

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

**REGULAR MEETING
Tuesday, February 21, 2023
9:30 A.M.**

MINUTES

Chair Dewane called the meeting to order at 9:32 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person: Shawn Dewane, Chair; Adele Tagaloa, Vice Chair; Charles Packard, Chris Prevatt, Richard Oates, Arthur Hidalgo, Shari Freidenrich, Wayne Lindholm, Roger Hilton

Present via Zoom: 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; Manuel Serpa, Deputy General Counsel; David Kim, Director of Internal Audit; Tracy Bowman, Director of Finance; Jeff Lamberson, Director of Member Services; Silviu Ardeleanu, Director of Member Services; Fong Tse, Operations Manager; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Harvey Leiderman, ReedSmith; Maytak Chin, ReedSmith; Andy Yeung, Segal; Paul Angelo, Segal; Todd Tauzer, Segal

Absent:

ACTION ITEM

A-4 2023 COST OF LIVING ADJUSTMENT

Presentation by Suzanne Jenike, Assistant CEO of External Operations, OCERS; Andy Yeung, and Paul Angelo, Segal

Recommendation: Adjust all applicable benefit allowances by 3% effective April 1, 2023, and bank 4.5%, in accordance with Government Code section 31870.1, resulting from the 7.45% change to CPI in calendar year 2022 (rounded to 7.5%).

MOTION by Mr. Hilton, **SECONDED** by Ms. Tagaloa, to approve staff recommendation.

The motion passed **unanimously**.

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.

- Lewis, Demetra
- Rozenberg, Monica

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

January 17, 2023

Recommendation: Approve minutes.

C-3 AMEND OCERS CONFLICT OF INTEREST CODE TO ADD TWO POSITIONS AS FORM 700 FILERS

Recommendation: Approve amendments to the OCERS Conflict of Interest Code to designate the Director of Member Services and the Senior Manager of Facilities and Operations as positions required to file a Form 700.

Ms. Freidenrich pulled C-3 for discussion to A-1.

MOTION by Mr. Lindholm, **SECONDED** by Mr. Hilton, to approve the Consent Agenda items, C-1 and C-2.

The motion passed **unanimously**.

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

C-3 AMEND OCERS CONFLICT OF INTEREST CODE TO ADD TWO POSITIONS AS FORM 700 FILERS

Recommendation: Approve amendments to the OCERS Conflict of Interest Code to designate the Director of Member Services and the Senior Manager of Facilities and Operations as positions required to file a Form 700.

Ms. Freidenrich asked if we should review the list of filers for the Form 700 to determine if there are additional filers are needed as there are additional staff who submit materials and suggestions to the Board. Mr. Serpa explained that Form 700 filers have been determined to be staff that are

decision makers. With that discussion, **MOTION** by Ms. Freidenrich, **SECONDED** by Mr. Dewane, to approve C-3.

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT ITEMS

DC-1: MICHAEL BAKER

Heavy Equipment Technician II, Orange County Fire Authority (General Member)

Recommendation: Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as May 6, 2022.

DC-2: ROBERT BIALOBRESKI

Fire Captain, Orange County Fire Authority (Safety Member)

Recommendation: Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as May 3, 2022.

DC-3: KENNETH BLOCK

Investigator, Orange County District Attorney’s Office (Safety Member)

Recommendation: Disability Committee recommends that the Board:

- Grant non-service connected disability retirement.
- Set the effective date as June 5, 2020.
- Deny service connected disability retirement due to insufficient evidence of job causation.

DC-4: JUANITA BRACAMONTES

Deputy Juvenile Correctional Officer II, Orange County Probation Department (Safety Member)

Recommendation: Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as February 12, 2021.
- 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 pay allowance effective March 12, 2021.

DC-5: GARRETT DEGIORGIO

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

Recommendation: Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 11, 2022.

