Attending: _____

Name of Conference/Seminar: _____

Location of Conference/Seminar: _____

Conference/Seminar Sponsor: _____

Dates of Attendance: _____

Total Cost of Attendance: _____

Brief Summary of Information and Knowledge Gained:

Evaluation of the Conference or Seminar:

Recommendation Concerning Future Attendance:

Signature

Return to: Executive Assistant

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

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*Orange County Employees Retirement System
Retirement Board Meeting
October 21, 2019
Application Notices*

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
Anderson, Jennifer	Probation	7/5/2019
Baker, Janet	OC Community Resources	7/19/2019
Beeman, William	Sheriff's Dept	8/16/2019
Berlove, Lena	In-Home Supportive Services (IHSS)	7/13/2019
Bick, Martin	Health Care Agency	8/3/2019
Binning, Kenneth	Sheriff's Dept	7/19/2019
Birdzell, Lori	Social Services Agency	8/9/2019
Brown, William	Probation	7/19/2019
Castelazo, Viola	Sheriff's Dept	7/5/2019
Cheng, Jean	Health Care Agency	8/16/2019
Cornejo, Rebecca	Social Services Agency	7/19/2019
Corriqan-Sole, Kathy	Social Services Agency	7/31/2019
Courtney, Dominqa	OC Community Resources	8/16/2019
Cox, Catherine	John Wayne Airport	8/16/2019
Davis, Paul	OCWR	8/2/2019
Dawson, Curtis	Sheriff's Dept	7/15/2019
Donavon, Boyd	Child Support Services	8/21/2019
Dunlap, Clayton	Treasurer - Tax Collector	7/15/2019
Eqgers, Todd	OC Public Works	8/16/2019
Elmore, Steven	Sheriff's Dept	8/24/2019
Espinoza, Victoria	Superior Court	8/23/2019
Finke, David	OCTA	8/12/2019
Finke, Irene	Health Care Agency	7/13/2019
Fujimura, Sheila	Social Services Agency	8/2/2019
Gallagher, James	Assessor	7/31/2017
Galloway, Delores	John Wayne Airport	7/19/2019
Galvez, Manuel	Social Services Agency	7/5/2019
Garcia, Benjamin	Sheriff's Dept	8/7/2019
Gober, Charles	Sanitation District	7/12/2019
Grinstead, Jody	Superior Court	7/4/2019
Hack, Shannon	Sheriff's Dept	8/3/2019
Halbur, Heidi	OCERS	8/16/2019
Harp, David	Health Care Agency	8/2/2019
Hein, Lynda	Social Services Agency	7/2/2019
Hoy, Alicia	Sheriff's Dept	8/15/2019
Hughes, Teresa	Social Services Agency	6/29/2019
Hunter-Carter, Paulesia	OCTA	7/25/2019
Ismunts, Marietta	Social Services Agency	7/5/2019
Ivec, Charles	Sheriff's Dept	7/19/2019
Jackson, Robert	OC Public Works	8/22/2019
Knight, Ana	Social Services Agency	7/19/2019
Kort, Bradley	OC Public Works	7/19/2019
Langevin, Patricia	OC Community Resources	8/16/2019
Lee, Alex	OCERS	7/20/2019
Loo, Lynda	John Wayne Airport	7/19/2019
Loquinario, Roberto	Health Care Agency	8/1/2019
Marler, Melody	Health Care Agency	7/19/2019
Mauger, Dina	District Attorney	8/23/2019
Mcdonald, Kevin	Social Services Agency	7/6/2019

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
McLeod, Katherine	Social Services Agency	8/16/2019
McLeod, Scott	Sheriff's Dept	8/2/2019
Medina, Marsha	Social Services Agency	7/5/2019
Moodie, David	Sheriff's Dept	8/16/2019
Myers, Jay	Sheriff's Dept	7/5/2019
Neer, Maureen	Sheriff's Dept	6/13/2019
Nguyen, George	OCTA	6/28/2019
Nur, May	Health Care Agency	8/2/2019
Ojeda, Mary Ann	OC Community Resources	6/7/2019
Olivieri, Rebecca	District Attorney	7/5/2019
Ortiz, Mark	Fire Authority (OCFA)	7/31/2019
Owens, Patricia	County Counsel	7/8/2019
Paguio, Froilan	Superior Court	7/5/2019
Pekrul, Douglas	OCTA	8/12/2019
Perez De Gordillo, Guillermina	Social Services Agency	8/3/2019
Pham, De Van	OCTA	6/30/2019
Phung, Hoa	OC Public Works	7/8/2019
Pineda, Debra	Superior Court	6/7/2019
Rachell, Linda	County Counsel	7/19/2019
Rashedi, Arshad	OCTA	8/12/2019
Reese, Rebecca	OC Community Resources	8/15/2019
Reitz, Terry	OCTA	7/9/2019
Richardson, Peggy	Probation	7/3/2019
Richter, Keith	Fire Authority (OCFA)	7/22/2019
Sadsad, Michael	Assessor	8/3/2019
Scherzi, Gina	Health Care Agency	7/6/2019
Schulte, Alejandra	Superior Court	7/19/2019
Shehadeh, Same	Sheriff's Dept	8/16/2019
Sherrill, Tawny	OC Community Resources	8/15/2019
Smith, Richard	Sanitation District	7/9/2019
Songco, Alex	Sheriff's Dept	8/3/2019
Sullivan, Joshua	Sheriff's Dept	7/19/2019
Sullivan, Patrick	Sanitation District	7/3/2019
Ta, Emily	Social Services Agency	7/2/2019
Thompson, Jenny	Superior Court	7/5/2019
Thompson, Kenneth	Sheriff's Dept	8/16/2019
Walker, Mark	County Executive Office (CEO)	8/3/2019
Wander, David	OCTA	8/2/2019
Weinert, Selwyn	OCWR	8/2/2019
Wiseman, Carol	Social Services Agency	8/2/2019

*Orange County Employees Retirement
Retirement Board Meeting
October 21, 2019
Death Notices*

<i>Active Members</i>	<i>Agency/Employer</i>
Chehregosha, Sherli	Sheriff's Dept
Fulton, Robert	Treasurer-Tax Collector
Gelber, Lee	Probation
Massari, Frederick	Sheriff's Dept
Navarro, Ruben	OC Public Works
Negron, Olivia	Social Services Agency
Nguyen, Sang	OCTA
Richardson, Robert	Sheriff's Dept
Salcido, Dionne	Social Services Agency
Siefert, Steven	Superior Court
Vonada, Bryan	OCTA
Woolery, Eric	Auditor Controller

<i>Retired Members</i>	<i>Agency/Employer</i>
Akhbari, Mohamad	OC Public Works
Aye, Phyllis	City of San Juan Capistrano
Bailey, Richard	OC Public Works
Bitsie, Luella	Social Services Agency
Blair, James	Health Care Agency
Blanton, Velma	OC Public Works
Brucken, Ann	Social Services Agency
Cammon, Carlos	Sheriff's Dept
Clarke, Edward	Probation
Crippen, Robert	Assessor
Cripps, Thomas	OC Community Resources
Detert, Sonja	Social Services Agency
Deutsch, Joye	Social Services Agency
Earnest, Johnnie	OC Public Works
Elpers, John	Health Care Agency
Evans, Leon	OC Public Works
Fischer, Shirley	OC Public Works
Fronning, Marilyn	OC Public Works
Gaither, Mary	Health Care Agency
Godshall, Mary	OC Public Works
Haas, Patricia	Health Care Agency
Hall, Barbara	Health Care Agency
Handy, Adelaide	Probation
Hansen, Michael	Social Services Agency
Helweg, Darrol	Fire Authority (OCFA)
Hinrichs, Beverly	Sheriff's Dept
Huntress, Elaine	UCI

Jackson, Robert	OCTA
Jacobs, Nancy	Sheriff's Dept
Jones, Byron	OC Public Works
Kant, Gerald	OC Community Resources
Kautz, Roland	CEO, Human Resources
Krysinski, Richard	Probation
Kunow, Judy	Superior Court
Leckie, Alonzo	Sheriff's Dept
Lisenby, Louis	Sheriff's Dept
Martin, Raymond P	OC Public Works
Matthews, Jacqueline	John Wayne Airport
Mc Intyre, Grace	Social Services Agency
McKee, Janet	Fire Authority (OCFA)
Miller, David E	UCI
Mohler, William	John Wayne Airport
Morrow, Willard	OCTA
Oda, Joseph O.	OC Public Works
Parnell, Harriette	UCI
Pendergraft, Roy	Sanitation District
Rittenhouse, Linda	OCTA
Ross, Edman	Social Services Agency
Schnitzler, Marian	Superior Court
Schulte, Thomas	Superior Court
Smith-Varela, Mary	Social Services Agency
Snyder, Alan	OC Public Works
Sowers, Teiko	Health Care Agency
Stankov, Steve	OC Public Works
Stingaciu, Biagio	Assessor
Taylor, Bruce	Sanitation District
Vu, Thuan	Auditor Controller
Whitney, Vergene	Social Services Agency
Yin, Stephen	Superior Court
Zarnowski, Arthur	OCWR

<i>Surviving Spouses</i>	
Aldrich, Marguerite	
Banigan, Raymond	
Bellinfante, Debra	
Brett, Anna	
Danvers, Charlene	
Fitch, Douglas	
Hart, Marlene	
Jackson, Mary	
Moore, Barbara	
Nona, Jerry	
Rill, Norma	
Smith, Robert	
Tyson, Raymond	
Whaley, Mary	
Whitaker, Marsha	

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Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: COMMITTEE MEETING MINUTES

This memorandum serves as a placeholder to inform you that there will be no printed materials in this section for Governance Committee Meeting Minutes.

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



Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: COMMITTEE MEETING MINUTES

This memorandum serves as a placeholder to inform you that there will be no printed materials in this section for Audit Committee Meeting Minutes.

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

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

**PERSONNEL COMMITTEE MEETING
July 31, 2019
9:00 p.m.**

Members of the Committee
Chris Prevatt, Chair
Wayne Lindholm, Vice Chair
Roger Hilton

MINUTES

Attendance was as follows:

Present: Chris Prevatt, Chair; Wayne Lindholm, Vice Chair; Roger Hilton

Also

Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Gina Ratto, General Counsel; Cynthia Hockless, Director of Administrative Services; Anthony Beltran, Visual Technician; and Brittany Cleberg, Recording Secretary

The Chair called the meeting to order at 9:06 a.m.

CONSENT AGENDA

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

C-1 COMMITTEE MEETING:

Personnel Committee Meeting

June 17, 2019

Recommendation: Approve minutes.

The motion passed **unanimously**.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-3 TRIENNIAL REVIEW OF THE CEO PERFORMANCE EVALUATION POLICY

Agenda item A-3 was taken out of order.

Presentation by Cynthia Hockless, Director of Administrative Services, OCERS

After discussion by the Committee, **MOTION** by Lindholm, **seconded** by Hilton, to approve and recommend that the Board of Retirement approve revisions to the CEO Performance Evaluation Policy as presented in the committee materials.

The motion passed **unanimously**.

After discussion by the Committee, **MOTION** by Lindholm, **seconded** by Hilton, to approve the timeline for the 2019 CEO Performance Evaluation process.

The motion passed **unanimously**.

A-2 REVIEW OF PROPOSED REVISIONS TO THE OCERS EMPLOYEE HANDBOOK

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

The Committee received comments from Frank Eley, Mark Adviento, Jon Gossard, and Dave Beeson.

After discussion by the Committee, staff was directed to bring this item back to the Committee in August.

The Committee recessed for a break at 11:07 a.m.

The Committee reconvened at 11:25 a.m.

A-4 REVIEW UPCOMING TOPICS FOR PERSONNEL COMMITTEE

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

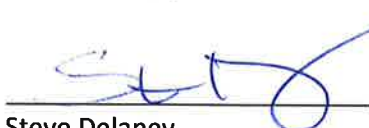
After discussion by the Committee, no action was taken.

COMMITTEE MEMBER/CEO/CONSULTANT/COUNSEL COMMENTS

None

The meeting **ADJOURNED** at 11:54 a.m.

Submitted by:



Steve Delaney
Secretary to the Committee

Approved by:



Chris Prevatt
Chair

I-3

Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

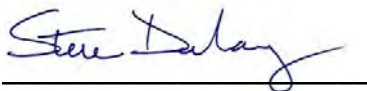
NOVEMBER

Administrative and Investment OCERS Annual Budget for fiscal year 2020
CEO Personnel Review and Compensation Discussion
Election of the Vice-Chair
List of Next Year's Committee Members
Third Quarter Budget to Actuals Report
Board Education Status Report

DECEMBER

Adopt Annual Work Plan for Calendar Year 2020
REAOC Annual Update

Submitted by:



Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2019 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec	
<i>System Oversight</i>		STAR COLA Posting (I)	Approve 2019 STAR COLA (A)	SACRS Board of Directors Election (A)	Preliminary December 31, 2018 Valuation (I)	Mid-Year Review of 2019 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 2020 Administrative Budget and Investment (Workshop) (I)	Review 3rd Quarter Budget to Actuals Financial Report (I)		
		Approve 2019 COLA (A)	Quarterly 2019-2021 Strategic Plan Review (A)			Approve December 31, 2018 Actuarial Valuation & Funded Status of OCERS (A)		Receive OCERS by the Numbers (I)		Approve 2020-2022 Strategic Plan (A)	Approve 2020 Administrative (Operating) Budget (A)		
						Approve 2018 CAFR (A)		Receive Evolution of the UAAL (I)		Approve 2020 Business Plan (A)	Annual CEO Performance Review and Compensation (A)		
						Quarterly 2019-2021 Strategic Plan Review (A)		Employer & Employee Pension Cost Comparison (I)					
													Adopt 2020 Board Meeting Calendar (A)
<i>Board Governance</i>				Brown Act Training (I)				Annual Review of Succession Plan (I)				Adopt Annual Work Plan for 2020 (A)	
				Conflict of Interest Training (I)							Vice-Chair Election (A)		
<i>Regulation / Policies</i>	Communication Policy Fact Sheet (I)												
<i>Compliance</i>				Form 700 Due (A)		Receive Financial Audit (I)			State of OCERS (I)		Status of Board Education Hours for 2019 (I)		

(A) = Action (I) = Information

I-4

Memorandum

DATE: October 9, 2019
TO: Members of the Board of Retirement
FROM: Jim Doezie, Contracts, Risk and Performance Administrator
SUBJECT: QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

Background/Discussion

1. *Quiet Period Policy Guidelines*

The following guidelines established by the Quiet Period Policy, section 3.c, will govern a search process for any contract to be awarded by OCERS:

“...Board Members and OCERS staff shall not knowingly communicate with any party financially interested in any prospective contract with OCERS regarding the contract, the services to be provided under the contract or the selection process;”

2. *Quiet Period Guidelines*

In addition, the following language is included in all distributed 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.

- An RFP for a Unified Commutations & Contact Center Solution (Telephone System) was distributed May 15th. Bids received. A vendor has been selected and contract work has commenced.
- An RFP for Mail House Services was distributed. Bids were received that are currently being evaluated.
- An RFP for Property Management Services was distributed in September. We are currently waiting for proposals that are due October 11th.
- An RFP for a new Board Communications Portal was distributed October 1st. Bid responses are due October 22nd.
- An RFP for a Board Room Audio/Visual Presentation System was distributed October 2nd. Bid responses are due November 4th.



