

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

**REGULAR MEETING
Monday, February 10, 2020
9:00 a.m.**

MINUTES

Chair Hilton called the meeting to order at 9:08 a.m.

Attendance was as follows:

Present: Roger Hilton, Chair; Frank Eley, Shari Freidenrich, Chris Prevatt, Charles Packard, Wayne Lindholm, Jeremy Vallone, Adele Tagalao, Arthur Hidalgo

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Gina Ratto, General Counsel; David Kim, Director of Internal Audit; Megan Cortez, Disability Manager; Reginald Tucker, Managing Director of Investments; Anthony Beltran, Visual Technician; Cammy Torres; Recording Secretary

Absent: Shawn Dewane, Vice-Chair

Guests: Harvey Leiderman, ReedSmith

Trustee Hidalgo led the Pledge of Allegiance.

Mr. Packard arrived at 9:10 a.m.

PUBLIC COMMENTS

David Rocha, member of the public, asked if the trustee swearing in ceremony from the January 21, 2020 Regular Board Meeting was an OCERS administrative practice or ceremonial practice.

Chair Hilton confirmed that it is an OCERS ceremonial practice.

CONSENT AGENDA

Prior to voting, Mr. Delaney clarified that Item C-3 was a written report rather than a presentation.

MOTION by Prevatt, **seconded** by Lindholm, to approve staff's recommendation on all of the following items on the 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.

(1) None

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

January 21, 2020

Recommendation: Approve minutes.

David Rocha, member of the public, addressed item C-2. He asked if motions conducted in closed session are required by law to be reported out into open session.

Ms. Ratto replied that it is not a requirement; however, it is the practice of OCERS to do so.

C-3 AUDIT COMMITTEE OUTCOMES FROM JANUARY 13, 2020 MEETING – TRIENNIAL REVIEW OF THE AUDIT COMMITTEE AND INTERNAL AUDIT CHARTERS

Presentation by David Kim, Director of Internal Audit

Recommendation: The Audit Committee recommends that the Board of Retirement:

1. Approve the revisions to the Audit Committee Charter; and
2. Approve the revisions to the Internal Audit Charter.

C-4 RETIREE REQUEST TO BE REINSTATED – ROGELIA MARTINEZ

Recommendation: Reinstate Ms. Martinez as an active member under the provisions of Government Code Section 31680.4 and 31680.5.

C-5 RETIREE REQUEST TO BE REINSTATED – AROUNSY PHOMMASA

Recommendation: Reinstate Ms. Phommasa as an active member under the provisions of Government Code Section 31680.4 and 31680.5.

The motion passed unanimously.

DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT AGENDA

Item DC-3 was PULLED from the agenda.

MOTION by Packard, **seconded** by Eley, to approve staff's recommendation on all of the following items on the Consent Agenda:

DC-1: MARTHA L. CORDOBA

Senior Social Worker, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (General Member)

DC-2: LYDIA CRUZ

Office Technician, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (General Member)

DC-3: MARIA DONDIEGO

Deputy Juvenile Correctional Officer II, Orange County Probation Department

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (Safety Member)

DC-4: DANIEL DECKER

Deputy Sheriff I, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of May 25, 2018. (Safety Member)

DC-5: ELISEO ELIAS-MARTINEZ

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of April 28, 2019. (General Member)

DC-6: BLANCA GONZALEZ

Office Assistant, Orange County Health Care Agency

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of March 14, 2017. (General Member)

DC-7: EDWARD KISOW
Deputy Sheriff II, Orange County Sheriff’s Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of the day after the last day of regular compensation. (Safety Member)

DC-8: STEVEN WALKER
District Attorney Investigator, Orange County District Attorney

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of July 21, 2017. (Safety Member)

The motion passed **unanimously**.

CLOSED SESSION

(Government Code sections 54957 and 54956.9)

The Board will adjourn to Closed Session pursuant to Government Code sections 54957 or 54956.9 to discuss matters relating to member applications or appeals. The member may request that the discussion relating to his or her application or appeal take place in Open Session.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

OPEN SESSION

ACTION ITEMS

NOTE: Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Board’s discussion of the item. **Persons wishing to provide public comment at this time should fill out a speaker card located on the counter at the back of the room and deposit it in the Recording Secretary’s inbox on the wall near the middle of the room.**

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

A-2 2020 COST OF LIVING ADJUSTMENT

Presentation by Suzanne Jenike, Assistant CEO of External Operations, OCERS

Recommendation: Adjust all applicable benefit allowances by 3% effective April 1, 2020, in accordance with Government Code section 31870.1, resulting from the 3.07% change to CPI in calendar year 2019.

Ms. Jenike presented the 2020 Cost of Living Adjustment (COLA).

Sara Ruckle-Harms, representing the Retired Employees Association of Orange County (REAOC), asked the Board to approve the COLA increase and explained the importance of the COLA to all retirees.

