

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

REGULAR MEETING
Tuesday, January 16, 2018
9:00 a.m.

MINUTES

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

Attendance was as follows:

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

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

Guests: Harvey Leiderman

Absent: Frank Eley

Mr. Dewane led the Pledge of Allegiance.

CONSENT AGENDA

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

Following discussion, a motion was made by Mr. Dewane seconded by Mr. Ball to move the consent agenda.

Motion passed unanimously.

BENEFITS

C-1 **OPTION 4 RETIREMENT ELECTION**

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

(1) N/A

ADMINISTRATION

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Audit Committee Meeting Minutes
Regular Board Meeting Minutes

December 14, 2017
December 18, 2017

Recommendation: Authorize meeting and approve minutes.

C-3 AUDIT COMMITTEE OUTCOMES FROM DECEMBER 14, 2017 MEETING

The Audit Committee recommends that the Board of Retirement:

- (1) Receive and file the Audit of OCERS' Travel Expense Reports.
- (2) Receive and file the Hotline Update.
- (3) Receive and file the Status of 2017 Internal Audit Plan.
- (4) Approve the 2018 Risk Assessment and 2018 Audit Plan.

C-4 2017 OCERS YEAR IN REVIEW: COMMUNICATION PLAN

Recommendation: Approve the 2017 Year in Review Communication Plan.

ACTION ITEMS

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

A-2 GOVERNANCE COMMITTEE OUTCOMES REGARDING REFORM OF THE ADMINISTRATIVE HEARING PROCESS

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

The Governance Committee recommends that the Board of Retirement:

- (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.

Ms. Ratto and Mr. Fink presented the Governance Committee outcomes regarding Reform of the Administrative Hearing Process.

The composition and process of the Disability Committee meeting was discussed thoroughly by the Board members and staff.

Mr. Prevatt stated that items will be voted on separately.

Recommendation Items 1 and 2:

A **motion** was made by Mr. Ball **seconded** by Mr. Dewane to adopt the creation of a Disability Committee and the Disability Committee Charter with one change which is to allow the Chair to appoint the members of the Disability Committee, rather than specifying in the Charter which Trustee positions would be represented on the committee.

Motion passed **unanimously**.

Mr. Gilbert stepped out of the room at 9:32a.m.

Recommendation Item 3:

A **motion** was made by Mr. Dewane **seconded** by Mr. Ball to adopt 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.

Motion passed **unanimously**.

Recommendation Item 4:

A **motion** was made by Mr. Dewane **seconded** by Mr. Ball to adopt the Revisions to the Hearing Officer Selection Policy.

Motion passed **unanimously**.

Mr. Gilbert returned at 9:35a.m.

Mr. Fink discussed the logistics of how and when OCERS will implement the Disability Committee as well as the timeline process. He stated that the Disability Committee has to be formed, the Board Members need to be appointed and the meetings need to be arranged. June 1, 2018 is the suggested started date that would work well for staff.

Ms. Jenike discussed the timeline schedule for 2018 and indicated that she can start coordinating the dates with the Disability Committee once the Committee is formed.

After further discussion, a **motion** was made by Mr. Ball, **seconded** by Mr. Dewane to set an implementation date of June 1, 2018 with the mechanics of the implementation to be directed by the Chair working with staff.

Motion passed **unanimously**.

The Board recessed for break at 9:53a.m.

The Board reconvened from break at 10:11a.m.

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

January 16, 2018

January 16, 2018

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

Written report only

I-3 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written report only

I-4 FOURTH QUARTER 2017 EDUCATION AND TRAVEL EXPENSE REPORT

Written report only

Mr. Prevatt pulled item I-4. He stated that the last entry in the document, under Mr. Prevatt's name, belongs to Mr. Baldwin.

I-5 BOARD COMMUNICATIONS POLICY FACT SHEET

Written report only

I-6 DISABILITY RETIREMENT STATISTICS – 2017 REPORT

Written report only

I-7 OVERPAID AND UNDERPAID PLAN BENEFITS – 2017 REPORT

Written report only

I-8 2018 OCERS BOARD OF RETIREMENT COMMITTEE ASSIGNMENTS

Written report only

I-9 2017 FORM 700 DESIGNATED FILERS LIST AND FACT SHEETS AND OCERS ANNUAL DISCLOSURE FORM

Written report only

I-10 PUBLIC PENSION COORDINATING COUNCIL (PPCC) STANDARDS AWARD FOR FUNDING AND ADMINISTRATION AWARD

Written report only

I-11 BOARD COMMUNICATIONS

Written report only

I-12 OCERS INNOVATIONS AND EMPLOYEE STAFF AWARDS

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Ms. Jenike presented the OCERS Innovations and Employee Staff Awards:

- Employee of the Year: Melissa Wozniuk
- Manager of the Year: Diane Dillard
- Innovation Award Winner: Michael Persi

Each OCERS department head presented their department's 2017 Innovations.