Memorandum

Submitted by:

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

Jim Doezie
Contracts, Risk and Performance Administrator

I-5

Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Gina M. Ratto, General Counsel
SUBJECT: LEGISLATIVE UPDATE

Written Report

Background/Discussion

The California Legislature is in recess. September 6th was the last day to amend bills on the floor; and September 13th was the last day for each house to pass bills. October 13 was the last day for the Governor to sign or veto bills passed by the Legislature prior to September 13, 2019. The Legislature will reconvene on January 6, 2020.

A comprehensive list and description of the pending bills that staff has been monitoring during the legislative session is attached. Below is a brief summary of the bills that may be of greater interest to the Board. **New or updated information since the last report to the Board are indicated in bold text.**

SACRS Sponsored Bills

- **SB 783 (Senate Committee on Labor, Public Employees and Retirement)**

The CERL authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees. This bill would correct several erroneous and obsolete cross-references within CERL.

(STATUS: Introduced 03/07/19. Read third time. Passed. Ordered to the Assembly on 05/02/19. In Assembly. Read first time. Held at desk on 05/02/19. Referred to Committee on P.E. & R. on 05/16/19.)

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

- **AB 249 (Choi)**

This bill would prohibit a public employer from deterring or discouraging a public employee or an applicant to be a public employee from opting out of becoming or remaining a member of an employee organization. The bill would prohibit a public employer from taking adverse action against a public employee or applicant to be a public employee who opts out of becoming or remaining a member of an employee organization and would specify that adverse action includes reducing a public employee's current level of pay or benefits.

(STATUS: Introduced 01/22/19. Died in committee pursuant to Joint Rule 62(a) on 06/04/19.)

- **AB 287 (Voepel)**

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 website 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. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(STATUS: Introduced 01/28/19. Referred to Committee on P.E. & R on 02/07/19.)

- **AB 472 (Voepel)**

PEPRA establishes various limits on retirement benefits generally applicable to a public employee retirement system, as defined. The act prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would make non-substantive changes to that provision.

(STATUS: Introduced 02/11/19. Pending committee assignment.)

- **AB 664 (Cooper)**

The CERL 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 employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified. This bill would require, for purposes of determining permanent incapacity of certain members employed as peace officers in the County of Sacramento, 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 who is 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 act, except for cases on appeal at that time. The bill would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.

(STATUS: Introduced 02/15/19. Passed out of the Assembly and ordered to the Senate on 05/13/19. Referred to Committees on L., P.E. & R. and APPR on 05/22/19. In committee: Set, first hearing. Hearing cancelled at request of author on 06/26/19.)

- **AB 931 (Boener-Horvath)**

Current law establishes the policy of the Legislature to ensure equal access to specific information about the many local regulating and advisory boards, commissions, and committees and to ensure equal opportunity to be informed of vacancies on those boards. Existing law requires each legislative

body of a local agency to prepare an appointments list of all regular and ongoing boards, commissions, and committees that are appointed by the legislative body of the local agency.

This bill, on and after January 1, 2030, would require, with respect to a city with a population of 50,000 or more, that the city not appoint members of nonsalaried, nonelected boards or commissions consisting of 5 or more members such that individuals of the same gender identity comprise more than 60% of the board or commission's membership. The bill would also prohibit a board or commission with 4 or fewer nonelected and nonsalaried members from being comprised exclusively of people with the same gender identity. The bill would define "gender identity" for purposes of the bill, and would exclude from its provisions a board or commission that has as its primary purpose addressing issues of relevance to a particular gender identity. By imposing new requirements on cities, the bill would impose a state-mandated local program.

(STATUS: Enrolled on 09/13/19.)

- **AB 992 (Mullin)**

The Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body. This bill would provide that the prohibition described above does not apply to the participation, as defined, in an internet-based social media platform, as defined, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves, as defined, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(STATUS: Introduced 02/21/19. In committee: Set, first hearing. Failed passage. Reconsideration granted on 05/01/19.)

- **AB 1184 (Gloria)**

The California Public Records Act requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. The act requires any agency that has any information that constitutes a public record not exempt from disclosure, to make that public record available in accordance with certain provisions and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would, unless a longer retention period is required by statute or regulation, **or established by the Secretary of State pursuant to the State Public Records Management Act**, require a public agency for purposes of the California Public Records Act to retain and preserve for at least 2 years every **public**

record, as defined, that is transmitted by electronic mail. ~~writing containing information relating to the conduct of the public's business prepared, owned, or used by any public agency that is transmitted by mail.~~

(STATUS: Enrolled on 09/19/19.)

- **AB 1198 (Stone)**

PEPRA, among other things, establishes new retirement formulas, which are generally applicable to employees first employed on or after January 1, 2013, and which a public employer offering a defined benefit pension plan is prohibited from exceeding. PEPRA excepts certain public employees from its provisions, including certain transit workers whose interests are protected by specified federal law until a federal district court ruled that a United States Department of Labor determination that the application of PEPRA to these workers violated federal law was in error, or until January 1, 2016, as specified. A district court ruling to this effect occurred on December 31, 2014. This bill would except transit workers hired before January 1, 2016, from PEPRA by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA, as described above.

(STATUS: Introduced 02/21/19. Set for first hearing in committee; hearing cancelled at the request of author on 04/24/19.)

- **AB 1212 (Levine)**

Existing law authorizes the boards of CalPERS, CalSTRS, and the '37 Act systems, consistent with their fiduciary duties and investment standards, to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project. This bill would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described above, and to provide the list to those boards. The state agency would be required to provide further project information to a board upon request. **The bill would define a state agency for these purposes as the Department of Transportation and the Department of Water Resources.**

(STATUS: Vetoed by Governor on 10/9/19.)

- **AB 1819 (Committee on Judiciary)**

The California Public Records Act requires **public records to be open to inspection at all times during the office hours of the state or local agency that retains those records, and provides that every person has a right to inspect any public record, except as provided. The California Public Records Act requires** state and local agencies to make public records available upon receipt of a request **for a copy** that reasonably describes an identifiable record not otherwise exempt from disclosure, and upon payment of fees to cover costs.

This bill would grant ~~the~~ requester **who inspects a disclosable record on the premises of the agency** the right to use the requester's equipment **on those premises**, without being charged any fees or costs, to photograph or otherwise copy or reproduce ~~the any~~ record **in a manner that does not require the**

equipment to make physical contact with the record, ~~upon inspection and on the premises of the agency,~~ unless the means of copy or reproduction would result in damage to the record, or unauthorized access to a computer system of the agency or secured network, as specified. The bill would authorize the agency to impose any reasonable limits on the use of the requester's equipment that are necessary to protect the safety of the records or to prevent the copying of records from being an unreasonable burden to the orderly function of the agency and its employees. The bill would authorize the agency to impose any limit that is necessary to maintain the integrity of, or ensure the long-term preservation of, historic or high-value records. By imposing additional duties and responsibilities upon local agencies in connection with requests for inspection of records, this bill constitutes a state-mandated local program.

(STATUS: **Enrolled on 09/23/19.**)

- **SB 430 (Wieckowski)**

PEPRA prohibits a public employer offering a defined benefit pension plan from exceeding specified retirement formulas for new members and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA defines "new member" to mean, among other things, an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to date. Existing law creates the Judges' Retirement System II, which is administered by the Board of Administration of the Public Employees' Retirement System, for the provision of retirement and other benefits to specified judges and their beneficiaries.

This bill would grant a judge who was elected to office in 2012, but did not take office until on or after January 1, 2013, the option of making a one-time, irrevocable election to have a pre-January 1, 2013, membership status in the Judges' Retirement System II for service accrued after on and after July 1, 2020. The bill would require the election to be made during a 30-day period beginning March 1, 2020. A judge making this election would no longer be a new member under specified provisions of PEPRA. The election would apply prospectively only, and membership rights and obligations that accrued based on service subject to PEPRA prior to July 1, 2020, would remain unchanged. The bill would specify that the Public Employees' Retirement System is not obligated to inform or locate a person who may be eligible to make the election and that its provisions do not affect the Legislature's reserved right to increase contributions or reduce benefits for purposes of the Judges' Retirement System II.

(STATUS: Introduced 02/21/19. Passed out of the Senate and ordered to the Assembly on 05/21/19. Referred to the Committee on P.E. & R. on 05/30/19. Set for first hearing; cancelled at request of author on 06/26/19.)

- **SB 615 (Hueso)**

The California Public Records Act requires a public agency to make its 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 act 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 exemptions. The act permit any person to institute proceedings for injunctive or declaratory relief or a writ of mandate to enforce the right to receive a copy of any public record covered by the act. This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/22/19. Referred to Committee on JUD. on 03/14/19.)

- **SB 749 (Durazo)**

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things.

This bill would provide that specified records of a private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract with a public agency, if those wages, benefits, working hours and other employment terms and conditions relate to work performed under the contract, records of compliance with local, state, or federal domestic content requirements, and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency. The bill, however, would exclude contracts between a public agency and a private industry employer entered into on or before January 1, 2020, and records that include communications between the state or local agency and specified state or local officials, on matters posing a threat to the security of a public building, a threat to the security of essential public services, or a threat to the public's right of access to public services or public facilities, from these provisions. Because the bill would require local officials to perform additional duties, it would impose a state-mandated local program. This bill would provide that specified records of a private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract public agency, records of compliance with local, state, or federal domestic content requirements, and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency.

(STATUS: Introduced 02/22/19. **From committee with author's amendments. Read second time and amended. Re-referred to Committee on JUD. on 09/10/19. Assembly Rule 96 suspended. Withdrawn from committee. Ordered to third reading on 09/12/19. Ordered to inactive file on request of Assembly Member Calderon on 09/13/19.**)

Other Bills of Interest

- **AB 5 (Gonzalez)**

Existing law, as established in the case of *Dynamex Operations West, Inc. v. Superior Court of Los Angeles* (2018) 4 Cal.5th 903 (*Dynamex*), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the “ABC” test, to establish that a worker is an independent contractor for those purposes.

Existing law, for purposes of unemployment insurance provisions, requires employers to make contributions with respect to unemployment insurance and disability insurance from the wages paid to their employees. Existing law defines “employee” for those purposes to include, among other individuals, any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee.

This bill would state the intent of the Legislature to codify the decision in *Dynamex* and clarify its application. The bill would provide that for purposes of the provisions of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity’s business, and the person is customarily engaged in an independently established trade, occupation, or business. The bill, notwithstanding this provision, would provide that any statutory exception from employment status or any extension of employer status or liability remains in effect, and that if a court rules that the 3-part test cannot be applied, then the determination of employee or independent contractor status shall be governed by the test adopted in *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341 (*Borello*).

The bill would exempt specified occupations from the application of *Dynamex*, and would instead provide that these occupations are governed by *Borello*. These exempt occupations would include, among others, licensed insurance agents, certain licensed health care professionals, registered securities broker-dealers or investment advisers, direct sales salespersons, real estate licensees, commercial fishermen, workers providing licensed barber or cosmetology services, and others performing work under a contract for professional services, with another business entity, or pursuant to a subcontract in the construction industry.

The bill would also require the Employment Development Department, on or before March 1, 2021, and each March 1 thereafter, to issue an annual report to the Legislature on the use of unemployment insurance in the commercial fishing industry. The bill would make the exemption for commercial fishermen applicable only until January 1, 2023, and the exemption for licensed manicurists applicable

only until January 1, 2022. The bill would authorize an action for injunctive relief to prevent employee misclassification to be brought by the Attorney General and specified local prosecuting agencies.

This bill would also redefine the definition of “employee” described above, for purposes of unemployment insurance provisions, to include an individual providing labor or services for remuneration who has the status of an employee rather than an independent contractor, unless the hiring entity demonstrates that the individual meets all of specified conditions, including that the individual performs work that is outside the usual course of the hiring entity’s business. Because this bill would increase the categories of individuals eligible to receive benefits from, and thus would result in additional moneys being deposited into, the Unemployment Fund, a continuously appropriated fund, the bill would make an appropriation. The bill would state that addition of the provision to the Labor Code does not constitute a change in, but is declaratory of, existing law with regard to violations of the Labor Code relating to wage orders of the Industrial Welfare Commission.

The bill would also state that specified Labor Code provisions of the bill apply retroactively to existing claims and actions to the maximum extent permitted by law while other provisions apply to work performed on or after January 1, 2020. The bill would additionally provide that the bill’s provisions do not permit an employer to reclassify an individual who was an employee on January 1, 2019, to an independent contractor due to the bill’s enactment.

(STATUS: Signed by the Governor on 09/18/19.)

- **AB 1332 (Bonta)**

This bill, the Sanctuary State Contracting Act, would, among other things, require the Department of Justice, commencing on January 1, 2020, and quarterly thereafter, to publish a list on its internet website, based on specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency, as specified. The bill would prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that appears on the list published by the Department of Justice unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt certain contracts or agreements from these provisions related to provisions the administration of retirement benefits and investment of moneys for retirement benefits, as specified. This bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

(STATUS: Introduced 02/22/19. In committee: Set, first hearing. Referred to APPR. suspense file on 05/08/19. In committee: Held under submission on 05/16/19.)

- **SB 53 (Wilk)**

The Bagley-Keene Open Meeting Act requires that all meetings of a state body, as defined, be open and public and that all persons be permitted to attend and participate in a meeting of a state body, subject to certain conditions and exceptions. This bill would specify that the definition of “state body” includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced 12/10/18. **Placed on APPR. suspense file on 08/14/19. Heard on 08/30/19. Held in committee and under submission on 08/30/19.**)

- **SB 715 (Galgiani)**

The California Constitution establishes the University of California as a public trust with full powers of organization and government, subject only to specified limitations. Under this independent constitutional authority, the University of California established retirement systems to provide various retirement benefits to its members. Existing law prohibits the University of California from contracting for services unless a contractor certifies that the services will be performed solely by workers within the United States or if the contractor’s bid describes any work that will be performed by workers outside the United States. This bill would prohibit the University of California from contracting for services with an asset manager for a defined contribution plan if that plan is a stand-alone optional plan that is not a complement to a defined benefit pension plan. The bill would apply this prohibition to a contract entered into on or after January 1, 2015.

(STATUS: Introduced 02/22/19. Failed to pass out of committee. Reconsideration granted 04/24/19.)

Bills that Apply to CalPERS and/or CalSTRS Only:

- **AB 181 (Rodriguez)**

~~This bill would require CalPERS and CalSTRS to each provide a report to the Legislature, commencing March 1, 2021, and annually thereafter, on the status of achieving appropriate objectives and initiatives, to be defined by the boards, regarding participation of emerging managers responsible for asset management within each system’s portfolio of investments. The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year. The bill would require each report to include certain elements and would require the boards to define “emerging manager” for purposes of these provisions.~~

~~(STATUS: Introduced 01/09/19. Passed out of the Assembly and ordered to the Senate on 05/28/19. Read first time. Referred to Committee on RLS. on 06/06/19.)~~

AB 181 was amended in the Senate on 09/04/19. As amended, AB 181 relates to hazardous waste; the author is Maienschein.