DC-6: CHRISTOPHER ESPOSITO

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

Recommendation: Disability Committee recommends that the Board:

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

DC-7: ANTHONY MILLER

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

Recommendation: Disability Committee recommends that the Board:

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

DC-8: PEDRO PEREZ-ESTRADA

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

Recommendation: Disability Committee recommends that the Board:

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

DC-9: GREGORY RISKO

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

Recommendation: 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-10: STEVEN WELCH

Fire Captain, Orange County Fire Authority (Safety Member)

Recommendation: 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. Lindholm, to approve items, DC-1 through DC-10 on the Disability Consent Agenda.

The motion passed **unanimously**.

CLOSED SESSION

DA-2: EDNA HERNANDEZ

Coach Operator, Orange County Transportation Authority

Recommendation: Disability Committee recommends that the Board:

- Approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Findings and Decisions in an OCERS Service-Connected Disability Retirement Case, dated December 18, 2022 (Recommendation) wherein the Hearing Officer recommended that the Board grant the Applicant (Edna Hernandez) service-connected disability retirement.

The Board determined that a closed session was not necessary as there were no questions.

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

The motion passed **unanimously**.

ACTION ITEMS

A-2 SUPERIOR COURT NEW PLAN FORMULA – CONTRIBUTION RATE CHANGE FOR FY2023/2024

Presentation by Suzanne Jenike, Assistant CEO, OCERS and Segal

Recommendation: Approve and adopt updated employer and employee contribution rates for the FY2023/2024 based on the December 31, 2021 actuarial valuation applicable to rate group 2 Plan U and T based on Superior Court’s benefit enhancement effective July 1, 2023.

Charles Barfield, General Manager of OCEA, spoke to the board to suggest that the effective date to be July 1, 2024.

After discussion, **MOTION** by Prevatt, **SECONDED** by Packard, to amend recommendation and continue with existing rates and make no changes until the 2022 valuation with the effective date of July 1, 2024.

With further discussion and clarification, **SUBSTITUTE MOTION** by Mr. Lindholm, **SECONDED** by Ms. Freidenrich, to approve as staff recommendation as presented.

Amber Poston, Vice President of Orange County Attorneys Association, gave the perspective of how it would impact the existing members of Plan U, and requests to delay the decision to make the change till 2024.

The Board recessed for break at 11:14 a.m.

The Board reconvened from break at 11:29 a.m.

Recording Secretary administered the Roll Call attendance.

Additional discussion and clarification was provided by ReedSmith, Segal and OCERS Legal to OCERS Board of Retirement.

ALTERNATE SUBSTITUTE MOTION by Mr. Hilton, **SECONDED** by Ms. Tagaloa, to on July 1, 2023, new court employees joining the Plan U will pay the increased amount using the old demographic information; existing Plan U members would maintain current rates until the new December 2022 valuations are published.

The Alternate Substitute Motion fails, pursuant to a Roll Call vote, as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Ms. Tagaloa	Mr. Oates		
Mr. Prevatt	Mr. Dewane		
Mr. Hilton	Ms. Freidenrich		
	Mr. Hidalgo		
	Mr. Lindholm		
	Mr. Packard		

The Substitute Motion in support of staff recommendation as presented passed, pursuant to a Roll Call vote, as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Mr. Oates	Ms. Tagaloa		
Mr. Dewane	Mr. Prevatt		
Ms. Freidenrich	Mr. Hilton		
Mr. Hidalgo			
Mr. Lindholm			
Mr. Packard			

The Board recessed for a lunch break at 12:06 p.m.

The Board reconvened at 12:50 p.m.

Recording Secretary administered the Roll Call attendance.

A-3 DELEGATING DISABILITY GRANTS PROCESS TO OCERS CEO
Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Delegate to the OCERS CEO the responsibility to fully develop Disability Benefit grant recommendations for the OCERS Board’s consideration and approval.

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

The motion passed, pursuant to a Roll Call vote, as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Mr. Dewane	Mr. Oates		
Ms. Freidenrich			
Mr. Hidalgo			
Mr. Hilton			
Mr. Lindholm			
Mr. Packard			
Mr. Prevatt			
Ms. Tagaloo			

A-5 BOARD APPROVAL OF SELECTION AND ENGAGEMENT OF HEARING OFFICERS
Presentation by Manuel Serpa, Deputy General Counsel, OCERS

Recommendation: On behalf of the Hearing Officer Selection Panel, staff recommends the Board approve the appointment of and the award of a contract (subject to negotiation of satisfactory contract terms) with, the following individuals to serve as OCERS hearing officers for a term of seven years beginning March 1, 2023.

