

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

**REGULAR MEETING
Wednesday, January 21, 2026
9:30 A.M.**

MINUTES

Chair Oates called the meeting to order at 9:33 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person: Richard Oates, Chair; Shawn Dewane, Vice Chair; Arthur Hidalgo; Iriss Barriga; Jeremy Vallone; Roger Hilton; Adele Lopez Tagaloa; Shari Freidenrich; Wayne Lindholm; Charles Packard

Present via Zoom (under
Government Code
Section 54953(f)):

Also Present: Steve Delaney, CEO; David Kim, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, General Counsel; Molly Murphy, Chief Investment Officer; Will Tsao, Director of EPMO; Mark Adviento, Director of Member Services; Jeff Lamberson, Director of Member Services; Mary-Joy Coburn, Director of Communications; Cynthia Hockless, Director of HR; Darren Chilton, Sr Facilities Manager; Nicole McIntosh; Director of Disability; Jennifer Reyes, Director of Finance; Jon Gossard, Sr. Info Sec Manager; Jenny Sadoski, Director of Information Technology; Philip Lam, Director of Internal Audit; Josephine He, Investment Officer; Esther Hong, Compliance Officer; Dena Gunsolley, Manager of Learning and Organizational Development; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Andy Yeung, Todd Tauzer, Molly Calcagno, Segal

Absent:

OATH OF OFFICE- SHAWN DEWANE, ARTHUR HIDALGO, ROGER HILTON, ADELE LOPEZ TAGALOA, AND CHARLES PACKARD

Administered by Clerk-Recorder Hugh Nguyen

Ms. Freidenrich arrived at 9:40 a.m.

Public Comment: None

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.

- Gihan Ukuwela

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Board Meeting Minutes

December 15, 2025

Recommendation: Approve minutes.

A **MOTION** was made by Mr. Lindholm, **seconded** by Mr. Dewane, to approve the Consent Agenda.

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

A. Disability Committee Recommendations:

DC-1: GREGORY PALMER

Public Assistance Investigator, Orange County District Attorney (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Deny service-connected and non-service-connected disability retirement due to the member’s inability to participate in the application process.

B. CEO Recommendations:

DC-2: JACQUELYN ALLEN

Coach Operator, Orange County Transportation Authority (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as June 18, 2023.

DC-3: RHONDA BANKS

Coach Operator, Orange County Transportation Authority (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as March 26, 2023.

DC-4: CARLOS BARRIENTOS

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

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as May 16, 2025.

DC-5: RAUL BELFORTI

Coach Operator, Orange County Transportation Authority (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as December 1, 2024.

DC-6: MARK FERNBERG

Firefighter, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as August 12, 2025.

DC-7: PETER LAI DINH

Staff Specialist, Orange County Human Resources (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Deny service-connected disability retirement without prejudice due to the member's decision not to join in the application.

DC-8: MICHAEL LUSSIER

Firefighter, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as March 22, 2024.

DC-9: NATHANIEL PADAYAO

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

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as March 22, 2024.

DC-10: JOSE RAMIREZ

Coach Operator, Orange County Transportation Authority (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Deny service-connected disability retirement without prejudice due to the member's decision not to join in the application.

DC-11: JAMES YAWN

Fire Apparatus Engineer, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as February 23, 2024.

A **MOTION** was made by Mr. Hilton, **seconded** by Ms. Lopez Tagaloa, to approve DC 1-11.

The motion passed **unanimously**.

ACTION ITEMS

A-2 30 YEAR SAFETY OFFICERS AND COLA COST

Presentation by Todd Tauzer and Andy Yeung, Segal, and David Kim, Assistant CEO, OCERS

Recommendation: Staff recommends the Board of Retirement consider and adopt one of the following three alternatives:

- **Option 1:** Approve the change in methodology for allocating COLA normal cost for Safety legacy members with 30 or more years of service from the member to the Employer, effective immediately with the December 31, 2025 actuarial valuation.

OR

- **Option 2:** Approve the change in methodology for allocating COLA normal cost for Safety legacy members with 30 or more years of service from the member to the Employer, utilizing a two-year phase-in period to mitigate the immediate fiscal impact on Employers, effective with the December 31, 2025 actuarial valuation.

OR

- **Option 3: Three-Year Phase-In** – Approve the methodology change utilizing a three-year phase-in period: 50% allocation to the Employer in Year 1, 75% in Year 2, and 100% in Year 3, effective with the December 31, 2025 actuarial valuation.

PUBLIC COMMENT: Ms. Kimberly Engelby, CFO of the County of Orange, spoke in advocacy of Option 2 or 3 – the options that allowed for the phasing in of these costs due to the current state of the county finances.

A **MOTION** was made by Mr. Dewane, **seconded** by Ms. Lopez Tagaloa, to adopt Option 2 of staff recommendations.

Ms. Freidenrich asked for clarification about the date where members receive relief from funding the employer obligation.

Mr. Oates commented that based on the history of this issue, employees have been funding these employer obligations for some time since OCERS has known about the issue in 2023. As such he is in support of Option 1.