- **AB 462 (Rodriguez)**

This bill would require the Board of Administration of CalPERS and CalSTRS to each provide a report to the Legislature, commencing March 1, 2021, and annually thereafter, on the status of achieving appropriate objectives and initiatives, to be defined by the boards, regarding participation of emerging managers responsible for asset management within each system's portfolio of investments. The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year. The bill would require each report to include certain elements and would require the boards to define emerging manager for purposes of these provisions. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/11/19. Referred to Committee on RLS. on 05/01/19. From committee chair, with author's amendments: Amend and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS. on 05/21/19.)

- **AB 644 (Committee on Public Employment and Retirement)**

Existing law applicable to CalSTRS defines compensation earnable for the purpose of benefit calculations as the creditable compensation a person could earn in a school year for creditable service performed on a full time basis, and defines creditable compensation as remuneration paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position. Existing law also requires employers to make contributions to the CalSTRS system based on the member's creditable compensation. This bill would revise the definition of compensation earnable for the purposes of CalSTRS to be the sum of the average annualized pay rate, as defined, paid in a school year divided by the service credited for that school year and the remuneration paid in addition to salary or wages. The bill would make various conforming changes in accordance with the revised definition of compensation earnable.

Existing law applicable to CalSTRS requires an employer to certify that the member's employment has been terminated, unless the member's termination of employment occurred 12 consecutive months or more prior to the date the application for a termination of benefits is received by the system. This bill would require the employer certification to be in a format prescribed by CalSTRS and would specify that the application for a termination benefit must be received at the system's headquarters office.

Existing law authorizes specified CalSTRS members who, on January 1, 1976, are in state service positions or are employees of the Trustees of the California State University, to elect to not continue as members of CalSTRS and to transfer to CalPERS. This bill would repeal these provisions.

(STATUS: Signed by Governor on 07/12/19.)

- **AB 672 (Cervantes)**

CalPERS provides pension and other benefits to members of the system and prescribes conditions for service after retirement. PERL and PEPR establish various limits on retirement benefits generally applicable to a public employee retirement system, and prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would prohibit a person who has retired for disability from being employed by any employer without reinstatement from

retirement if the position is the position from which the person retired or if the position includes duties or activities that the person was previously restricted from performing at the time of retirement, unless an exception applies. The bill would require, if a person retired for disability is employed by an employer without reinstatement, an employer to provide to the board the nature of the employment and the duties and activities the person will perform.

(STATUS: Signed by Governor on 07/12/19.)

- **AB 1452 (O'Donnell)**

Existing law creates the CalSTRS Cash Balance Benefit Program, which is administered by the CalSTRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. This bill would prohibit aggregating creditable service in more than one position for the purpose of determining mandatory membership on a part-time basis for 50% or more of the time the employer requires for a full-time position, as specified. This bill contains other related provisions and other existing laws.

(STATUS: **Signed by Governor on 09/20/19.**)

- **SB 266 (Leyva)**

Under existing law, CalPERS is responsible for correcting errors and omissions in the administration of the system and the payment of benefits. Existing law requires the board to correct all actions taken as a result of errors or omissions of the state or a contracting agency, in accordance with certain procedures. This bill would establish new procedures under PERL for cases in which CalPERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPPRA and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state, school employer, or contracting agency return to the member any contributions paid by the member or on the member's behalf.

With respect to retired members, survivors, or beneficiaries whose benefits are based on disallowed final compensation, the bill would require PERS to adjust the benefit to reflect the exclusion of the disallowed compensation, and provide that contributions made on the disallowed compensation be credited against future contributions on behalf of the employer entity that reported the disallowed compensation. Additionally, if specified conditions are met, the bill would require the employing entity to refund overpayment costs to the system and to pay **retired** members, survivors, and beneficiaries whose benefits have been reduced ~~a lump sum or~~ **an annuity or a lump sum, as prescribed, that reflects** ~~reflecting~~ the difference between the monthly allowance that was based on the disallowed compensation and the adjusted monthly allowance calculated without the disallowed compensation, as

provided. The bill would require the system to provide certain notices in this regard. This bill would require the system to provide confidential contact information of retired members, and their survivors and beneficiaries, who are affected by these provisions to the relevant employing entities, the confidentiality of which the entities would be required to maintain.

The bill would authorize the state, a school employer, **as specified**, or a contracting agency, as applicable, to submit to the system an additional compensation item proposed to be included or contained in a memorandum of understanding or collective bargaining agreement on and after January 1, 2020, that is intended to form the basis of a pension benefit calculation ~~for determination of compliance~~ **in order for PERS to review its consistency** with PEPR and other laws, as specified, and would require PERS to ~~respond~~ **provide guidance regarding the review** within 90 days, as specified. The bill would require PERS to publish notices **regarding proposed compensation identifying items of allowable compensation derived from** language submitted to the system for review **and the guidance given by the system that is connected with it. For educational entities that participate in the system, the final responsibility for funding payments to the system and to retired members, survivors, and beneficiaries would belong to the educational entity that is the actual employer of the employee.** (STATUS: Introduced 02/12/19. **Read third time in Assembly; ordered to the Senate; Senate concurred in amendments; ordered to engrossing and enrolling on 09/12/19. Withdrawn from engrossing and enrolling, and ordered held at the Desk on 09/13/19.**)

- **SB 341 (Morell)**

Existing law requires the CalPERS and CalSTRS retirement boards to provide annual reports to the Legislature and the Governor with regard to investment returns on assets of CalPERS and CalSTRS, respectively. As part of these reports, the boards are required to calculate and report on the rate of return on investments based on different assumptions. This bill would require the Board of Administration of CalPERS to report a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. The bill would require the CalSTRS Retirement Board to provide a description of the discount rate the board uses for reporting liabilities, a calculation of liabilities based on a discount rate that is 2% below the long-term rate of return assumed by the board, and a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. This bill would also appropriate \$1 billion from the General Fund for transfer to the Teachers' Retirement Fund to reduce the unfunded liability of the STRS defined benefit program, and appropriate another \$1 billion to the Teachers' Retirement Fund if the Legislative Analyst determines in the May Revision of the 2019-20 Budget that the State has collected more than \$1 billion in unanticipated General Fund revenue. This bill contains other related provisions and amendments other existing laws. (STATUS: Introduced 02/19/19. Referred to Committee on L., P.E. & R on 02/28/19. Set for hearing on 03/27/19. Failed passage in committee. Reconsideration granted.)

Divestment Proposals (CalPERS and CalSTRS Only)

- **AB 33 (Bonta)**

This bill would prohibit the CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a private prison company, as defined. This bill would require the boards to liquidate investments in private prison companies on or before July 1, 2020, and would require the boards, in making a determination to liquidate investments, to constructively engage with private prison companies to establish whether the companies are transitioning their business models to another industry. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the constitution. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified. The bill would make related legislative findings and declarations.

(STATUS: Introduced 12/03/18. Referred to Committee on P.E. & R on 01/17/19. Second hearing cancelled at the request of author 04/24/19.)

- **AB 1320 (Nazarian)**

This bill, upon the passage of a federal law that imposes sanctions on the government of Turkey for failure to officially acknowledge its responsibility for the Armenian Genocide, would prohibit the boards of administration of CalPERS and CalSTRS from making additional or new investments, or renewing existing investments, of public employee retirement funds in an investment vehicle in the government of Turkey that is issued by the government of Turkey or that is owned by the government of Turkey. The bill would require the boards to liquidate existing investments in the government of Turkey within 18 months of the passage of the above-describe federal law. The bill would require these boards to make specific reports to the Legislature and the Governor regarding these actions within one year of passage of a federal law imposing those sanctions on the government of Turkey and on or before January 1, 2024. The bill would specify that its provisions do not require a board to take any action that the board determines in good faith is inconsistent with its constitutional fiduciary responsibilities to the retirement system. The bill would indemnify from the General Fund and hold harmless the present, former, and future board members, officers, and employees of, and investment managers under contract with, the boards, in connection with actions relating to these investments. The bill would repeal the above-described prohibited investment and reporting provisions on January 1, 2025, or if a determination is made by the board, the Department of State, the Congress of the United States, or another appropriate federal agency, that the government of Turkey has officially acknowledged its responsibility for the Armenian Genocide, whichever occurs first.

(STATUS: **Signed by Governor on 10/2/19.**)

Attachments

Submitted by:



Gina M. Ratto
General Counsel



2019 - 2020 LEGISLATIVE SESSION BILLS OF INTEREST
LEGISLATIVE UPDATE (OCTOBER 21, 2019) – ATTACHMENT

New or updated information in bold text

AB 5 (Gonzalez)

Existing law, as established in the case of *Dynamex Operations West, Inc. v. Superior Court of Los Angeles* (2018) 4 Cal.5th 903 (*Dynamex*), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the “ABC” test, to establish that a worker is an independent contractor for those purposes.

Existing law, for purposes of unemployment insurance provisions, requires employers to make contributions with respect to unemployment insurance and disability insurance from the wages paid to their employees. Existing law defines “employee” for those purposes to include, among other individuals, any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee.

This bill would state the intent of the Legislature to codify the decision in *Dynamex* and clarify its application. The bill would provide that for purposes of the provisions of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity’s business, and the person is customarily engaged in an independently established trade, occupation, or business. The bill, notwithstanding this provision, would provide that any statutory exception from employment status or any extension of employer status or liability remains in effect, and that if a court rules that the 3-part test cannot be applied, then the determination of employee or independent contractor status shall be governed by the test adopted in *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341 (*Borello*).

The bill would exempt specified occupations from the application of *Dynamex*, and would instead provide that these occupations are governed by *Borello*. These exempt occupations would include, among others, licensed insurance agents, certain licensed health care professionals, registered securities broker-dealers or investment advisers, direct sales salespersons, real estate licensees, commercial fishermen, workers providing licensed barber or cosmetology services, and others performing work under a contract for professional services, with another business entity, or pursuant to a subcontract in the construction industry.

The bill would also require the Employment Development Department, on or before March 1, 2021, and each March 1 thereafter, to issue an annual report to the Legislature on the use of unemployment insurance in the commercial fishing industry. The bill would make the exemption for commercial fishermen applicable only until January 1, 2023, and the exemption for licensed manicurists applicable only until January 1, 2022. The bill would authorize an action for injunctive relief to prevent employee misclassification to be brought by the Attorney General and specified local prosecuting agencies.

This bill would also redefine the definition of “employee” described above, for purposes of unemployment insurance provisions, to include an individual providing labor or services for remuneration who has the status of an employee rather than an independent contractor, unless the hiring entity demonstrates that the individual meets all of specified conditions, including that the individual performs work that is outside the usual course of the hiring entity’s business. Because this bill would increase the categories of individuals eligible to receive benefits from, and thus would result in additional moneys being deposited into, the Unemployment Fund, a continuously appropriated fund, the bill would make an appropriation. The bill would state that addition of the provision to the Labor Code does not constitute a change in, but is declaratory of, existing law with regard to violations of the Labor Code relating to wage orders of the Industrial Welfare Commission.

The bill would also state that specified Labor Code provisions of the bill apply retroactively to existing claims and actions to the maximum extent permitted by law while other provisions apply to work performed on or after January 1, 2020. The bill would additionally provide that the bill’s provisions do not permit an employer to reclassify an individual who was an employee on January 1, 2019, to an independent contractor due to the bill’s enactment.

(STATUS: Signed by the Governor on 09/18/19.)

AB 33 (Bonta)

This bill would prohibit the CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a private prison company, as defined. This bill would require the boards to liquidate investments in private prison companies on or before July 1, 2020, and would require the boards, in making a determination to liquidate investments, to constructively engage with private prison companies to establish whether the companies are transitioning their business models to another industry. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board’s fiduciary responsibilities established in the constitution. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill’s requirements, as specified. The bill would make related legislative findings and declarations.

(STATUS: Introduced 12/03/18. Referred to Committee on P.E. & R on 01/17/19. Second hearing canceled at request of author on 04/24/19.)

AB 181 (Rodriguez)

~~This bill would require CalPERS and CalSTRS to each provide a report to the Legislature, commencing March 1, 2021, and annually thereafter, on the status of achieving appropriate objectives and initiatives, to be defined by the boards, regarding participation of emerging managers responsible for asset management within each system's portfolio of investments. The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year. The bill would require each report to include certain elements and would require the boards to define "emerging manager" for purposes of these provisions.~~

~~(STATUS: Introduced 01/09/19. Passed out of the Assembly and ordered to the Senate on 05/28/19. Read first time. Referred to Committee on RLS. on 06/06/19.)~~

AB 181 was amended in the Senate on 09/04/19. As amended, AB 181 relates to hazardous waste; the author is Maienschein.

AB 249 (Choi)

This bill would prohibit a public employer from deterring or discouraging a public employee or an applicant to be a public employee from opting out of becoming or remaining a member of an employee organization. The bill would prohibit a public employer from taking adverse action against a public employee or applicant to be a public employee who opts out of becoming or remaining a member of an employee organization and would specify that adverse action includes reducing a public employee's current level of pay or benefits.

(STATUS: Introduced 01/22/19. Died in committee pursuant to Joint Rule 62(a) on 06/04/19.)

AB 287 (Voepel)

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 website 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. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(STATUS: Introduced 01/28/19. Referred to Committee on P.E. & R on 02/07/19.)

AB 346 (Cooper)

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law provides that certain peace officers, firefighters, and other specified state and local public employees are entitled to a leave of absence without loss of salary while disabled by injury or illness

arising out of and in the course of employment. The leave of absence is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers' compensation system. This bill would add police officers employed by a school district, county office of education, or community college district to the list of public employees entitled to a leave of absence without loss of salary, in lieu of temporary disability payments, while disabled by injury or illness arising out of and in the course of employment.

(STATUS: **Enrolled 09/09/19.**)

AB 462 (Rodriguez)

This bill would require the Board of Administration of CalPERS and CalSTRS to each provide a report to the Legislature, commencing March 1, 2021, and annually thereafter, on the status of achieving appropriate objectives and initiatives, to be defined by the boards, regarding participation of emerging managers responsible for asset management within each system's portfolio of investments. The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year. The bill would require each report to include certain elements and would require the boards to define emerging manager for purposes of these provisions. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/11/19. Referred to Committee on RLS. on 05/01/19. From committee chair, with author's amendments: amend and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS. on 05/21/19.)

AB 472 (Voepel)

PEPRA establishes various limits on retirement benefits generally applicable to a public employee retirement system, as defined. The act prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would make non-substantive changes to that provision.

(STATUS: Introduced 02/11/19. Pending committee assignment.)

AB 510 (Cooley)

Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of routine video monitoring maintained by that county, city, or special district after one year if that person receives approval from the legislative body and the written consent of the agency attorney. Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of telephone and radio communications maintained by that county, city, or special district after 100 days if that person receives approval from the legislative body and the written consent of the agency attorney. This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

(STATUS: Introduced 02/13/19. Referred to Committee on L. Gov. on 02/21/19.)