Mr. Freidenrich arrived at 10:16a.m.

Ms. Freidenrich asked about the Public Records Act request and how that's tracked with the new Instant Messaging tool.

Ms. Sadoski stated that they are stored on OCERS database and she will look into how that would be tracked.

Regarding the Legal Department, Mr. Prevatt directed Counsel to add the OCERS contracts staff position to the list of those employees who must file an Annual Disclosure Policy.

Mr. Hilton stepped out at 10:41a.m.

Mr. Hilton returned at 10:44a.m.

Mr. Lindholm arrived at 10:51a.m.

Board adjourned for break at 11:10a.m.

Board reconvened from break at 11:17a.m.

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

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

11:00 A.M.

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

DISABILITY INDIVIDUAL AGENDA

Megan Cortez, Disability Coordinator, presented item D-1.

Mr. Packard stepped out at 11:10a.m.

D-1: James Bau

Sergeant, Orange County Sheriff's Department

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

Date of employee filed application for service connected disability retirement: 12/30/2016

Recommendation: Grant service connected disability retirement with an effective date of November 18, 2016. (Safety Member)

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane to grant service connected disability retirement with an effective date of November 18, 2016. The motion carried **8-0** with voting as follows:

AYES

NAYS

ABSTAIN

ABSENT

Chair Prevatt

Mr. Hilton

Ms. Freidenrich

Mr. Dewane

Mr. Lindholm

Mr. Gilbert

Mr. Ball

Mr. Baldwin

Mr. Eley

Mr. Packard

Megan Cortez, Disability Coordinator, presented item D-2.

D-2: Ryan Bowsher

Deputy Sheriff II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:
11/04/2016

Date of employee filed application for service and non-service connected disability retirement:
12/20/2016

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

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane to grant service connected disability retirement with an effective date of the day after the last day of regular compensation. The motion carried **8-0** with voting as follows:

AYES

NAYS

ABSTAIN

ABSENT

Chair Prevatt

Mr. Hilton

Ms. Freidenrich

Mr. Dewane

Mr. Lindholm

Mr. Gilbert

Mr. Ball

Mr. Baldwin

Mr. Eley

Mr. Packard

Megan Cortez, Disability Coordinator, presented item D-3.

D-3: Emilio Mondragon

Coach Operator, Orange County Transportation Authority

Date of employer filed application for service and non-service connected disability retirement:
06/10/2016

Date of employee filed application for service connected disability retirement: 06/12/2017

Recommendation: Grant service connected disability retirement with an effective date of June 10, 2016. (General Member)

Following discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Baldwin to grant service connected disability retirement with an effective date of June 10, 2016. The motion carried **8-0** with voting as follows:

AYES

Chair Prevatt
Mr. Hilton
Ms. Freidenrich
Mr. Dewane
Mr. Lindholm
Mr. Gilbert
Mr. Ball
Mr. Baldwin

NAYS

ABSTAIN

ABSENT

Mr. Eley
Mr. Packard

Megan Cortez, Disability Coordinator, presented item D-4.

Mr. Packard returned out at 11:21a.m.

D-4: Walter Rejon

Coach Operator, Orange County Transportation Authority

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

Date of employee filed application for service and non-service connected disability retirement:
11/18/2016

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

Following discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Gilbert to grant service connected disability with an effective date of the day after the last day of regular compensation. The motion carried **9-0** with voting as follows:

AYES

Chair Prevatt
Mr. Hilton
Ms. Freidenrich
Mr. Dewane
Mr. Lindholm
Mr. Gilbert
Mr. Ball
Mr. Baldwin

NAYS

ABSTAIN

ABSENT

Mr. Eley

Mr. Packard

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

D-5: Izabel Rivera

Deputy Juvenile Correctional Officer II, Probation Department

Date of employee filed application for service and non-service connected disability retirement:
02/06/2017

Recommendation Grant service connected disability retirement with an effective date of November 11, 2016, the day following the last day of regular compensation as a Deputy Juvenile Correctional Officer 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 November 11, 2016, the date of the position change until the day Ms. Rivera wishes to retire. (Safety Member)