A **SUBSTITUTE MOTION** was made by Mr. Oates, **seconded** by Ms. Barriga, to adopt Option 1 of staff recommendations.

The substitute motion passed subject to the following vote:

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

INFORMATION ITEMS

Each of the following informational items will be presented to the Board for discussion.

I-1 GLIDE PATH

Presentation by Todd Tauzer and Andy Yeung, Segal

The Board recessed for break at 10:58 a.m.

The Board reconvened from break at 11:15 a.m.

Recording Secretary administered the Roll Call attendance.

I-2 2025 OCERS INNOVATIONS AND PROCESS IMPROVEMENTS

Presentation by Steve Delaney, Chief Executive Officer, and OCERS Management Team

I-3 TRUSTEE MEETING COMPENSATION LEGISLATION- UPDATE

Presentation by Steve Delaney, CEO, and Manuel Serpa, General Counsel, OCERS

I-4 PROCEDURES FOR DISRUPTION RESPONSE - EDUCATION SESSION

Presentation by Manuel Serpa, General Counsel, OCERS

Mr. Serpa presented the recommendation for addressing disruption during a Board/Committee meeting, including the Responding to Disruptive Members of the Public reference sheet that was shared in the Board materials. The recommendation demonstrates guidance on upholding free speech in open meetings with our obligation to comply with the Ralph M. Brown Act and maintain order and safety in efficiently addressing OCERS business.

Staff asked Trustees if they would like additional training on this topic. Trustees had varying opinions. Staff agreed to return for future discussion.

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Board requests discussion.

- R-1 MEMBER MATERIALS DISTRIBUTED**
Application Notices January 21, 2026
Death Notices January 21, 2026
- R-2 COMMITTEE MEETING MINUTES**
- October 2025- Audit Committee Meeting
- R-3 NEW HEADQUARTERS ACTIVITY REPORT**
Written Report
- R-4 CEO FUTURE AGENDAS AND 2026 OCERS BOARD WORK PLAN**
Written Report
- R-5 QUIET PERIOD – NON-INVESTMENT CONTRACTS**
Written Report
- R-6 BOARD COMMUNICATIONS**
Written Report
- R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**
Written Report
- R-8 PENSION ADMINISTRATION SYSTEM (PAS): OCERS HORIZON ACTIVITY REPORT**
Written Report
- R-9 FIRST QUARTER REVIEW OF OCERS BOARD 2026-2028 STRATEGIC & BUSINESS PLAN**
Written Report
- R-10 COMMUNICATION POLICY FACT SHEET**
Written Report
- R-11 FORM 700 FILING REQUIREMENTS**
Written Report
- R-12 2025 OCERS TRUSTEE EDUCATION SUMMARY REPORT**
Written Report
- R-13 2025 ANNUAL DISABILITY STATISTICS REPORT**
Written Report
- R-14 PREVIEW OF THE “2025 YEAR IN REVIEW”: COMMUNICATION PLAN**
Written Report
- R-15 CONTRACT STATUS FOR NAMED SERVICES PROVIDERS**
Written Report
- R-16 STATE OF MEMBER SERVICES QUALITY REPORT – JANUARY 1 TO DECEMBER 31, 2025**
Written Report

CIO COMMENTS- Ms. Murphy started with some housekeeping news, noting that the Investment Committee Meetings will be moving from 9:00 back to 9:30 per the Committee Chairs request to keep with uniformity with the rest of the Committees and Board Meeting times. Further, she also notes that moving forward, most of the educational opportunities will be consolidated into the Strategic Planning Workshop instead of adding them into the Investment Committee Meetings. Lastly, she notes that there will be an additional Investment Committee Meeting added on April 22, 2026, to prepare for the asset allocation study.

Moving onto markets and returns, Ms. Murphy reported that the Investment Team will continue to closely monitor the markets as they are likely to be affected by geopolitics. Closing the night prior to the Board Meeting, OCERS portfolio returned an unaudited 14.93% as of end of December. This return places the portfolio just shy of the \$27.8B mark. This success further reiterates the importance of having a Glide Path plan for funding the plan post 2033.

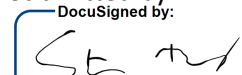
COUNSEL COMMENTS- Mr. Serpa notifies the Board Members that there is a new law for Trustee Education. This new law dictates that Trustees are required to take at least two hours of fiscal/financial education every two years. He notes that this requirement is likely to be completed with the normal Trustee education offered through OCERS education at the Board Meetings, Investment Committee, and Strategic Planning Workshop.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- None

BOARD MEMBER COMMENTS- Mr. Dewane asks that we consider celebrating the 250th birthday of the US by adopting the official anniversary themed logo. Mr. Delaney committed to bringing more information and mockups back to the February Board Meeting.

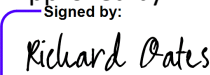
Meeting **ADJOURNED** at 12:44 p.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

DocuSigned by:

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Steve Delaney

Secretary to the Board

Approved by:

Signed by:

9ADAC097666B48E...
Richard Oates

Chairperson