

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

**REGULAR MEETING
Monday, November 14, 2022
9:30 A.M.**

MINUTES

Chair Eley called the meeting to order at 9:31 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Frank Eley, Chair; Shawn Dewane, Vice Chair; Adele Tagaloa, Charles Packard, Chris Prevatt, Richard Oates, Wayne Lindholm, Arthur Hidalgo, Shari Freidenrich, Jeremy Vallone

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

Guests: Harvey Leiderman, ReedSmith

CONSENT AGENDA

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

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

- Steven Hoffman

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

October 17, 2022

Recommendation: Approve minutes.

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

The motion passed **unanimously**.

C-3 OUTCOMES FROM THE GOVERNANCE COMMITTEE MEETING ON OCTOBER 19, 2022

Recommendation: The Governance Committee recommends that the Board adopt the following:

- (1) Revisions to the Withdrawing Employer (Fully Satisfied Obligation) Policy as presented
- (2) Revisions to the Withdrawing Employer (Continuing Obligation) Policy as presented
- (3) Revisions to the Declining Payroll Policy as presented
- (4) Revisions to the Actuarial Funding Policy as presented
- (5) Revisions to the Interest Crediting and Reserves Policy as presented
- (6) Revisions to the Travel Policy as presented

Pulled for discussion (see A-1)

DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

DC-1: KENNETH BURMOOD

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

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as January 14, 2022.

DC-2: JOHN GRAY

Fire Captain/Paramedic, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-3: JASON LUONG

Correctional Services Assistant, Orange County Sheriff’s Department (General Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-4: EDDIE MEDRANO

Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-5: JOHN PATTERSON

Deputy Sheriff I, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-6: LEONIKA RECITES

Senior Institutional Cook, Orange County Probation Department (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as June 3, 2022, the day after last date of regular compensation as a Senior Institutional Cook.
- 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 June 3, 2022, the date of the position change until the day Ms. Recites wishes to retire from the new position.

DC-7: TODD RUSS

Lieutenant, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-8: GLENN STITZ

Court Collection Officer I, Orange County Superior Court (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Deny service connected disability retirement due to insufficient evidence of job causation.

DC-9: SUZANNE TINKLER

Deputy Sheriff I, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as April 8, 2022.

DC-10: ROBERT TWEEDY

Sheriff's Special Officer II, Orange County Sheriff's Department (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as December 27, 2021.

DC-11: KELLY ZIMMERMAN

Battalion Chief, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 25, 2022.

MOTION by Ms. Tagaloa, **SECONDED** by Mr. Packard, to approve the Disability Consent Agenda items, DC-1 through DC-11 with the correction of DC-1 to have the documentation to match the agenda recommendation.

The motion passed **unanimously**.

END OF DISABILITY/MEMBER BENEFITS AGENDA

ACTION ITEMS

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA
C-3 OUTCOMES FROM THE GOVERNANCE COMMITTEE MEETING ON OCTOBER 19, 2022**

Recommendation: The Governance Committee recommends that the Board adopt the following:

- (1) Revisions to the Withdrawing Employer (Fully Satisfied Obligation) Policy as presented
- (2) Revisions to the Withdrawing Employer (Continuing Obligation) Policy as presented
- (3) Revisions to the Declining Payroll Policy as presented
- (4) Revisions to the Actuarial Funding Policy as presented
- (5) Revisions to the Interest Crediting and Reserves Policy as presented
- (6) Revisions to the Travel Policy as presented

Ms. Freidenrich asked staff to confirm she was correctly interpreting the second sentence of Section 33 of the Travel Policy. Upon receipt of that confirmation from the legal division, the Board acted in the following way.

MOTION by Ms. Freidenrich, **SECONDED** by Ms. Tagaloa, to approve the recommendation of the Governance Committee.

The motion passed **unanimously**.

**A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND
ADOPTION OF BOARD RESOLUTION 2022-11**

Presentation by Gina Ratto, General Counsel, OCERS

Recommendation: That the Board:

- (1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:
 - i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; **and/or**
 - ii. State or local officials continue to impose or recommend measures to promote social distancing; and
- (2) If the Board so determines, adopt Board of Retirement Resolution 2022-11 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

MOTION by Mr. Dewane, **SECONDED** by Mr. Lindholm, to approve staff recommendation.

The motion passed **unanimously**.