AB 644 (Committee on Public Employment and Retirement)

Existing law applicable to CalSTRS defines compensation earnable for the purpose of benefit calculations as the creditable compensation a person could earn in a school year for creditable service performed on a full time basis, and defines creditable compensation as remuneration paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position. Existing law also requires employers to make contributions to the CalSTRS system based on the member's creditable compensation. This bill would revise the definition of compensation earnable for the purposes of CalSTRS to be the sum of the average annualized pay rate, as defined, paid in a school year divided by the service credited for that school year and the remuneration paid in addition to salary or wages. The bill would make various conforming changes in accordance with the revised definition of compensation earnable.

Existing law applicable to CalSTRS requires an employer to certify that the member's employment has been terminated, unless the member's termination of employment occurred 12 consecutive months or more prior to the date the application for a termination of benefits is received by the system. This bill would require the employer certification to be in a format prescribed by CalSTRS and would specify that the application for a termination benefit must be received at the system's headquarters office.

Existing law authorizes specified CalSTRS members who, on January 1, 1976, are in state service positions or are employees of the Trustees of the California State University, to elect to not continue as members of CalSTRS and to transfer to CalPERS. This bill would repeal these provisions.

(STATUS: Signed by Governor on 07/12/19.)

AB 664 (Cooper)

The CERL 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 employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified. This bill would require, for purposes of determining permanent incapacity of certain members employed as peace officers in the County of Sacramento, 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 who is 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 act, except for cases on appeal at that time. The bill would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.

(STATUS: Introduced 02/15/19. Passed out of the Assembly and ordered to the Senate on 05/13/19. Referred to Committees on L., P.E. & R. and APPR on 05/22/19. In committee: Set, first hearing. Hearing cancelled at request of author on 06/26/19.)

AB 672 (Cervantes) CalPERS provides pension and other benefits to members of the system and prescribes conditions for service after retirement. PERL and PEPRA establish various limits on retirement benefits generally applicable to a public employee retirement system, and prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system. This bill would prohibit a person who has retired for disability from being employed by any employer without reinstatement from retirement if the position is the position from which the person retired or if the position includes duties or activities that the person was previously restricted from performing at the time of retirement, unless an exception applies. The bill would require, if a person retired for disability is employed by an employer without reinstatement, an employer to provide to the board the nature of the employment and the duties and activities the person will perform. (STATUS: Signed by Governor on 07/12/19.)

AB 931 (Boener-Horvath)

Current law establishes the policy of the Legislature to ensure equal access to specific information about the many local regulating and advisory boards, commissions, and committees and to ensure equal opportunity to be informed of vacancies on those boards. Existing law requires each legislative body of a local agency to prepare an appointments list of all regular and ongoing boards, commissions, and committees that are appointed by the legislative body of the local agency.

This bill, on and after January 1, 2030, would require, with respect to a city with a population of 50,000 or more, that the city not appoint members of nonsalaried, nonelected boards or commissions consisting of 5 or more members such that individuals of the same gender identity comprise more than 60% of the board or commission's membership. The bill would also prohibit a board or commission with 4 or fewer nonelected and nonsalaried members from being comprised exclusively of people with the same gender identity. The bill would define "gender identity" for purposes of the bill, and would exclude from its provisions a board or commission that has as its primary purpose addressing issues of relevance to a particular gender identity. By imposing new requirements on cities, the bill would impose a state-mandated local program.

(STATUS: Enrolled on 09/13/19.)

AB 979 (Reyes)

Existing law establishes the Judges' Retirement System II, which CalPERS administers. Existing law authorizes a judge who is a member of the system and who retires upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, to elect from specified retirement benefits including a monthly pension. Existing law requires a judge who leaves judicial office after accruing 5 or more years of service, but who has not reached the applicable age of retirement, to be paid a lump sum equal to monetary credits that accrued while in office, as specified. Existing law authorizes a judge who, among other things, separates from office after accruing 5 or more years of service and has not reached 65 years of age to continue health care benefits if the judge assumes certain payments. Existing law specifies benefits provided to a surviving spouse or other beneficiary in relation to these provisions.

This bill would authorize a judge who is a member of the system to retire upon attaining both 63 years of age and 15 or more years of service, or when a judge who has accrued at least 5 years of service and who has not

received specified discipline is defeated for reelection. The bill would authorize a judge who is not otherwise eligible to retire and who has either attained 60 years of age with a minimum of 5 years of service or accrued 15 or more years of service to leave the judge's monetary credits on deposit with the system, to retire, and upon reaching retirement age, as specified, to receive a retirement allowance, as provided. The bill would prescribe procedures to apply if the judge fails to elect within 30 days of separation and would authorize the board to charge an administrative fee, as specified, to a judge who elects to apply these provisions. The bill would specify the monthly allowance provided to a surviving spouse or other beneficiary and would make other conforming changes in relation to these provisions. This bill contains other related provisions and other existing laws. (STATUS: Introduced 02/21/19. Set for first hearing in committee; hearing canceled at request of author on 04/24/19.)

AB 992 (Mullin)

The Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body. This bill would provide that the prohibition described above does not apply to the participation, as defined, in an internet-based social media platform, as defined, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves, as defined, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency. (STATUS: Introduced 02/21/19. In committee: Set, first hearing. Failed passage. Reconsideration granted on 05/01/19.)

AB 1184 (Gloria)

The California Public Records Act requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. The act requires any agency that has any information that constitutes a public record not exempt from disclosure, to make that public record available in accordance with certain provisions and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would, unless a longer retention period is required by statute or regulation, **or established by the Secretary of State pursuant to the State Public Records Management Act**, require a public agency for purposes of the California Public Records Act to retain and preserve for at least 2 years every **public record, as defined, that is transmitted by electronic mail.** ~~writing containing information relating to the conduct of the public's business prepared, owned, or used by any public agency that is transmitted by mail.~~

(STATUS: Enrolled on 09/19/19.)

AB 1198 (Stone)

PEPRA, among other things, establishes new retirement formulas, which are generally applicable to employees first employed on or after January 1, 2013, and which a public employer offering a defined benefit pension plan is prohibited from exceeding. PEPRA excepts certain public employees from its provisions, including certain transit workers whose interests are protected by specified federal law until a federal district court ruled that a United States Department of Labor determination that the application of PEPRA to these workers violated federal law was in error, or until January 1, 2016, as specified. A district court ruling to this effect occurred on December 31, 2014. This bill would except transit workers hired before January 1, 2016, from PEPRA by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA, as described above.

(STATUS: Introduced 02/21/19. Set for first hearing in committee; hearing canceled at request of author on 04/24/19.)

AB 1212 (Levine)

Existing law authorizes the boards of CalPERS, CalSTRS, and the '37 Act systems, consistent with their fiduciary duties and investment standards, to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project. This bill would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described above, and to provide the list to those boards. The state agency would be required to provide further project information to a board upon request. **The bill would define a state agency for these purposes as the Department of Transportation and the Department of Water Resources.**

(STATUS: **Vetoed by Governor on 10/9/19.**)

AB 1320 (Nazarian)

This bill, upon the passage of a federal law that imposes sanctions on the government of Turkey for failure to officially acknowledge its responsibility for the Armenian Genocide, would prohibit the boards of administration of CalPERS and CalSTRS from making additional or new investments, or renewing existing investments, of public employee retirement funds in an investment vehicle in the government of Turkey that is issued by the government of Turkey or that is owned by the government of Turkey. The bill would require the boards to liquidate existing investments in the government of Turkey within 18 months of the passage of the above-described federal law. The bill would require these boards to make specific reports to the Legislature and the Governor regarding these actions within one year of passage of a federal law imposing those sanctions on the government of Turkey and on or before January 1, 2024. The bill would specify that its provisions do not require a board to take any action that the board determines in good faith is inconsistent with its constitutional fiduciary responsibilities to the retirement system. The bill would indemnify from the General Fund and hold harmless the present, former, and future board members, officers, and employees of, and investment managers under contract with, the boards, in connection with actions relating to these investments. The bill would repeal these the above-described prohibited investment and reporting provisions on January 1, 2025, or if a determination is made by the board, the Department of State or State, the Congress of the United States, or another appropriate

federal agency, that the government of Turkey has officially acknowledged its responsibility for the Armenian Genocide, whichever occurs first.

(STATUS: **Signed by Governor on 10/2/19.**)

AB 1332 (Bonta)

This bill, the Sanctuary State Contracting Act, would, among other things, require the Department of Justice, commencing on January 1, 2020, and quarterly thereafter, to publish a list on its internet website, based on specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency, as specified. The bill would prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that appears on the list published by the Department of Justice unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt certain contracts or agreements from these provisions related to provisions the administration of retirement benefits and investment of moneys for retirement benefits, as specified. This bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

(STATUS: Introduced 02/22/19. In committee: Set, first hearing. Referred to APPR. suspense file on 05/08/19. In committee: Held under submission on 05/16/19.)

AB 1452 (O'Donnell)

Existing law creates the CalSTRS Cash Balance Benefit Program, which is administered by the CalSTRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. This bill would prohibit aggregating creditable service in more than one position for the purpose of determining mandatory membership on a part-time basis for 50% or more of the time the employer requires for a full-time position, as specified. This bill contains other related provisions and other existing laws.

(STATUS: **Signed by Governor on 09/20/19.**)

AB 1819 (Committee on Judiciary)

The California Public Records Act requires **public records to be open to inspection at all times during the office hours of the state or local agency that retains those records, and provides that every person has a right to inspect any public record, except as provided. The California Public Records Act requires** state and local agencies to make public records available upon receipt of a request **for a copy** that reasonably describes an identifiable record not otherwise exempt from disclosure, and upon payment of fees to cover costs.

This bill would grant ~~the~~ requester **who inspects a disclosable record on the premises of the agency** the right to use the requester's equipment **on those premises**, without being charged any fees or costs, to photograph or otherwise copy or reproduce ~~the any~~ record **in a manner that does not require the equipment to make physical contact with the record, upon inspection and on the premises of the agency,** unless the means of copy

or reproduction would result in damage to the record, or unauthorized access to a computer system of the agency or secured network, as specified. The bill would authorize the agency to impose any reasonable limits on the use of the requester's equipment that are necessary to protect the safety of the records or to prevent the copying of records from being an unreasonable burden to the orderly function of the agency and its employees. The bill would authorize the agency to impose any limit that is necessary to maintain the integrity of, or ensure the long-term preservation of, historic or high-value records. By imposing additional duties and responsibilities upon local agencies in connection with requests for inspection of records, this bill constitutes a state-mandated local program.

(STATUS: **Enrolled on 09/23/19.**)

SB 53 (Wilk)

The Bagley-Keene Open Meeting Act requires that all meetings of a state body, as defined, be open and public and that all persons be permitted to attend and participate in a meeting of a state body, subject to certain conditions and exceptions. This bill would specify that the definition of "state body" includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced 12/10/18. **Placed on APPR. suspense file on 08/14/19. Heard on 08/30/19. Held in committee and under submission on 08/30/19.**)

SB 184 (Moorlach) Enrolled 09/12/19

Existing law establishes the Judges' Retirement System II, which CalPERS administers. Existing law authorizes a judge who is a member of the system and who retires upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, to elect from specified retirement benefits including a monthly pension. Existing law requires a judge who leaves judicial office after accruing 5 or more years of service, but who has not reached the applicable age of retirement, to be paid a lump sum equal to monetary credits that accrued while in office, as specified. Existing law authorizes a judge who, among other things, separates from office after accruing 5 or more years of service and has not reached 65 years of age to continue health care benefits if the judge assumes certain payments. Existing law specifies benefits provided to a surviving spouse or other beneficiary in relation to these provisions.

This bill would authorize a judge who is not otherwise eligible to retire and who has either attained 60 years of age with a minimum of 5 years of service or accrued 20 or more years of service to leave the judge's monetary credits on deposit with the system, to retire, and upon reaching retirement age, as specified, to receive a retirement allowance, as provided. The bill would prescribe procedures to apply if the judge fails to elect within 30 days of separation and would authorize the board to charge an administrative fee, as specified, to a judge who elects to apply these provisions. The bill would specify the monthly allowance provided to a surviving spouse or other beneficiary and would make other conforming changes in relation to these provisions. The bill

would also provide, for the purposes of the Judges' Retirement System II, and for a judge first appointed or elected to office on or after January 1, 2020, that a surviving spouse is a spouse who was married to the judge continuously for a period beginning one year prior to the date of the judge's retirement until the judge's death.

Existing law establishes the Public Employees' Medical and Hospital Care Act (PEMHCA) for the purpose of providing health care benefits to employees and annuitants, as defined. PEMHCA defines an annuitant for purposes of receiving postretirement health benefits as including, among others, a person who retires within 120 days of separation from public employment and a judge who receives the above-described lump sum payment of monetary credits. Contributions and premiums paid under PEMHCA are deposited in the Public Employees' Contingency Reserve Fund, which is continuously appropriated.

This bill would authorize a judge who elects to retire as described above, but is not yet receiving a retirement allowance, **or a specified surviving spouse of the judge**, to continue health care benefits upon separation from office if **the judge or surviving spouse** ~~he or she~~ assumes specified payments. The bill would include these judges, and specified surviving spouses, within the definition of annuitant upon commencement of the judge's retirement allowance, thereby authorizing the judge or a surviving spouse to receive applicable postretirement health benefits. By authorizing the use of continuously appropriated funds for a new purpose, and by depositing additional amounts into a continuously appropriated fund, this bill would make an appropriation.

(STATUS: Introduced 01/30/19. **Amended in Assembly on 09/03/19; Senate concurrence in amendments on 09/10/19. Enrolled on 09/17/19.**)

SB 266 (Leyva)

Under existing law, CalPERS is responsible for correcting errors and omissions in the administration of the system and the payment of benefits. Existing law requires the board to correct all actions taken as a result of errors or omissions of the state or a contracting agency, in accordance with certain procedures. This bill would establish new procedures under PERL for cases in which CalPERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPR and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state, school employer, or contracting agency return to the member any contributions paid by the member or on the member's behalf.

With respect to retired members, survivors, or beneficiaries whose benefits are based on disallowed final compensation, the bill would require PERS to adjust the benefit to reflect the exclusion of the disallowed

compensation, and provide that contributions made on the disallowed compensation be credited against future contributions on behalf of the employer entity that reported the disallowed compensation. Additionally, if specified conditions are met, the bill would require the employing entity to refund overpayment costs to the system and to pay **retired** members, survivors, and beneficiaries whose benefits have been reduced ~~a lump sum~~ **or an annuity or a lump sum, as prescribed, that reflects** reflecting the difference between the monthly allowance that was based on the disallowed compensation and the adjusted monthly allowance calculated without the disallowed compensation, as provided. The bill would require the system to provide certain notices in this regard. This bill would require the system to provide confidential contact information of retired members, and their survivors and beneficiaries, who are affected by these provisions to the relevant employing entities, the confidentiality of which the entities would be required to maintain.