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane to grant service connected disability retirement with an effective date of November 11, 2016, the day following the last day of regular compensation as a Deputy Juvenile Correctional Officer 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 November 11, 2016, the date of the position change until the day Ms. Rivera wishes to retire. The motion carried **9-0** with voting as follows:

AYES

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

NAYS

ABSTAIN

ABSENT

Mr. Eley

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

D-6: Dortha Ronan

Lieutenant, Orange County Sheriff's Department

Date of employee filed application for service connected disability retirement: 06/17/2016

Recommendation Grant service connected disability with an effective date of June 17, 2016. (Safety Member)

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane to grant service connected disability with an effective date of June 17, 2016. The motion carried **8-1** with voting as follows:

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

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

D-7: Dean Weckerle

Sergeant, Orange County Sheriff's Department

Date of employee filed application for service connected disability retirement: 07/18/2016

Recommendation Grant service connected disability retirement with an effective date of August 5, 2016. (Safety Member)

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane to grant service connected disability retirement with an effective date of August 5, 2016. The motion carried **9-0** with voting as follows:

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

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

D-8: Maxine Perry

Recommendation: Adopt the findings and recommendations of the Hearing Officer and Grant Applicant's application for service connected disability retirement with an effective date of the day after the last day of regular compensation.

Following discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Baldwin to adopt the findings and recommendations of the Hearing Officer and Grant Applicant's application for service connected disability retirement with an effective date of the day after the last day of regular compensation. The motion carried **9-0** with voting as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Chair Prevatt			Mr. Eley
Mr. Hilton			

Mr. Dewane
Mr. Lindholm
Mr. Gilbert
Mr. Ball
Mr. Baldwin
Mr. Packard
Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-9.

D-9: Lisa Coley

Recommendation: Adopt the findings and recommendations of the Hearing Officer and find that at the time of her death, Lisa Coley, was legally married to Jerel Manning, therefore, Mr. Manning is entitled to a continuation of the disability allowance awarded to Ms. Coley as he is the surviving spouse.

Following discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Baldwin to adopt the findings and recommendations of the Hearing Officer and find that at the time of her death, Lisa Coley, was legally married to Jerel Manning, therefore, Mr. Manning is entitled to a continuation of the disability allowance awarded to Ms. Coley as he is the surviving spouse. The motion carried **9-0** with voting as follows:

AYES

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

NAYS

ABSTAIN

ABSENT

Mr. Eley

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

N/A

BOARD MEMBER COMMENTS

Mr. Baldwin made sure his letter was received by the Board Members.

Mr. Hilton stated that he put his name on the ballot to be considered by the SACRS Board.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

N/A

COUNSEL COMMENTS

OCERS' General Counsel and Harvey Leiderman of Reed Smith provided a summary of the 70-page decision of the California Court of Appeal in Alameda County Deputy Sheriff's Association, et al., v. Alameda County Employees' Retirement Assn., et al.. This is the consolidated vested rights pension cases involving the retirement boards of Alameda, Contra Costa and Merced Counties, and represents the challenges by various unions and their members to the validity of PEPRA and AB 197 as applied to the legacy members of 20 county retirement systems governed by the County Employees Retirement Law (CERL).

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

Active Members

Mallozzi, Pietro
Raymundo, Francisco

Retired Members

Beavers, Geraldine
Branson, Deloria
Denbraber, Elva
Doyle, Agnes
Gertsch, Marleen
Heckrotte, Dorothy
Hinkson, Edgar
Jones, Laura
Kennedy, Ronald
Kim, Yanghee
Klonowski, Dennis
Lee, Insun
Magruder, Marjorie
Miller, Eugene
Munoz, Anita
Perez, Gloria
Pierre, Ronald
Rhodes, Marshall
Rivas, Robert
Rivas, Robert
Solar, Mac
Virnick, Joseph

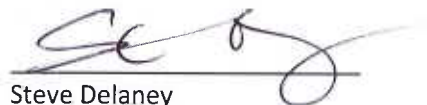
Volkov, Alan

Surviving Spouses

Anaya, Leonor
Hobel, Lavonne
Holderman, Eugene
Kawanami, Carol
Norris, Kathryn
Sharpe, Peggy
Taylor, Betty

There being no further business to bring before the Board, the meeting adjourned at 11:54 a.m.

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Chris Prevatt
Chairman