- Stephen Biersmith
- Michael Dilberto
- Robert Snider
- Deborah Wissley

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

The motion passed **unanimously**.

A-6 SACRS BOARD OF DIRECTORS ELECTIONS 2023-2024
Presentation by Manuel Serpa, Deputy General Counsel, OCERS

Recommendation: Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 12, 2023; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2023.

MOTION by Mr. Hilton, **SECONDED** by Mr. Dewane, to support Ms. Tagaloo’s service to the SACRS Board in any position she selects.

The motion passed **unanimously**.

A-7 DIRECTOR OF DISABILITY - 2023 STAFFING PLAN CHANGE

Presentation by Steve Delaney, Chief Executive Officer, Suzanne Jenike, Assistant CEO, OCERS

Recommendation: Staff recommends that the Board of Retirement approve the addition of a Director of Disability to the 2023 Staffing Plan and drop the position of Disability Supervisor.

Action item A-7 was tabled to be return for further discussion at the March 20 Board Meeting. The Board wished to see more details for an organization chart as well as the long-term plan for the Disability Division.

INFORMATION ITEMS

Presentations

I-1 2022 EMPLOYEE, MANAGER AND INNOVATOR OF THE YEAR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

CEO Delaney presented Employee of the Year, John T Nguyen, Manager of the Year, Manuel Serpa, and Innovator of the Year, Duc Nguyen, to the Board and shared about their contributions to the OCERS team.

I-2 FUTURE BOARD AND COMMITTEE MEETINGS UNDER AB 2449

Presentation by Manuel Serpa, Deputy General Counsel, OCERS

Mr. Serpa shared about AB 2449 and the associated rules for remote attendance for Board Members. Additionally, under advisement from Deputy General Counsel, the Board directed staff to continue to post Zoom links for all meetings to the public.

I-3 COVID-19 UPDATE

Presentation by Steve Delaney, Chief Executive Officer, OCERS

CEO shared that with the end of the Governor’s Emergency Order, the OCERS Crisis Management Team had its last meeting. Additionally, while the Governor’s Emergency Order expires, OCERS is still monitoring and following CalOSHA recommendations.

WRITTEN REPORTS

R-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices

February 21, 2023

Death Notices

February 21, 2023

R-2 COMMITTEE MEETING MINUTES

- December 2022- Audit Committee Meeting Minutes

R-3 CEO FUTURE AGENDAS AND 2023 OCERS BOARD WORK PLAN

Written Report

- R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**
Written Report
- R-5 BOARD COMMUNICATIONS**
Written Report
- R-6 LEGISLATIVE UPDATE**
Written Report
- R-7 OVERPAID AND UNDERPAID PLAN BENEFITS – 2022 REPORT**
Written Report
- R-8 2023 STAR COLA COST POSTING**
Written Report
- R-9 2022 BUSINESS PLAN – END OF YEAR REPORT**
Written Report
- R-10 ANNUAL REPORT OF CONTRACTS GREATER THAN \$100,000**
Written Report
- R-11 2022 POLICY COMPLIANCE REPORT**
Written Report

CLOSED SESSION ITEMS

Adjourn to closed session at 1:46 pm.

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

Recommendation: Take appropriate action.

Return to open session at 2:03pm.

No reportable action taken

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- CEO Delaney, in full transparency, shared that OCERS will be renewing their contract with Sally Choi for another year to assist in the Alameda implementation efforts.

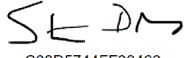
COUNSEL COMMENTS- None

BOARD MEMBER COMMENTS- Ms. Freidenrich welcomed ReedSmith to OC.

Meeting **ADJOURNED** at 2:12pm in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

Approved by:

DocuSigned by:

C00D5744FF39463...
Steve Delaney
Secretary to the Board

DocuSigned by:

27DA17D0F23344E...
Shawn Dewane
Chairman