The bill would authorize the state, a school employer, **as specified**, or a contracting agency, as applicable, to submit to the system an additional compensation item proposed to be included or contained in a memorandum of understanding or collective bargaining agreement on and after January 1, 2020, that is intended to form the basis of a pension benefit calculation ~~for determination of compliance in order for PERS to review its consistency~~ with PEPR and other laws, as specified, and would require PERS to ~~respond~~ **provide guidance regarding the review** within 90 days, as specified. The bill would require PERS to publish notices **regarding proposed compensation identifying items of allowable compensation derived from** language submitted to the system for review **and the guidance given by the system that is connected with it. For educational entities that participate in the system, the final responsibility for funding payments to the system and to retired members, survivors, and beneficiaries would belong to the educational entity that is the actual employer of the employee.**

(STATUS: Introduced 02/12/19. **Read third time in Assembly; ordered to the Senate; Senate concurred in amendments; ordered to engrossing and enrolling on 09/12/19. Withdrawn from engrossing and enrolling, and ordered held at the Desk on 09/13/19.**)

SB 341 (Morell)

Existing law requires the CalPERS and CalSTRS retirement boards to provide annual reports to the Legislature and the Governor with regard to investment returns on assets of CalPERS and CalSTRS, respectively. As part of these reports, the boards are required to calculate and report on the rate of return on investments based on different assumptions. This bill would require the Board of Administration of CalPERS to report a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. The bill would require the CalSTRS Retirement Board to provide a description of the discount rate the board uses for reporting liabilities, a calculation of liabilities based on a discount rate that is 2% below the long-term rate of return assumed by the board, and a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. This bill would also appropriate \$1 billion from the General Fund for transfer to the Teachers' Retirement Fund to reduce the unfunded liability of the STRS defined benefit program, and appropriate another \$1 billion to the Teachers' Retirement Fund if the Legislative Analyst determines in the May Revision of the 2019-20 Budget that the State

has collected more than \$1 billion in unanticipated General Fund revenue. This bill contains other related provisions and amendments other existing laws.

(STATUS: Introduced 02/19/19. Referred to Committee on L., P.E. & R on 02/28/19. Set for hearing on 03/27/19. Failed passage in committee. Reconsideration granted.)

SB 430 (Wieckowski)

PEPRA prohibits a public employer offering a defined benefit pension plan from exceeding specified retirement formulas for new members and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA defines "new member" to mean, among other things, an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to date. Existing law creates the Judges' Retirement System II, which is administered by the Board of Administration of the Public Employees' Retirement System, for the provision of retirement and other benefits to specified judges and their beneficiaries.

This bill would grant a judge who was elected to office in 2012, but did not take office until on or after January 1, 2013, the option of making a one-time, irrevocable election to have a pre-January 1, 2013, membership status in the Judges' Retirement System II for service accrued after on and after July 1, 2020. The bill would require the election to be made during a 30-day period beginning March 1, 2020. A judge making this election would no longer be a new member under specified provisions of PEPRA. The election would apply prospectively only, and membership rights and obligations that accrued based on service subject to PEPRA prior to July 1, 2020, would remain unchanged. The bill would specify that the Public Employees' Retirement System is not obligated to inform or locate a person who may be eligible to make the election and that its provisions do not affect the Legislature's reserved right to increase contributions or reduce benefits for purposes of the Judges' Retirement System II.

(STATUS: Introduced 02/21/19. Passed out of the Senate and ordered to the Assembly on 05/21/19. Referred to the Committee on P.E. & R. on 05/30/19. Set for first hearing cancelled at request of author on 06/26/19.)

SB 615 (Hueso)

The California Public Records Act requires a public agency to make its 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 act 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 exemptions. The act permit any person to institute proceedings for injunctive or declaratory relief or a writ of mandate to enforce the right to receive a copy of any public record covered by the act. This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program. This bill contains other related provisions and other existing laws.

(STATUS: Introduced 02/22/19. Referred to Committee on JUD. on 03/14/19.)

SB 715 (Galgiani)

The California Constitution establishes the University of California as a public trust with full powers of organization and government, subject only to specified limitations. Under this independent constitutional authority, the University of California established retirement systems to provide various retirement benefits to its members. Existing law prohibits the University of California from contracting for services unless a contractor certifies that the services will be performed solely by workers within the United States or if the contractor's bid describes any work that will be performed by workers outside the United States. This bill would prohibit the University of California from contracting for services with an asset manager for a defined contribution plan if that plan is a stand-alone optional plan that is not a complement to a defined benefit pension plan. The bill would apply this prohibition to a contract entered into on or after January 1, 2015.

(STATUS: Introduced 02/22/19. Failed to pass out of committee; reconsideration granted on 04/24/19.)

SB 749 (Durazo)

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things.

This bill would provide that specified records of a private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract with a public agency, if those wages, benefits, working hours and other employment terms and conditions relate to work performed under the contract, records of compliance with local, state, or federal domestic content requirements, and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency. The bill, however, would exclude contracts between a public agency and a private industry employer entered into on or before January 1, 2020, and records that include communications between the state or local agency and specified state or local officials, on matters posing a threat to the security of a public building, a threat to the security of essential public services, or a threat to the public's right of access to public services or public facilities, from these provisions. Because the bill would require local officials to perform additional duties, it would impose a state-mandated local program. ~~This bill would provide that specified records of a private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract public agency, records of compliance with local, state, or federal domestic content requirements, and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency.~~

(STATUS: Introduced 02/22/19. **From committee with author's amendments. Read second time and amended. Re-referred to Committee on JUD. on 09/10/19. Assembly Rule 96 suspended. Withdrawn from committee. Ordered to third reading on 09/12/19. Ordered to inactive file on request of Assembly Member Calderon on 09/13/19.**)

SB 783 (Senate Committee on Labor, Public Employees and Retirement)

The CERL authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees. This bill would correct several erroneous and obsolete cross-references within CERL.

(STATUS: Introduced 03/07/19. Passed out of the Senate and ordered to the Assembly on 05/02/19. Referred to Committee on P.E. & R. on 05/16/19.)

2019 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE CHIEF CLERK
October 31, 2018 (revised)

DEADLINES

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

- [Jan. 1](#) Statutes take effect (Art. IV, Sec. 8(c)).
- [Jan. 7](#) Legislature **reconvenes** (J.R. 51(a)(1)).
- [Jan. 10](#) Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- [Jan. 21](#) Martin Luther King, Jr. Day.
- [Jan. 25](#) Last day to submit **bill requests** to the Office of Legislative Counsel

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	<u>18</u>	19	20	21	<u>22</u>	23
24	25	26	27	28		

- [Feb. 18](#) Presidents' Day.
- [Feb. 22](#) Last day for **bills to be introduced** (J.R. 61(a)(1)), (J.R. 54(a)).

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	<u>29</u>	30
31						

- [Mar. 29](#) Cesar Chavez Day observed.

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

- [Apr. 11](#) **Spring recess** begins upon adjournment of this day's session (J.R. 51(a)(2)).
- [Apr. 22](#) Legislature **reconvenes** from Spring recess (J.R. 51(a)(2)).
- [Apr. 26](#) Last day for **policy committees** to hear and report to **fiscal committees** **fiscal bills** introduced in their house (J.R. 61(a)(2)).

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

- [May 3](#) Last day for **policy committees** to hear and report to the Floor **nonfiscal bills** introduced in their house (J.R. 61(a)(3)).
- [May 10](#) Last day for **policy committees** to meet prior to June 3 (J.R. 61(a)(4)).
- [May 17](#) Last day for **fiscal committees** to hear and report to the Floor bills introduced in their house (J.R. 61(a)(5)). Last day for **fiscal committees** to meet prior to June 3 (J.R. 61(a)(6)).
- [May 27](#) Memorial Day.
- [May 28-31](#) **Floor Session Only.**
No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(a)(7)).

- [May 31](#) Last day for bills to be **passed out of the house of origin** (J.R. 61(a)(8)).

*Holiday schedule subject to Rules committee approval.

2019 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE CHIEF CLERK
October 31, 2018 (revised)

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						

Jun. 3 Committee meetings may resume (J.R. 61(a)(9)).

Jun. 15 **Budget Bill** must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).

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			

Jul. 4 Independence Day.

Jul. 10 Last day for **policy committees** to hear and report **fiscal bills** to **fiscal committees** (J.R. 61(a)(10)).

Jul. 12 Last day for **policy committees** to meet and report bills (J.R. 61(a)(11)). **Summer recess** begins upon adjournment of this day's session, provided Budget Bill has been passed (J.R. 51(a)(3)).

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. 12 **Legislature reconvenes** from Summer recess (J.R. 51(a)(3)).

Aug. 30 Last day for **fiscal committees** to meet and report bills to Floor (J.R. 61(a)(12)).

SEPTEMBER						
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					

Sep. 2 Labor Day.

Sep. 3-13 **Floor Session Only.** No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(a)(13)).

Sep. 6 Last day to **amend bills on the floor** (J.R. 61(a)(14)).

Sep. 13 Last day for **each house to pass bills** (J.R. 61(a)(15)). **Interim Study Recess** begins upon adjournment of this day's session (J.R. 51(a)(4)).

*Holiday schedule subject to Senate Rules committee approval.

IMPORTANT DATES OCCURRING DURING INTERIM STUDY RECESS

2019

Oct. 13

Last day for Governor to sign or veto bills passed by the Legislature on or before Sep. 13 and in the Governor's possession after Sep. 13 (Art. IV, Sec.10(b)(1)).

2020

Jan. 1

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

Jan. 6

Legislature reconvenes (J.R. 51 (a)(4)).

I-6



Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: **THIRD QUARTER 2019 TRAVEL AND TRAINING EXPENSE REPORT**

Written Report

Background/Discussion

In accordance with OCERS' Travel Policy, the Chief Executive Officer is required to submit a quarterly report to the Board of Retirement on conference attendance and related expenditures incurred by OCERS' Board Members and staff. Attached is the Third Quarter 2019 Travel and Training Expense Report that includes all expenses submitted through September 30, 2019.

Submitted by:

A rectangular stamp with the OCERS logo on the left and the text "OCERS T.B. - Approved" in a bold, sans-serif font on the right.

OCERS T.B. - Approved

Tracy Bowman
Director of Finance

TRAVEL AND TRAINING EXPENSE REPORT
Third QUARTER 2019
Submitted Through September 30, 2019**

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total*	
BALDWIN	1/14/19	SACRS Meeting	Sacramento, CA	Meeting	-	-	25.94	339.97	275.30	42.64	-	683.85		
	1/31/19	CALAPRS Meeting	Oakland, CA	Meeting	-	-	-	431.96	237.14	-	-	669.10		
	2/11/19	SACRS Meeting	Sacramento, CA	Meeting	-	-	-	189.96	436.30	44.62	-	70.88		
	2/23-2/26/19	NASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	-	1,165.00	90.13	336.41	958.00	176.79	-	2,726.33		
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	150.00	69.00	314.60	784.09	211.82	-	1,529.51		
	3/27-3/29/19	CALAPRS Pension Management for Trustees (3)	Los Angeles, CA	Conference	54.87	3,100.00	-	-	-	64.00	-	-	3,218.87	
	4/9/19	Meketa Investment Group 2019 Conference	San Diego, CA	Conference	103.94	-	-	-	-	-	-	-	103.94	
	4/10-4/13/19	Institutional Investor Protecting Shareholder Rights	New Orleans, LA	Conference	-	625.00	66.64	492.60	529.47	166.16	-	-	1,879.87	
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	63.90	137.97	681.18	35.04	-	-	1,038.09	
	6/7/19	CALAPRS Trustee's Round Table	Burbank, CA	Conference	69.60	125.00	-	-	-	-	-	-	194.60	
	9/4-9/5/19	2019 Nossaman Fiduciaries' Forum	Berkeley, CA	Conference	-	395.00	-	328.96	708.64	-	-	-	1,432.60	
	9/12/19	San Diego City's Investment Committee Meeting	San Diego, CA	Meeting	-	-	-	-	-	58.70	-	-	58.70	
	9/16/19	SACRS Program Committee Meeting	Sacramento, CA	Meeting	-	-	-	251.96	-	-	-	-	251.96	
	10/20-10/23/19	IFEBP Employee Benefits Conference	San Diego, CA	Conference	-	1,595.00	-	-	400.00	-	-	-	1,995.00	
11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	398.60	673.74	-	-	-	1,192.34		
Sub Total					228.41	7,395.00	315.61	3,222.99	5,683.86	799.77	-	17,645.64	15,478.93	
BALL					-	-	-	-	-	-	-	-	5,326.79	
DEWANE	3/27-3/29/19	CALAPRS Pension Management for Trustees (3)	Los Angeles, CA	Conference	61.25	3,100.00	86.13	-	-	-	-	3,247.38		
Sub Total					61.25	3,100.00	86.13	-	-	-	-	3,247.38	-	
ELEY					-	-	-	-	-	-	-	-	190.80	
Sub Total					-	-	-	-	-	-	-	-	190.80	
FREIDENRICH					-	-	-	-	-	-	-	-	12,206.27	
Sub Total					-	-	-	-	-	-	-	-	12,206.27	
HILTON	1/14-1/15/19	SACRS Board and Committee Meeting	Sacramento, CA	Meeting	-	-	-	203.96	160.70	43.09	-	407.75		
	1/27-1/30/19	NCPERS Legislative Conference	Washington, D.C.	Conference	14.50	550.00	-	213.11	970.23	104.78	-	1,852.62		
	2/11/19	SACRS Meeting	Sacramento, CA	Meeting	29.23	-	-	211.96	279.15	57.32	-	577.66		
	2/23-2/26/19	NASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	-	665.00	8.44	355.60	935.00	77.62	-	2,041.66		
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	29.23	150.00	49.99	155.96	520.04	33.00	-	938.22		
	3/19/19	SACRS Program Committee Meeting	Sacramento, CA	Meeting	-	-	-	117.96	-	51.04	-	169.00		
	4/22/19	SACRS Meeting	Sacramento, CA	Meeting	-	-	-	383.96	-	49.13	-	433.09		
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	-	201.00	891.54	-	-	1,212.54		
	6/3-6/6/19	OC Pension Legislative Meetings	Washington, D.C.	Meeting	-	-	191.45	607.99	1,356.48	111.51	-	2,267.43		
	6/17/19	SACRS Retreat	Sacramento, CA	Meeting	-	-	7.45	193.96	195.25	72.41	-	469.07		
	7/22-7/24/19	Pension Bridge Conference	Chicago, IL	Conference	-	-	-	403.96	726.16	101.50	-	1,231.62		
	8/3-8/7/19	NASRA Annual Conference	Williamsburg, VA	Conference	-	1,175.00	19.73	657.00	1,009.12	71.80	95.00	3,027.65		
	9/11-9/13/19	NCPERS Public Pension Funding Forum	New York, NY	Conference	-	685.00	-	304.00	-	-	-	989.00		
	9/17/19	SACRS Legislative Committee Meeting	Sacramento, CA	Meeting	-	-	-	97.96	-	-	-	97.96		
10/27-10/30/19	NCPERS Public Safety Conference	New Orleans, LA	Conference	-	715.00	-	453.00	-	-	-	1,168.00			
11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	673.74	-	-	793.74			
Sub Total					72.96	4,180.00	277.06	4,561.38	7,717.41	773.20	95.00	17,677.01	11,475.12	
LINDHOLM	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	150.00	-	296.00	255.02	-	-	701.02		
Sub Total					-	150.00	-	296.00	255.02	-	-	701.02	-	
PACKARD	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	425.72	150.00	112.92	-	765.06	75.00	-	1,528.70		
	8/3-8/7/19	NASRA Annual Conference	Williamsburg, VA	Conference	8.70	1,175.00	45.19	614.99	741.84	109.68	-	2,695.40		
	9/12/19	San Diego City's Investment Committee Meeting (1)	San Diego, CA	Meeting	-	-	-	-	-	12.14	-	12.14		
Sub Total					434.42	1,325.00	158.11	614.99	1,506.90	196.82	-	4,236.24	5,803.36	
PREVATT	2/23-2/26/19	NASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	-	1,165.00	7.28	448.60	731.25	128.37	-	2,480.50		
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	416.44	150.00	49.22	-	810.06	75.00	-	1,500.72		
	4/29-5/1/19	Legislative Meetings	Sacramento, CA	Meetings	-	-	117.21	183.27	570.62	57.97	-	929.07		
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	341.00	120.00	63.50	-	706.18	-	-	1,230.68		
	6/7/19	CALAPRS Trustee's Round Table	Burbank, CA	Conference	46.63	125.00	-	-	234.62	26.93	-	433.18		
	7/22-7/24/19	IFEBP International and Emerging Market Investing	San Francisco, CA	Conference	-	4,155.00	31.96	231.60	1,090.77	127.63	-	5,636.96		
	8/3-8/7/19	NASRA Annual Conference	Williamsburg, VA	Conference	-	1,175.00	63.37	585.49	1,049.12	207.66	95.00	3,175.64		
	9/4-9/5/19	2019 Nossaman Fiduciaries' Forum	Berkeley, CA	Conference	-	395.00	34.00	134.96	354.32	-	-	918.28		
	9/12/19	San Diego City's Investment Committee Meeting	San Diego, CA	Meeting	-	-	-	-	-	58.70	-	58.70		
	10/20-10/23/19	IFEBP 65th Annual Conference	San Diego, CA	Conference	-	-	-	-	-	83.30	-	83.30		
11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	673.74	-	-	793.74			
Sub Total					804.07	7,405.00	366.54	1,583.92	6,220.68	765.56	95.00	17,240.77	13,721.00	
VALLONE	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	28.07	120.00	62.74	-	681.18	60.00	-	951.99		
	11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	-	-	-	120.00		
Sub Total					28.07	240.00	62.74	-	681.18	60.00	-	1,071.99	2,777.74	
BOARD Total					1,629.18	23,795.00	1,266.19	10,279.28	22,065.05	2,595.35	190.00	61,820.05	66,980.01	

TRAVEL AND TRAINING EXPENSE REPORT
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Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total*
DELANEY	1/25/19	CALAPRS Administrators Round Table	Burbank, CA	Conference	-	125.00	-	-	235.35	-	-	360.35	
	2/23-2/26/19	NASRA/NIRS Winter System Round Table/Legislative Conference	Washington, D.C.	Conference	-	665.00	24.18	439.19	699.36	136.59	-	1,964.32	
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	150.00	31.41	126.40	460.99	414.67	-	1,183.47	
	4/10-4/13/19	Institutional Investor Protecting Shareholder Rights	New Orleans, LA	Conference	47.21	-	117.98	678.56	823.09	233.60	-	1,900.44	
	4/15-4/16/19	CALAPRS Management Academy	Pasadena, CA	Training	57.54	-	-	-	-	-	-	57.54	
	4/24-4/26/19	Institutional Investor Public Funds Round Table	Los Angeles, CA	Conference	118.90	-	-	-	-	-	15.00	133.90	
	4/29-5/1/19	Legislative Meetings	Sacramento, CA	Meetings	-	-	121.59	-	586.35	109.01	-	816.95	
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	111.70	532.99	347.94	332.74	-	1,445.37	
	5/18-5/19/19	NCPERS Trustee Educational Seminar (2)	Austin, TX	Conference	-	-	-	320.39	-	-	-	320.39	
	6/3-6/6/19	OC Pension Legislative Meetings	Washington, D.C.	Meetings	-	-	158.94	881.48	1,341.48	34.63	-	2,416.53	
	6/20-6/21/19	CALAPRS Board Meeting/Administrators Round Table	San Jose, CA	Meeting/Conference	-	125.00	16.00	284.20	214.15	37.41	-	676.76	
	7/22-7/24/19	CALAPRS Management Academy III	Pasadena, CA	Training	57.42	-	66.43	-	439.63	32.00	-	595.48	
	8/3-8/7/19	NASRA Annual Conference	Williamsburg, VA	Conference	-	1,175.00	37.37	686.99	1,013.21	143.92	-	3,056.49	
	9/11-9/13/19	NCPERS Public Pension Funding Forum (1)(2)	New York, NY	Conference	-	100.00	-	296.60	-	-	-	396.60	
	9/12/19	San Diego City's Investment Committee Meeting	San Diego, CA	Meeting	-	-	-	-	-	-	58.70	58.70	
	9/25-9/27/19	CALAPRS Administrators Institute	Carmel, CA	Conference	-	1,250.00	-	-	-	-	-	1,250.00	
10/24-10/30/19	NCPERS Public Safety Conference/RSA	New Orleans, LA/Montgomery, AL	Conference/Meeting	-	715.00	-	916.60	-	-	-	1,631.60		
11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	538.01	-	-	-	658.01		
Sub Total					281.07	4,545.00	685.60	5,701.41	6,161.55	1,548.27	-	18,922.90	12,189.19
JENIKE	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	19.67	150.00	72.17	155.96	510.04	375.27	-	1,283.11	
	4/14-4/17/19	CRCEA Spring Conference	San Diego, CA	Conference	88.86	75.00	-	-	174.77	-	-	338.63	
	5/13-5/16/19	2019 CEM Global Pension Administration Conference	Los Angeles, CA	Conference	41.18	1,500.00	38.95	-	830.88	123.00	-	2,534.01	
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	7.89	-	-	-	-	-	-	7.89	
	11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total				157.60	1,845.00	111.12	155.96	1,515.69	498.27	-	-	4,283.64	11,196.78
SHOTT	1/27-1/29/19	GFOA/CORBA Committee Meeting	Washington, D.C.	Meeting	-	-	165.00	466.80	550.26	106.50	-	1,288.56	
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	13.75	150.00	137.11	182.30	340.52	266.95	-	1,090.63	
	5/7-5/10/19	SACRS Spring Conference (1)	Lake Tahoe, CA	Conference	-	120.00	-	-	-	-	-	120.00	
	5/18-5/22/19	CORBA/GFOA 113th Annual Conference	Los Angeles, CA	Conference/Meeting	175.51	420.00	191.70	-	620.58	127.80	20.00	1,555.59	
	7/22-7/24/19	Developing Executive Leadership	Dallas, TX	Conference	43.67	2,645.00	206.24	-	855.80	34.85	-	3,785.56	
Sub Total				232.93	3,335.00	700.05	649.10	2,367.16	536.10	20.00	-	7,840.34	20,232.91
TORRES													
Sub Total													3,560.77
EXECUTIVE Total					671.60	9,725.00	1,496.77	6,506.47	10,044.40	2,582.64	20.00	31,046.88	47,179.65
BEESON	9/9-9/11/19	The Carlyle Group Investor Conference	Washington, D.C.	Conference	-	-	34.79	580.30	917.40	124.01	-	1,656.50	
	9/23-9/27/19	Waterson Conference/Due Diligence	Philadelphia, PA/New York, NY/Washington, D.C.	Conference/Due Diligence	-	-	-	580.30	1,648.78	53.00	-	2,282.08	
Sub Total							34.79	1,160.60	2,566.18	177.01	-	3,938.58	5,478.47
CHARY	4/15-4/19/19	Owl Rock	New York, NY	Due Diligence	49.53	-	73.27	716.60	-	263.07	-	1,102.47	
	4/28-5/1/19	Milken Institute Global Conference 2019	Beverly Hills, CA	Conference	57.31	-	-	-	1,511.39	127.34	-	1,696.04	
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	13.27	201.00	498.64	-	-	832.91	
	10/19-10/25/19	Mondrian, Alcentra, Bluebay, Pharo, Ashmore, Park Square	London, UK	Due Diligence	-	-	-	755.53	-	-	-	755.53	
Sub Total				106.84	120.00	86.54	1,673.13	2,010.03	390.41	-	-	4,386.95	7,570.98
CLEBERG	10/25/19	CALAPRS Administrative Assistants Round Table	Oakland, CA	Conference	-	125.00	-	361.96	-	-	-	486.96	
Sub Total								361.96				486.96	516.59
CUARESMA	9/9-9/11/19	Altssv Conference/Due Diligence	San Francisco, CA	Conference/Due Diligence	67.63	-	106.30	97.28	-	54.00	-	325.21	
	9/19-9/23/19	Delivering Alpha Conference/Due Diligence	New York, NY/Philadelphia, PA/Coatesville, PA	Conference/Due Diligence	-	-	-	702.30	-	151.00	-	853.30	
Sub Total				67.63		106.30		799.58		205.00		1,178.51	1,423.24
MURPHY	2/5-2/6/19	San Francisco Employees Retirement System/Due Diligence	San Francisco, CA	Meeting/Due Diligence	-	-	28.53	248.61	373.41	238.12	-	888.67	
	3/13-3/15/19	Women in Private Equity Summit	Dana Point, CA	Conference	27.14	-	-	-	-	36.00	-	63.14	
	4/24-4/26/19	Institutional Investor Public Funds Round Table	Los Angeles, CA	Conference	50.63	-	-	-	797.34	135.00	-	982.97	
	4/28-5/1/19	Milken Institute Global Conference 2019	Beverly Hills, CA	Conference	41.59	-	64.33	-	1,256.46	271.04	-	1,633.42	
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	31.52	560.86	643.12	60.00	-	1,415.50	
	5/12-5/13/19	Warwick	Oklahoma City, OK	Due Diligence	-	-	10.80	466.60	166.62	198.59	-	842.61	
	5/21-5/23/19	Blackrock	San Francisco, CA	Due Diligence	-	-	10.73	109.30	898.54	280.15	-	1,298.72	
	6/26-6/28/19	Institutional Investor Awards	New York, NY	Due Diligence	-	-	50.03	404.00	706.83	202.67	-	1,363.53	
	9/12/19	San Diego City's Investment Committee Meeting	San Diego, CA	Meeting	-	-	-	-	-	58.70	-	58.70	
	11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total				119.36	240.00	195.94	1,789.37	4,842.32	1,480.27	-	-	8,667.26	17,526.93

TRAVEL AND TRAINING EXPENSE REPORT
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Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total*
TUCKER	2/4-2/8/19	Schrodgers, TorreyCove, JPM, Blackstone, Hancock	New York, NY/Boston, MA/Greenwich, CT	Due Diligence	-	-	-	-	-	323.12	-	323.12	-
	2/19-2/21/19	Bridgewater, Stone Point, Advent	New York, NY/Greenwich, CT	Due Diligence	12.82	-	-	-	-	42.15	-	54.97	-
	3/6/19	Warwick, Cross Ocean, and LPAC Meeting	New York, NY	Meeting	-	-	-	-	-	47.94	-	47.94	-
	4/4-4/5/19	GIP IV and Stone Point Trident VII	New York, NY	Due Diligence	-	-	-	697.58	-	132.64	-	830.22	-
	4/24-4/26/19	Institutional Investor Public Funds Round Table	Los Angeles, CA	Conference	-	-	-	-	-	238.67	-	238.67	-
	4/28-5/1/19	Milken Institute Global Conference 2019	Beverly Hills, CA	Conference	10.00	-	-	-	-	94.54	-	104.54	-
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	-	201.00	697.95	15.19	-	1,034.14	-
	5/12-5/13/19	Warwick	Oklahoma City, OK	Due Diligence	-	-	-	628.61	-	45.09	-	673.70	-
	5/21-5/22/19	PIMCO Alternatives day/LongTail Alpha Round Table	Newport Beach, CA	Meeting	-	-	-	-	-	79.28	-	79.28	-
	6/5/19	Clearlake Annual Meeting	Dana Point, CA	Meeting	30.86	-	-	-	-	-	-	30.86	-
	6/6-6/7/19	Stone Point, Angelo Gordon, Jamestown	New York, NY	Meeting	-	-	-	577.58	-	84.11	-	661.69	-
	6/11/19	TorreyCove	San Diego, CA	Meeting	-	-	-	-	-	76.25	-	76.25	-
	6/14-6/18/19	Silver Rock Melody	New York, NY	Due Diligence/Meeting	-	-	-	698.30	-	24.00	-	722.30	-
	7/10/19	KPS Special Situation Funds	New York, NY	Due Diligence/Meeting	-	-	-	326.30	-	11.50	-	337.80	-
7/22-7/23/19	Townsend	San Francisco, CA	Meeting	-	-	-	327.97	-	37.00	30.00	394.97	-	
11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	-	-	-	120.00	-	
Sub Total					53.68	240.00	-	3,457.34	697.95	1,251.48	30.00	5,730.45	-
TURAIGI	4/24-4/26/19	Institutional Investor Public Funds Round Table	Los Angeles, CA	Conference	55.70	-	-	-	797.34	135.00	-	988.04	-
	5/21/2019	PIMCO's 5th Annual Alternative Investments	Newport Beach, CA	Conference	13.41	-	-	-	-	-	-	13.41	-
	11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	673.74	-	-	793.74	-
Sub Total				69.11	120.00	-	-	1,471.08	135.00	-	-	1,795.19	9,116.74
WALANDER-SARKIN	3/13-3/15/19	Women in Private Equity Summit	Dana Point, CA	Conference	33.00	-	-	-	-	36.00	-	69.00	-
	3/25-3/27/19	Manager Due Diligence/Annual Meetings	San Francisco, CA	Due Diligence	-	-	29.05	498.60	792.61	200.35	-	1,520.61	-
	4/24-4/26/19	Institutional Investor Public Funds Round Table	Los Angeles, CA	Conference	58.70	-	-	-	265.78	50.00	-	374.48	-
Sub Total				91.70	-	29.05	498.60	1,058.39	286.35	-	1,964.09	8,309.81	
INVESTMENTS Total				508.32	845.00	452.62	9,740.58	12,645.95	3,925.52	30.00	-	28,147.99	49,942.76
KINSLER	6/6/19	CALAPRS Communications Round Table	Burbank, CA	Conference	27.03	125.00	-	-	-	9.50	-	161.53	-
Sub Total				27.03	125.00	-	-	-	-	9.50	-	161.53	3,620.04
RITCHEY	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	4.06	250.00	-	-	-	5.00	-	259.06	-
	6/6/19	CALAPRS Communications Round Table	Burbank, CA	Conference	27.03	125.00	-	-	-	9.50	-	161.53	-
Sub Total				31.09	375.00	-	-	-	-	14.50	-	420.59	837.57
COMMUNICATIONS Total				58.12	500.00	-	-	-	-	24.00	-	582.12	4,457.61
FLETCHER													
Sub Total				-	-	-	-	-	-	-	-	-	125.00
MATSUO	3/28-3/29/19	Benefits Round Table	Oakland, CA	Conference	-	-	-	358.96	-	71.81	-	430.77	-
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	-	137.97	643.12	168.00	-	1,069.09	-
	9/19/19	CALAPRS Benefits Round Table (2)	Oakland, CA	Conference	-	-	-	193.96	-	-	-	193.96	-
Sub Total				-	120.00	-	690.89	643.12	239.81	-	-	1,693.82	1,063.88
MCINTOSH	3/28-3/29/19	CALAPRS Benefits Round Table	Oakland, CA	Conference	-	-	-	358.96	257.30	86.77	-	703.03	-
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	-	120.00	-	289.30	681.18	95.91	-	1,186.39	-
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
	9/19/19	CALAPRS Benefits Round Table	Oakland, CA	Conference	-	250.00	36.09	201.96	449.12	-	-	937.17	-
	11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	673.74	-	-	793.74	-
Sub Total				-	740.00	36.09	850.22	2,061.34	182.68	-	-	3,870.33	828.47
RATTO	2/20-2/22/19	2019 NAPPA Winter Seminar	Tempe, AZ	Conference	322.60	555.00	190.00	-	811.56	-	-	1,879.16	-
	3/8/19	SACRS Legislative Committee Meeting	Sacramento, CA	Meeting	10.00	-	-	432.96	-	122.64	-	565.60	-
	5/7-5/10/19	SACRS Spring Conference	Lake Tahoe, CA	Conference	12.12	120.00	112.92	219.29	711.18	53.69	-	1,229.20	-
	6/25-6/28/19	NAPPA 2019 Legal Education Conference	San Diego, CA	Conference	48.20	895.00	114.81	-	800.68	110.37	-	1,969.06	-
	10/3-10/6/19	NAPPA Board Meeting	Jackson, WY	Meeting	-	-	-	539.55	-	-	-	539.55	-
	11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	-	-	-	-	120.00	-
Sub Total				392.92	1,690.00	417.73	1,191.80	2,323.42	286.70	-	-	6,302.57	5,364.07
SHARMA	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	-	-	-	-	39.72	-	39.72	-
Sub Total				-	-	-	-	-	-	39.72	-	39.72	99.00
SINGLETON	9/21/19	OC Paralegal Conference	Costa Mesa, CA	Conference	-	160.00	-	-	-	-	-	160.00	-
	10/25/19	CALAPRS Attorney's Round Table	Oakland, CA	Conference	-	125.00	-	295.96	-	-	-	420.96	-
Sub Total				-	285.00	-	295.96	-	-	-	-	580.96	3,062.11
LEGAL Total				392.92	2,835.00	453.82	3,028.87	5,027.88	748.91	-	-	12,487.40	10,542.53

TRAVEL AND TRAINING EXPENSE REPORT
Third QUARTER 2019
Submitted Through September 30, 2019**

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total*
BERCARU	5/17/2019	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
Sub Total					-	250.00	-	-	-	-	-	250.00	-
CAMARILLO	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
	6/20/19	SkillPath Advanced Excel Class	Irvine, CA	Training	-	399.00	-	-	-	-	-	399.00	-
	9/20/19	CALAPRS Benefits Round Table	Oakland, CA	Conference	-	125.00	-	268.96	320.65	-	-	714.61	-
Sub Total					-	774.00	-	268.96	320.65	-	-	1,363.61	-
FIELDS	6/7/19	CALAPRS Benefits Round Table	Burbank, CA	Conference	-	125.00	-	-	-	24.50	-	149.50	-
Sub Total					-	125.00	-	-	-	24.50	-	149.50	148.80
FLORES					-	-	-	-	-	-	-	-	-
Sub Total					-	-	-	-	-	-	-	-	99.00
GARCIA, G					-	-	-	-	-	-	-	-	-
Sub Total					-	-	-	-	-	-	-	-	182.68
GUEVARA					-	-	-	-	-	-	-	-	-
Sub Total					-	-	-	-	-	-	-	-	120.00
HALBUR					-	-	-	-	-	-	-	-	-
Sub Total					-	-	-	-	-	-	-	-	3,129.44
JOVEL	6/7/19	CALAPRS Benefits Round Table	Burbank, CA	Conference	54.40	125.00	-	-	-	19.00	-	198.40	-
Sub Total					54.40	125.00	-	-	-	19.00	-	198.40	-
LOPEZ	6/7/19	CALAPRS Benefits Round Table	Burbank, CA	Conference	-	125.00	-	-	-	-	-	125.00	-
Sub Total					-	125.00	-	-	-	-	-	125.00	-
MARTINEZ, A					-	-	-	-	-	-	-	-	-
Sub Total					-	-	-	-	-	-	-	-	199.00
MARTINEZ, C	9/20/19	CALAPRS Benefits Round Table	Oakland, CA	Conference	-	125.00	-	268.96	224.56	-	-	618.52	-
Sub Total					-	125.00	-	268.96	224.56	-	-	618.52	-
MERIDA	6/7/19	CALAPRS Benefits Round Table	Burbank, CA	Conference	46.40	125.00	-	-	-	19.00	-	190.40	-
Sub Total					46.40	125.00	-	-	-	19.00	-	190.40	158.50
MIRAMONTES	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
Sub Total					-	250.00	-	-	-	-	-	250.00	-
PANAMENO					-	-	-	-	-	-	-	-	-
Sub Total					-	-	-	-	-	-	-	-	120.00
PERSI	4/15-4/16/19	CALAPRS Management Academy I	Pasadena, CA	Training	10.00	3,000.00	-	-	-	17.00	-	3,027.00	-
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
	7/22-7/24/19	CALAPRS Management Academy III	Pasadena, CA	Training	10.00	-	-	-	-	51.00	-	61.00	-
Sub Total					20.00	3,250.00	-	-	-	68.00	-	3,338.00	500.00
RUBIO	6/7/19	CALAPRS Benefits Round Table	Burbank, CA	Conference	-	125.00	-	-	-	-	-	125.00	-
Sub Total					-	125.00	-	-	-	-	-	125.00	120.00
SERRANO	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
Sub Total					-	250.00	-	-	-	-	-	250.00	-
WOOD	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	5.00	-	255.00	-
Sub Total					-	250.00	-	-	-	5.00	-	255.00	-
YU	6/7/19	CALAPRS Benefits Round Table	Burbank, CA	Conference	62.41	125.00	-	-	-	21.00	-	208.41	-
Sub Total					62.41	125.00	-	-	-	21.00	-	208.41	32.00
MEMBER SERVICES Total					183.21	5,899.00	-	537.92	545.21	156.50	-	7,321.84	4,809.42
BARKER	10/23/19	GFOA ERP Readiness & System Selection	Garden Grove, CA	Training	-	576.00	-	-	-	-	-	576.00	-
Sub Total					-	576.00	-	-	-	-	-	576.00	-
BOWMAN	10/20-10/23/19	P2F2 2019 Conference	Salt Lake City, UT	Conference	-	625.00	-	-	-	-	-	625.00	-
	7/10/19	MGO Client Training	Downey, CA	Training	19.37	-	-	-	-	-	-	19.37	-
Sub Total					19.37	625.00	-	-	-	-	-	644.37	3,245.64
DAVEY	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
Sub Total					-	250.00	-	-	-	-	-	250.00	172.28
DURIGON	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	10.00	250.00	-	-	-	5.00	-	265.00	-
	10/16-10/18/19	CALAPRS Intermediate Staff Training	San Jose, CA	Training	-	500.00	-	-	-	-	-	500.00	-
Sub Total					10.00	750.00	-	-	-	5.00	-	765.00	-
GUERRERO	4/26/19	CALAPRS Accountants Round Table	San Jose, CA	Conference	-	125.00	38.87	185.96	282.73	-	-	632.56	-
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	-
	9/20/19	CALAPRS Accountants Round Table	Oakland, CA	Conference	-	125.00	49.50	233.96	280.23	-	-	688.69	-
	10/16-10/18/19	CALAPRS Intermediate Staff Training	San Jose, CA	Training	-	500.00	-	-	-	-	-	500.00	-
Sub Total					-	1,000.00	88.37	419.92	562.96	-	-	2,071.25	-
KANG	9/20/19	CALAPRS Accountants Round Table	Oakland, CA	Conference	10.00	125.00	46.31	381.96	381.27	-	-	944.54	-
Sub Total					10.00	125.00	46.31	381.96	381.27	-	-	944.54	2,992.93
REYES	10/23/19	GFOA ERP Readiness & System Selection	Garden Grove, CA	Training	-	576.00	-	-	-	-	-	576.00	-
Sub Total					-	576.00	-	-	-	-	-	576.00	155.17
WEHRT	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	10.00	250.00	-	-	-	5.00	-	265.00	-
Sub Total					10.00	250.00	-	-	-	5.00	-	265.00	-
FINANCE Total					49.37	4,152.00	134.68	801.88	944.23	10.00	-	6,092.16	6,566.02

TRAVEL AND TRAINING EXPENSE REPORT
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Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total*
ACUNA	9/19/19	CAIAPRS Disability Staff Training	Oakland, CA	Training	-	250.00	-	135.96	224.56	-	-	610.52	
Sub Total					-	250.00	-	135.96	224.56	-	-	610.52	566.66
CORTEZ	5/17/2019	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	
Sub Total					-	250.00	-	-	-	-	-	250.00	341.09
LINARES					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	120.00
SANDOVAL					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	174.80
DISABILITY Total					-	500.00	-	135.96	224.56	-	-	860.52	1,202.55
D'AIELLO					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	81.52
DOEZIE	4/15-4/16/19	CALAPRS Management Academy I	Pasadena, CA	Training	54.98	3,000.00	25.00	-	201.60	14.00	-	3,295.58	
	6/10-6/12/19	CALAPRS Management Academy II	Pasadena, CA	Training	58.00	-	50.00	-	403.20	28.00	-	539.20	
	7/22-7/24/19	CALAPRS Management Academy III	Pasadena, CA	Training	54.98	-	60.86	-	403.20	51.00	-	570.04	
Sub Total					167.96	3,000.00	135.86	-	1,008.00	93.00	-	4,404.82	2,074.50
DURRAH	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	
	9/25-9/27/19	2019 LinkedIn Talent Connect Conference	Dallas, TX	Conference	-	975.00	-	613.96	542.88	36.00	-	2,167.84	
	8/26-8/28/19	PIHRA HR Conference	Long Beach, CA	Conference	41.76	595.00	-	-	-	46.00	-	682.76	
Sub Total					41.76	1,820.00	-	613.96	542.88	82.00	-	3,100.60	1,191.44
GUNSOLLEY	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	
	11/12-11/15/19	SACRS Fall Conference	Monterey, CA	Conference	-	120.00	-	398.60	965.28	-	-	1,483.88	
Sub Total					-	370.00	-	398.60	965.28	-	-	1,733.88	-
HOCKLESS					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	5,835.50
MURRIETTA	2/21/19	Communicate with Tact and Professionalism	Anaheim, CA	Training	10.00	-	-	-	-	16.00	-	26.00	
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	7.89	250.00	-	-	-	5.00	-	262.89	
Sub Total					17.89	250.00	-	-	-	21.00	-	288.89	796.38
WOZNIUK	1/30/19	Leadership Skills Seminar	Anaheim, CA	Conference	10.00	-	-	-	-	16.00	-	26.00	
	4/16/19	Dealing with Difficult People	Anaheim, CA	Conference	10.00	-	-	-	-	8.00	-	18.00	
	5/7/19	Managing Conflict and Confrontation	Anaheim, CA	Conference	10.00	-	-	-	-	8.00	-	18.00	
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	
Sub Total					30.00	250.00	-	-	-	32.00	-	312.00	381.74
ADMINISTRATION Total					257.61	5,690.00	135.86	1,012.56	2,516.16	228.00	-	9,840.19	10,361.08
JOHNSON	8/19-8/23/19	SharePoint Fest/Office 365	Seattle, WA	Conference	-	2,195.00	153.10	356.60	1,253.85	116.00	-	4,074.55	
Sub Total					-	2,195.00	153.10	356.60	1,253.85	116.00	-	4,074.55	3,469.28
LARA	5/12-5/15/19	2019 PRISM Conference	Indianapolis, IN	Conference	57.65	650.00	36.00	376.60	698.49	208.52	-	2,027.26	
	8/18-8/24/19	SharePoint Fest/Office 365	Seattle, WA	Training	-	2,195.00	237.91	532.99	1,516.90	319.16	-	4,801.96	
Sub Total					57.65	2,845.00	273.91	909.59	2,215.39	527.68	-	6,829.22	2,889.79
NANDI	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	
Sub Total					-	250.00	-	-	-	-	-	250.00	-
SADOSKI					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	6,699.00
IT Total					57.65	5,290.00	427.01	1,266.19	3,469.24	643.68	-	11,153.77	13,058.07

TRAVEL AND TRAINING EXPENSE REPORT
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Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2019 YTD Total	2018 Total*
ADVIENTO	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	
	7/7-7/10/19	The IIA's 2019 International Conference	Anaheim, CA	Conference	20.88	1,500.00	-	-	-	54.00	-	1,574.88	
	11/18/19	Auditing Employee Benefit Plans	Irvine, CA	Training	-	299.00	-	-	-	-	-	299.00	
Sub Total					20.88	2,049.00	-	-	-	54.00	-	2,123.88	7,036.11
KIM	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	41.64	150.00	58.11	186.60	510.04	279.75	-	1,226.14	
	5/5-5/8/19	APPFA Spring 2019 Conference	New Orleans, LA	Conference	41.99	425.00	46.71	346.60	547.37	190.18	-	1,597.85	
	5/7-5/10/19	SACRS Spring Conference (1)	Lake Tahoe, CA	Conference	-	120.00	-	-	-	-	-	120.00	
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	7.31	250.00	-	-	-	-	5.00	262.31	
	7/7-7/10/19	IIA 2019 International Conference	Anaheim, CA	Conference	20.47	1,775.00	-	-	-	72.00	-	1,867.47	
Sub Total					111.41	2,720.00	104.82	533.20	1,057.41	546.93	-	5,073.77	918.33
INTERNAL AUDIT Total					132.29	4,769.00	104.82	533.20	1,057.41	600.93	-	7,197.65	7,954.44
EAKIN	2/1/19	CALAPRS Trustee's Round Table	Oakland, CA	Conference	-	-	-	257.40	-	-	-	257.40	
	2/2-2/9/19	SANS Security East 2019	New Orleans, LA	Training	-	7,379.00	327.63	448.00	1,566.31	98.43	-	9,819.37	
	3/2-3/5/19	CALAPRS General Assembly	Monterey, CA	Conference	-	150.00	72.66	511.60	255.02	114.40	-	1,103.68	
	4/30-5/1/19	Gartner EITL Spring Peer Forum	Fort Lauderdale, FL	Conference	-	-	55.68	513.00	318.66	68.14	-	955.48	
	5/12-5/15/19	2019 PRISM Conference	Indianapolis, IN	Conference	-	650.00	-	-	-	-	-	650.00	
	5/17/19	CALAPRS Overview Course in Retirement	Costa Mesa, CA	Conference	-	250.00	-	-	-	-	-	250.00	
	6/17-6/20/19	2019 Gartner Security & Risk Summit	National Harbor, MD	Conference	-	-	159.05	745.60	1,393.20	148.54	-	2,446.39	
Sub Total					-	8,429.00	615.02	2,475.60	3,533.19	429.51	-	15,482.32	7,466.60
GOSSARD	1/14-1/19/19	SANS Training Program for CISSP	Sanja Rosa, CA	Training	-	7,029.00	298.79	217.20	1,481.20	30.00	-	9,056.19	
	5/12-5/15/19	2019 PRISM Conference	Indianapolis, IN	Conference	-	650.00	50.73	380.80	698.49	20.89	-	1,800.91	
	6/17-6/20/19	2019 Gartner Security & Risk Summit	National Harbor, MD	Conference	45.76	3,150.00	149.86	824.59	1,393.20	61.01	-	5,624.42	
Sub Total					45.76	10,829.00	499.38	1,422.59	3,572.89	111.90	-	16,481.52	2,750.87
INFORMATION SECURITY Total					45.76	19,258.00	1,114.40	3,898.19	7,106.08	541.41	-	31,963.84	10,217.47
Total					3,986.03	83,258.00	5,586.17	37,741.10	65,646.17	12,056.94	240.00	208,514.41	233,271.61

Footnotes:
* Prior year totals only presented for 2019 active staff & Board members.
** Excludes expenses for non-travel related training conferences including: misc. lunches, meetings, mileage, strategic planning, and tuition reimbursement.
1 Trip cancelled. Expenses do not qualify for full refund due to cancellation outside policy.
2 Trip cancelled and a credit has been placed on the airlines account which will be applied towards a future trip.
3 Registration fee includes hotel cost.

