

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

**REGULAR MEETING
Wednesday, February 19, 2025
9:30 A.M.**

MINUTES

Chair Packard called the meeting to order at 9:30 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

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

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; Molly Murphy, Chief Investments Officer; Manuel Serpa, General Counsel; Joon Kim, Staff Attorney; Ivan Cao, Staff Attorney (Investments); Will Tsao, Director of EPMO; Fong Tse, Senior Facilities Manager; Cynthia Hockless, Director of HR; Nicole McIntosh; Director of Disability; Philip Lam, Director of Internal Audit; Tracy Bowman, Director of Finance; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Maytak Chin, ReedSmith; Todd Tauzer, Segal

Absent: Wayne Lindholm

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.

- None

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

January 22, 2025

Recommendation: Approve minutes.

MOTION by Mr. Dewane, **seconded** by Mr. Oates, to approve the Consent Agenda.

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

A. Disability Committee Recommendations:

None

B. CEO Recommendations:

DC-1: SEAN COLGAN

Firefighter, Orange County Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as November 3, 2023.

DC-2: TOMMY GALLEGOS

Park Maintenance Worker, Orange County Community Resources (General)

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

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

DC-3: DARRELL MCKENNEY

Sergeant, Orange County Sheriff’s Department (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as March 8, 2024.

DC-4: DARYL PARKS

Fire Captain, Orange County Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as January 26, 2024.

DC-5: JUDY SALAS

Correctional Services Technician, Orange County Sheriff's Department (General)

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

- Grant service-connected disability retirement.
- Set the effective date as June 30, 2023.

DC-6: JOSE SALCIDO

Senior Mechanic, Orange County Sanitation District (General)

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

- Grant service-connected disability retirement.
- Set the effective date as October 25, 2019.

DC-7: KEVIN SKINNER

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 January 6, 2025

DC-8: MATTHEW STIVERSON

Captain, Orange County Sheriff's Department (Safety)

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

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

MOTION by Mr. Dewane, **seconded** by Ms. Lopez Tagaloo, to approve DC 1-8, except for DC-7 Kevin Skinner. Mr. Skinner's application is still under development.

The Board acknowledges Trustee Vallone for his assistance with connecting OCERS with Mr. Skinner's family and sharing the OCERS' condolences to the family.

The motion passed **unanimously**.

CLOSED SESSION

The Board adjourned to closed session at 9:34 a.m.

Government Code section 54957

Adjourn to Closed Session under Government Code section 54957 to consider member disability applications and to discuss member medical records submitted in connection therewith. The applicant may waive confidentiality and request his or her disability application to be considered in Open Session.

**DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE DISABILITY/MEMBER BENEFITS
CONSENT AGENDA**

DA-2 RICHARD CHAPPELL

Construction Inspection Supervisor, Orange County Sanitation District

Recommendation: Staff recommends the Board refer the matter back to the Hearing Officer to obtain additional medical evidence; specifically, an in-person, independent medical examination by a board-certified orthopedist.

Alternatively, Staff recommends that the Board adopt the Hearing Officer's recommendation to deny Service-Connected Disability but not adopt the Hearing Officer's recommendation to grant Nonservice-Connected Disability; instead, Staff recommends that the Board finds there is insufficient evidence of permanent incapacity.

OPEN SESSION

The Board returned from Closed Session at 10:15 a.m.

Recording Secretary administered the Roll Call attendance.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION- The Board voted unanimously to adopt staff recommendation to refer the matter back to the Hearing Officer to obtain additional medical evidence; specifically, an in-person, independent medical examination by a board-certified orthopedist.

ACTION ITEMS

A-2 2025 COST OF LIVING ADJUSTMENT

Presentation by David Kim, Assistant CEO of External Operations, OCERS; Todd Tauzer, Segal

Recommendation: Adjust all applicable benefit allowances by 3% effective April 1, 2025, and bank .5%, in accordance with Government Code section 31870.1, resulting from the 3.30% change to CPI in calendar year 2024.

MOTION by Mr. