

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

**REGULAR MEETING
Monday, December 18, 2017
9:00 a.m. – Closed Session
9:30 a.m. – Open Session**

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.

The Board of Retirement encourages your participation. The public, plan members, beneficiaries, and/or representatives may speak to any subject matter contained in the agenda at the time the item is addressed. Persons wishing to address items on the agenda should provide written notice to the Secretary of the Board prior to the Board's discussion on the item by filling out the Public Comment Form located in the back of the room. Members of the public may also comment on any matter that is within the subject matter jurisdiction of the Board during the noticed Public Comment period. When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

Pledge of Allegiance

CLOSED SESSION

**E-1 CONFERENCE REGARDING SIGNIFICANT EXPOSURE TO LITIGATION (ONE MATTER)
(GOVERNMENT CODE SECTION 54956.9)**

Adjourn pursuant to Government Code section 54956.9(d)(2)

Recommendation: Take appropriate action.

**E-2 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED
(GOVERNMENT CODE SECTION 54956.9(d)(1))**

Jeffrey Gross v. OCERS, et al., CA Superior Court, Orange County (Case No. 30-2017-00944959CU WT-CJC); US District Court, Central District of California (Case No. 8:17-cv-02020-JVS (DFMx))

Recommendation: Take appropriate action

OPEN SESSION

Upon recess of the closed session or 9:30 a.m., whichever is later.

CONSENT AGENDA

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

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

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

(1) Spencer Muir

ADMINISTRATION

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board Meeting Minutes
Governance Committee Minutes

November 13, 2017
November 29, 2017

Recommendation: Authorize meeting and approve minutes.

C-3 GOVERNANCE COMMITTEE OUTCOMES FROM NOVEMBER 29, 2017 MEETING

Recommendation:

The Governance Committee recommends that the Board of Retirement adopt revisions to the Reserves and Interest-Crediting Policy (formerly known as the Undistributed Earnings Policy) as approved by the Governance Committee.

C-4 NAPO'S 30TH ANNUAL POLICE, FIRE, EMS, AND MUNICIPAL EMPLOYEES PENSION AND BENEFITS SEMINAR

Recommendation: Approve Steve Delaney and Roger Hilton's attendance and related expenses including overnight accommodations for the Napo's 30th Annual Police, Fire, Ems, and Municipal Employees Pension and Benefits Seminar, January 28-30, 2018, at the Caesars Palace Hotel and Casino, in Las Vegas, Nevada.

C-5 2018 ANNUAL OCERS BOARD WORKPLAN

Recommendation: Adopt Annual Workplan for 2018.

INFORMATION ITEMS

The following matters are informational only and no action by the Board is necessary. However, as stated above, the Board may discuss and take action on any item included in the agenda.

I-1 MEMBER MATERIALS DISTRIBUTED

Written report only

Application Notices
Death Notices

December 18, 2017

December 18, 2017

I-2 CEO FUTURE AGENDAS AND 2017 OCERS BOARD WORK PLAN

Written report only

I-3 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written report only

I-4 OCERS TRUSTEE EDUCATION SUMMARY REPORT

Written report only

I-5 EXPLANATION OF THE CALIFORNIA GIFT REPORTING RULES

Written report only

I-6 RVK PUBLIC FUND UNIVERSE ANALYSIS REPORT

Written report only

I-7 BOARD COMMUNICATIONS

Written report only

I-8 RETIRED EMPLOYEES ASSOCIATION OF ORANGE COUNTY – ISSUES UPDATE

Presentation by Linda Robinson and Doug Storm, Co-Presidents, REAOC

I-9 OPERATIONAL RISK MANAGEMENT PRESENTATION

Presentation by Brenda Shott, Assistant Chief Executive Officer of Internal Operations and Jim Doezie, Contracts Administrator.

ACTION ITEMS

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

A-2 ELECTION OF BOARD VICE-CHAIR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Elect a new OCERS Board Vice-Chair for calendar year 2018.

A-3 GOVERNANCE COMMITTEE OUTCOMES REGARDING REFORM OF THE ADMINISTRATIVE HEARING PROCESS

Presentation by Gina M. Ratto, General Counsel, and Lee Fink, Deputy General Counsel

Recommendation: The Governance Committee approved, and recommends that the Board of Retirement consider on a first reading, the following:

- (1) Creation of a Disability Committee;
- (2) The Disability Committee Charter;
- (3) The Adjudication Policy and Administrative Hearing Rules for Disability and Non-Disability Benefits to supersede and replace the existing Administrative Hearing Procedures Policy and OCERS Administrative Procedure on Appeals; and
- (4) Revisions to the Hearing Officer Selection Policy.

A-4 OCERS' INTERNAL REVENUE CODE SECTION 415(M) AMENDED AND RESTATED REPLACEMENT BENEFIT PLAN

Presentation by Gina M. Ratto, General Counsel and Joe Fletcher, Counsel

Recommendation: Adopt an Amended and Restated Replacement Benefit Plan for OCERS, as an employer, to further document and supplement existing policies and practices of OCERS as an employer and retirement system administrator governing the payment of retirement benefits to OCERS members that are otherwise capped by Internal Revenue Code section 415(b).

A-5 2018 OCERS BOARD MEETING CALENDAR

Presentation by Steve Delaney, Chief Executive Officer

Recommendation: Approve the 2018 OCERS Board and Investment Committee Meeting Calendars.

A-6 ANNUAL CEO COMPENSATION REVIEW

Presentation by OCERS Board Chair, David Ball

Recommendation: Take appropriate action.

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

11:00 A.M.

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

DISABILITY CONSENT AGENDA

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

D-1: Amalia Netto

Eligibility Technician, Orange County Social Services Agency

Date of employer filed application for service and non-service connected disability retirement:
05/18/2015

Date of employee filed application for service and non-service connected disability retirement:
05/20/2016

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

D-2: Darrell Ennis

Recommendation: Dismiss the appeal for the member's failure to participate pursuant to Rule 23.

DISABILITY INDIVIDUAL AGENDA

D-3: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

D-4: Keith Anderson

Group Counselor II, Orange County Social Services Agency

Date of employer filed application for service connected disability retirement: 02/05/2016

Date of employee filed application for service connected disability retirement: 04/27/2016

Recommendation: Grant service connected disability retirement with an effective date of January 7, 2016, the day following the last day of regular compensation as a Group Counselor II.

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 January 7, 2016, the date of the position change until the day Mr. Anderson wishes to retire from the new position. (General Member)

D-5: Kenneth Bonfadini

Kennel Attendant I, Orange County Community Resources

Date of employee filed application for service and non-service connected disability retirement:
11/01/2016

Recommendation: Grant service connected disability retirement with an effective date of November 1, 2016. (General Member)

D-6: Deon Carrico

Source Control Inspector II, Orange County Sanitation District

Date of employee filed application for service connected disability retirement: 01/13/2016

Recommendation: Grant service connected disability retirement with an effective date of January 13, 2016. (General Member)

D-7: Tawiana Davis

Coach Operator, Orange County Transportation Authority

Date of employee filed application for service connected disability retirement: 03/29/2017

Recommendation: Grant service connected disability with an effective date of December 14, 2014. (General Member)

D-8: Shila Lee

Section Supervisor IV, Orange County Transportation Authority

Date of employee filed application for non-service connected disability retirement: 09/12/2016

Date of employer filed application for non-service connected disability retirement:
04/08/2016

Recommendation Grant non-service connected disability retirement with an effective date of April 8, 2016. (General Member)

D-9: Victor Nguyen

Dental Officer, Orange County Health Care Agency

Date of employee filed application for non-service connected disability retirement: 10/23/2017

Recommendation Grant non-service connected disability retirement with an effective date of the day after the last date of regular compensation. (General Member)

D-10: Perla Peralta

Mental Health Specialist, Orange County Health Care Agency

Date of employee filed application for service connected disability retirement: 09/19/2016

Recommendation Grant service connected disability retirement with an effective date of September 19, 2016. (General Member)

D-11: Lisa Samsel-Weitze

Deputy Sheriff II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:
04/05/2016

Date of employee filed application for service and non-service connected disability retirement:
06/06/2017

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

D-12: Janet Tott

Park Ranger II, Orange County Community Resources

Date of employee filed application for service connected disability retirement: 01/24/2017

Recommendation Grant service connected disability retirement with an effective date of March 3, 2017. (General Member)

D-13: Walter Rios

Maintenance Worker, Orange County Sanitation District

Date of employer filed application for service and non-service connected disability retirement:
05/11/2016

Date of employee filed application for service and non-service connected disability retirement:
06/20/2016

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

D-14: Paula Snyder

Office Services Specialist, Orange County Fire Authority

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

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

D-15: Rod Couey

Recommendation: Adopt the Hearing Officer's Proposed Findings of Fact, Conclusions of Law, and Recommended Decision of July 7, 2017 ("Findings") with the exception of Proposed Conclusion of Law Number 3 and the legal argument supporting that conclusion; Adopt as an alternative Conclusion of Law that "For purposes of Government Code section 31724, 'regular compensation' does include payments resulting from other employees' voluntary donations of catastrophic leave time" and adopt the legal argument in this memorandum as support; Fix as November 1, 2013 the effective date for Applicant's disability benefits.

D-16: Dana Ohanesian

Recommendation: Affirm staff's determination to deny Mr. Ohanesian's request to have his 4.4730 years of Plan B (1.667% @ 57.5) while at the Orange County Vector Control District (OCVCD) upgraded to Plan J (2.7% @ 55).

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

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

**REGULAR BOARD MEETING
January 16, 2018 (tentative)
9:00 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701**

**INVESTMENT COMMITTEE MEETING
January 25, 2018 (tentative)
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.