I-7

Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: BOARD COMMUNICATIONS

Written Report

Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

News Links

The various news and informational articles that have been shared with the full Board are being provided to you here by web link address. By providing the links in this publicly available report, we comply with both the Brown Act public meeting requirements, as well as avoid any copyright issues.

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

Steve Delaney:

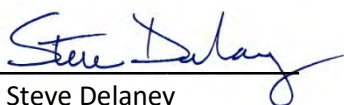
“Drastic age proposal in Scotland, but recall that “adult” life expectancy was only 65 when Social Security and its “Age 65 normal retirement age” began in 1930”

<https://www.heraldscotland.com/news/17845112.warnings-plans-raise-state-pension-age-75/>

“Interesting article on various actions being considered by a private sector employer to manage its pension liabilities.”

<https://finance.yahoo.com/news/fedexs-major-pension-plan-risking-191500431.html>

Submitted by:



Steve Delaney
Chief Executive Officer

I-8

Memorandum

DATE: September 26, 2019
TO: Members of the Board of Retirement
FROM: Brenda Shott, Assistant CEO, Internal Operations and Jon Gossard, Information Security Manager
SUBJECT: BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN EXERCISE EXECUTIVE SUMMARY

Written Report

Background/Discussion

Recognizing that business continuity and disaster recovery planning is a critical component of meeting our obligation to generate member benefit payments each month and perform other core processes, OCERS engaged the services of Avalution Consulting in 2015 to assist with the creation of a formal business continuity (BC) and disaster recovery (DR) program. This process consisted of conducting business impact analyses for each of the major departments in OCERS, identifying and prioritizing core business processes, defining recovery time objectives and creating department recovery plans as well as agency-wide crisis management and crisis communications plans. OCERS now has a Crisis Management Team (CMT) which meets quarterly to review and discuss BC/DR matters. Additionally, the CMT conducts two tabletop exercises each calendar year, which allows the team to role-play scenarios involving the loss of one or more of the following areas: facility, technology, personnel, and/or critical third-party vendor(s).

The objectives of the tabletop exercises are four-fold:

- **Create awareness:** Prepare for a real event by creating awareness among recovery stakeholders of processes, plans and tools.
- **Enable improvement:** Further develop plans, strategies, and tools based on lessons learned and participant feedback.
- **Gain plan familiarity:** Familiarize participants with the crisis management plan and department recovery plans, and provide a forum that allows participants to practice using plans.
- **Validate strategies:** Validate strategies and procedures that enable successful response and recovery efforts

2019 Q3 Tabletop Exercise Report

On Tuesday, July 30, 2019, OCERS' Crisis Management Team (CMT) conducted its seventh tabletop exercise to test and improve upon its Business Continuity Crisis Management Plan. Members of the CMT and alternates gathered at 9 A.M. for the morning's proceedings. Jon Gossard and Jim Doezie (BC Program Coordinators) kicked off the meeting with an update of BC-related activities at OCERS. Jon and Jim also introduced the County of Orange Service Continuity Manager, Patrick Johnson, and Privacy Officer, Linda Lee, who were both present at the exercise. Avalution facilitators, John Verdi and Kailey Eaton, provided a brief introduction of the day's agenda before running through a 30-minute refresher on the BC program, opportunities for leveraging the Catalyst

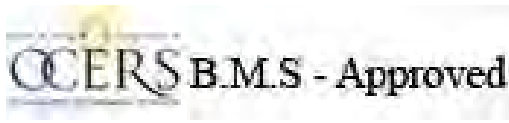
Incidents module, as well as objectives for the exercise. After reorienting the CMT to the program, the facilitators began the exercise at approximately 10 A.M.

The OCERS Q3 2019 tabletop exercise involved a three-phase (initial response, recovery, and return to normal) scenario centered around an anthrax attack at OCERS headquarters. The scenario forced the team to determine remote work logistics during an extended facility outage, which were actually tested during the exercise by a few Finance team members, and threat response procedures. Additionally, the scenario forced the CMT to work through how the team would communicate both internally, as well as externally to all interested stakeholders, including the media. During each phase of the exercise, the facilitators presented facts about the situation, after which the team discussed how they would respond to the scenario. After working through each phase, the facilitators paused the conversation to recap and pose several questions designed to evaluate if the team was considering key points. During the first two phases of the exercise, the facilitators presented the team with several scenario injects via the Catalyst Incidents module that added additional layers of complexity to the situation.

All participants in the exercise were actively engaged and worked collaboratively to take action on plan strategies. Additionally, representatives from the County of Orange were able to participate in the exercise, which provided new insight to preparedness and response capabilities. The objectives of the tabletop exercise were met, with team members reiterating awareness of individual roles and responsibilities, identifying areas of improvement in the crisis management plan, reinforcing high-level recovery strategies and validating those strategies, insofar as possible when role-playing a disaster scenario.

The next BC/DR plan tabletop exercise is scheduled for Tuesday, January 28, 2020. The BC Coordinator team will be working to develop a scenario with the goal of creating a challenging and thought-provoking exercise that will improve OCERS' current business continuity and disaster recovery plans and better validate the organization's preparedness at an agency- and a department-level in the event of a disaster.

Submitted by:



Brenda Shott
Assistant CEO, Internal Operations



Jon Gossard
Information Security Manager

1-10



Memorandum

DATE: October 02, 2019
TO: Members of the Board of Retirement
FROM: Cynthia Hockless, Director of Administrative Services
SUBJECT: **GENERAL AND RETIRED BOARD MEMBER ELECTION UPDATE**

Recommendation

Receive and File

Background/Discussion

On July 18, 2019, OCERS requested the Registrar of Voters conduct an election for the General and Retired Board seats with a term of office from January 01, 2020 through December 31, 2022. The following two qualified candidates submitted nomination paperwork:

- Adele Tagaloa - General Member election
- Frank E. Eley - Retired Member election

On August 16, 2019, the Registrar of Voters determined only one qualified candidate filed nomination papers for each seat. The Orange County Employees Retirement System's Election Procedures state: *"If there is only one qualified candidate for an office, no election shall be held...The Board of Supervisors shall declare that candidate to be duly elected to the Board of Retirement for the term specified."*

Neal Kelley, Chief Election Official, at the Registrar of Voters is scheduled to recommend that the Board of Supervisors approve the appointment of Adele Tagaloa to the position of General Member and Frank E. Eley to the position of Retired Member at the October 22, 2019, Board of Supervisor's meeting.

Submitted by:

A handwritten signature in cursive script that reads "Cynthia Hockless" is written over a horizontal line.

Cynthia Hockless

Director of Administrative Services

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Form
**Report of Attendance at
Conference or Seminar**

Name of Employees Attending: Felicia Durrah

Name of Conference/Seminar: 2019 California Professionals in Human Resources (PIHRA) Conference

Location of Conference/Seminar: Long Beach Convention Center 300 E. Ocean Blvd. Long Beach, CA

Conference/Seminar Sponsor: Professional in Human Resources Management (PIHRA)

Dates of Attendance: August 26 – 28, 2019

Total Cost of Attendance: Total cost of attendance \$682.76 - (Registration: \$595.00, Parking: \$46.00 and Mileage: \$41.76.)

Brief Summary of Information and Knowledge Gained:

The 2019 California HR Conference provided the opportunity to acquire knowledge, network with diverse professionals and engage with vendors offering HR products and services. The conference included breakout sessions, keynote speakers and mega sessions that focused on the latest trends in HR, professional development, leadership, employee engagement and HR as a Strategic Business Partner. Some of the sessions attended included Acknowledging and Dealing with Unconscious Bias, Leading with Purpose to Create Strategic Impact, Workforce Trends That Will Redefine the Workplace and Creating an Effective Employee Experience Strategy Using HR Metrics. In addition to the breakout sessions, the conference included keynote speakers that covered trending topics impactful to the organization. Linda Hill – Professor at Harvard Business School and Best Selling Author of Collective Genius: The Art and Practice of Leading Innovation, presented on the topic “Developing Talent That Can Lead Innovation and Digital Transformation.” Linda discussed the three imperatives of leadership, the role of exceptional leaders of innovation and how leadership is not about following you to the future, but co-creating the future with you. In Linda’s presentation, she stated “not only do we have to look at and close the performance gaps; we also have to look at and close/reduce the opportunity gaps.” In addition to the Keynote session, I had the pleasure of attending one of the Mega Sessions, a panel discussion moderated by Larry Edmond, Managing Director at Gallup. On the panel were three CHRO’s who discussed insights into the future of HR. The panel members included Mary Finch, EVP and CHRO of AECOM, Michelle Bonfilio, CHRO of Petco and Marissa Andrada, CHRO of Chipotle Mexican Grill. A few of the topics covered included how each CHRO is working to fill the skills gap, potential jobs that will be replaced and how HR needs to prepare for the future.

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Report of Attendance at Conference or Seminar

Evaluation of the Conference or Seminar:

Overall, the conference provided instrumental and conceptual knowledge useful to HR professionals. The keynote speakers and mega sessions were motivating and inspiring and the breakout sessions were engaging and informative. The knowledge transfer and understanding of how HR leaders can effectively influence strategic impact, develop the competencies CEO's feel strategic HR leaders should have and create an effective employee experience strategy using HR metrics were some of the highlights of the conference.

Recommendation Concerning Future Attendance:

The conference provides the opportunity to network with other professionals from diverse industries, transfer knowledge and share ideas. I recommend continued attendance at the California HR Conference for HR professionals and front line supervisors.

Felicia Durrah, Staff Analyst

Signature

Return to: Executive Assistant

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

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Form
**Report of Attendance at
Conference or Seminar**

Name of Employees Attending: Felicia Durrah

Name of Conference/Seminar: 2019 LinkedIn Talent Connect Conference

Location of Conference/Seminar: Kay Bailey Hutchinson Convention Center – 650 S. Griffin St. Dallas TX 75202

Conference/Seminar Sponsor: LinkedIn

Dates of Attendance: September 25 – 27, 2019

Total Cost of Attendance: Total cost of attendance \$2,179.20 - (Registration: \$975.00, Hotel: \$542.87, Flight: \$613.96 and Mileage: \$47.37)

Brief Summary of Information and Knowledge Gained:

The 2019 LinkedIn Talent Connect Conference provided the opportunity to learn about LinkedIn products tools and resources, acquire new knowledge and network with diverse professionals. The theme for the conference was “better together” and included breakout sessions with industry leaders, experts and influencers that discussed relevant topics and provided tools and key information regarding the latest trends in the area of talent acquisition. Some of the session attended included From Talent Management to People Success, Creating Connections with your Candidates Through Job Ads, The Art of Storytelling, Employer Branding, 8 Ways to Turn Every Employee Into A Learner and Executive Recruiting & Talent Mapping.

In addition to the breakout sessions, the conference included inspiring keynote speakers that covered impactful topics beneficial to OCERS and my professional development. Cynthia Marshall, CEO at the Dallas Mavericks, spoke on “Leading with Heart”, “Leading with Inspiration” and “Leading with Intent”. In Cynthia’s presentation, she discussed removing obstacles, making the vision and values clear and her 100-day plan used to change the culture and create a values-based leadership strategy at the Dallas Mavericks. Jeff Weiner, CEO at LinkedIn presented on closing the network gap, finding the right mentor, building and establishing a network and LinkedIn’s plus one pledge. In his presentation, Jeff discussed the growth of LinkedIn’s investment in Artificial Intelligence (AI); how LinkedIn has improved the tools and resources available to HR professionals to attract and develop skilled talent and reducing the network gap. At the end of Jeff’s discussion, he challenged all attendees to take the plus one pledge, a pledge to help close the network gap by connecting people with resources that may not be available to them. All attendees were offered three (3) LinkedIn premium subscription gift cards to assist with reducing the network gap. Attendees were asked to give each of the gift cards to one person outside of our network and asked to

Report of Attendance at Conference or Seminar

share our story on LinkedIn. Dean Carter, CHRO at Patagonia discussed “Being Stoked: The Power of Living Values Wildly”. Dean spoke on the values and philosophies behind the unconventional culture at Patagonia. He described Patagonia as a cause disguised as a company and discussed the business impact to the organization by adding on-site childcare and how HR can earn a more valuable seat at the table. The last keynote speaker of the conference was a conversation LinkedIn CMO Shannon Brayton had with former first lady, Michelle Obama. In the conversation, Michelle spoke on the importance of diversity; how diversity drives the best answers and the best outcomes at an organization. Michelle went on to discuss the importance of liking yourself, using failure as the key to success, admired leadership traits, the importance of understanding your strengths, filling your weaknesses with people who lift you up, succession planning and cultivating great talent to replace you.

Evaluation of the Conference or Seminar:

Overall, the conference provided instrumental and conceptual knowledge useful that will prove to be useful in my current role. The keynote speakers were inspiring and beyond what I expected. The breakout sessions were engaging and informative and the product demonstrations were helpful. The knowledge transfer and the opportunity to increase my impact and influence at OCERS will be helpful to the growth of my role and ability to grow as a leader.

Recommendation Concerning Future Attendance:

The conference provides the opportunity to network with other professionals from diverse industries, transfer knowledge and share ideas. I recommend continued attendance at the LinkedIn Talent Connect Conference for HR professionals.

Felicia Durrah, Staff Analyst

Signature

Return to: Executive Assistant

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

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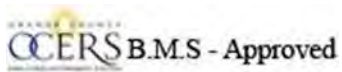


Memorandum

DATE: October 21, 2019
TO: Members of the Board of Retirement
FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations
SUBJECT: **REPORT OF ACTION TAKEN IN CLOSED SESSION ON AUGUST 19, 2019 PURSUANT TO GOVERNMENT CODE SECTION 54957.1**

Verbal Report

Submitted by:



Brenda Shott
Assistant CEO, Finance and Internal Operations