Tom Dominguez, President of Association of Orange County Deputy Sheriffs, spoke in favour of the COLA.

MOTION by Eley, **seconded** by Tagaloa, to adjust all applicable benefit allowances by 3% effective April 1, 2020, in accordance with Government Code section 31870.1, resulting from the 3.07% change to CPI in calendar year 2019.

The motion passed **unanimously**.

A-3 SACRS BOARD OF DIRECTORS ELECTIONS 2020-2021

Presentation by Steve Delaney, CEO, OCERS

Recommendation: Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 10, 2020; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2020.

Ms. Ratto presented the SACRS Board of Directors Elections 2020-2021.

The Board directed staff to submit their endorsement of Roger Hilton to the SACRS Nominating Committee.

A-4 REQUEST TO COORDINATE MEMBER APPEALS ON THE ISSUE OF APPLICATION OF THE DISABILITY OFFSET UNDER GOVERNMENT CODE SECTION 31838.5

Presentation by Suzanne Jenike, Assistant CEO, External Operations, and Gina M. Ratto, General Counsel

Recommendation: Staff recommends that the Board order that the administrative appeals filed by OCERS members, Christopher Roelle, James Bento, Arthur Lopez-Hidalgo, Guy Grindle, and John Gammon, on the issue of the application of the disability offset under Government Code section 31838.5 be coordinated, and that they be assigned to and heard by one hearing officer in a coordinated hearing.

Ms. Ratto presented the request to coordinate member's appeals for the five members in question.

Mike Tregar, attorney representing the five members disagreed and requested individual hearings and stated that his goal is to make sure the process is fair to all five members.

The Board generated a discussion on coordinating member’s appeals.

MOTION by Eley, **seconded** by Packard, to approve staff recommendation.

The motion passed **unanimously**.

The Board recessed for break at 9:43 a.m.

The Board reconvened from break at 10:00 a.m.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices

February 10, 2020

Death Notices

February 10, 2020

I-2 COMMITTEE MEETING MINUTES

- Audit Committee meeting minutes - November 18, 2019

I-3 CEO FUTURE AGENDAS AND 2020 OCERS BOARD WORK PLAN

Written Report

I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

Ms. Freidenrich pulled item I-4 for Board discussion.

Staff explained the background to the RFP for investment counsel.

I-5 BOARD COMMUNICATIONS

Written Report

I-6 STATE AND FEDERAL LEGISLATIVE UPDATE

Written Report

I-7 2020 STAR COLA COST POSTING

Written Report

Ms. Freidenrich pulled item I-7 for Board discussion.

Staff and trustees reviewed the history of County approval of STAR COLA.

I-8 OVERPAID AND UNDERPAID PLAN BENEFITS – 2019 REPORT

Written Report

Ms. Freidenrich pulled item I-8 for Board discussion.

Staff explained the process that could lead to an overpaid benefit.

I-9 2020 BOARD MEETINGS – START TIME CHANGE

Written Report

Mr. Hilton announced that the OCERS Regular Board meetings will begin at 9:30 a.m. starting March 16, 2020 to accommodate the Disability Committee Meetings.

I-10 2019 BUSINESS PLAN – END OF YEAR REPORT

Written Report

******* END OF INFORMATION ITEMS AGENDA *******

OPEN SESSION

BOARD MEMBER COMMENTS

N/A

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

N/A

COUNSEL COMMENTS

N/A

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

The meeting **ADJOURNED** at 10:35 a.m. in memory of the active members, retired members, and surviving spouses who passed away during the past month:

Active Members

- Gibson, Rachel
- Harchar, Justin
- Torok, Victoria

Retired Members

- Balsinger, Catherine
- Bearden, Gary
- Bearse, Joseph
- Bearse, Joseph
- Berwanger, Diane
- Black, Elsie

Carvalho, George
Collier, Terrance
Diaz, Cesar
Early, Christa-Monika
Farnsworth, Marilyn
Freeman, Mary
Gibson, Mary
Gillette, Joyce
Hamilton, Phyllis
Harper, Susan
Henry, John
Hooven, Mary
Huynh, Tiffany
Krans, Jerry
Martin, Claudia
Nadolski, Carolyn
Nwufo, Gladys
Oliver-Abad, Joyce
Owens, Floyd
Pemberton, Barbara
Pham, Khang
Rheinheimer, Jean
Salzbrunn, Vern
Sanchez, Eduardo
Wall, Robert
Winters, Robert
Yurick, Brian

Spouses

Conologue, Catherine
Hendricks, Adele
Mc Cracken, Masako
Najmulski, Kathleen
Omasta, Eldamae
Rowe, Dennis
Searfoss, Vivian
Simpson, Doris
Walters, Carrie
Wang, Hazel

Submitted by:

Approved by:

DocuSigned by:

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Steve Delaney
Secretary to the Board

DocuSigned by:

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Roger Hilton
Chairman