A-3 OCERS CERTIFICATION INCENTIVE PROGRAM

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation:

1. The Personnel Committee recommends the Board of Retirement approve the addition of three certifications to the OCERS Certification Incentive Program, providing 5.5% in additional salary. Such additions to first become available on January 1, 2023. The three additions are:
 - a. Certified Information Systems Security Professional
 - b. Certified Internal Auditor
 - c. SHRM - Senior Certified Professional
2. The Personnel Committee recommends the Board of Retirement approve a requirement of a minimum of 20 hours of continuing education (CE) each year for any certification that does not have a CE requirement set by its governing Board. Such requirement to become effective January 1, 2023, with professional documentation to be provided by December 2023 to confirm compliance.

MOTION by Mr. Dewane, **SECONDED** by Ms. Freidenrich, to approve staff recommendation.

The motion passed **unanimously**.

A-4 OCERS' PROPOSED ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2023

Presentation by Brenda Shott, Assistant CEO, Internal Operations, and Steve Delaney, CEO

Recommendation: Adopt the Proposed Administrative Budget for Fiscal Year 2023 in the amount of \$39,874,896 which includes:

- a. Personnel costs in the amount of \$23,697,171
- b. Services and supplies in the amount of \$14,951,725
- c. Capital expenditures in the amount of \$1,226,000

Ms. Freidenrich temporarily leaves the meeting to fulfill other duties at 10:39am.

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

The motion passed **unanimously**, absent Ms. Freidenrich.

The Board recessed for break at 11:00 a.m.

The Board reconvened from break at 11:20 a.m.

Recording Secretary administered the Roll Call attendance.

A-5 CONSULTING ACTUARY SERVICES – SELECTION OF SERVICE PROVIDER

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation:

1. Approve Segal as OCERS' Consulting Actuary subject to contract negotiations
- OR
2. Move Segal to be a finalist for an interview presentation at the December 15, 2022, Regular Board Meeting

MOTION by Mr. Dewane, **SECONDED** by Mr. Packard, to Approve Segal as OCERS' Consulting Actuary subject to contract negotiations.

The motion passed **unanimously**.

A-7 ADOPT 2023 BOARD MEETING CALENDAR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Take appropriate action.

MOTION by Mr. Dewane, **SECONDED** by Mr. Packard, to approve staff suggestions for Board Meeting dates, with the exception of moving the Board and Disability Committee meetings from May 15 to May 17, 2023.

The motion passed **unanimously**.

CLOSED SESSION

Adjourn to closed session at 11:34 am.

E-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957

Adjourn to closed session pursuant to Government Code Section 54957

Position to be evaluated: Chief Executive Officer

Recommendation: Take appropriate action.

Return to open session at 12:53pm.

No reportable action taken

Adjourn to Lunch at 12:53pm

Returned at 1:34pm

Recording Secretary administered the Roll Call attendance.

A-6 ANNUAL CEO PERFORMANCE REVIEW AND COMPENSATION

Recommendation: Take appropriate action.

After discussion, this item was tabled and will be revisited in December after staff gather more information.

INFORMATION ITEMS

Presentations

I-1 COVID-19 UPDATE

Presentation by Steve Delaney, Chief Executive Officer, OCERS

CEO Delaney shared about the OCERS approach to COVID-19, with staff continuing a hybrid attendance program.

WRITTEN REPORTS

R-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices
Death Notices

November 14, 2022
November 14, 2022

R-2 COMMITTEE MEETING MINUTES

- August 2022 – Governance Committee Minutes
- September 2022 - Personnel Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2022 OCERS BOARD WORK PLAN

Written Report

R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

R-5 BOARD COMMUNICATIONS

Written Report

R-6 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Written Report

R-7 THIRD QUARTER 2022 BUDGET TO ACTUALS REPORT
Written Report

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- CEO thanks the Board for an open and transparent conversation regarding his compensation.

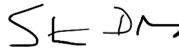
COUNSEL COMMENTS- The GC, in consultation with he CEO, has retained counsel to represent OCERS in connection with the Administrative Hearing to be held at the San Bernadino County Employee Retirement Association (SBCERA) in the disability application of former OCERS employee, Mr. Jeffrey Gross. Michelle Gerke (ReedSmith) will represent OCERS in its role as the Employer, and Ashley Dunning (Nossaman LLP) will represent OCERS in its role as the Benefit Administrator. The recommendations of the hearing officer will be presented to the OCERS Board for final decision.


BOARD MEMBER COMMENTS - None

Meeting **ADJOURNED** at 2:24pm in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

Approved by:

DocuSigned by:

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Steve Delaney
Secretary to the Board

DocuSigned by:

9F34288D95E247Z...
Frank Eley
Chairman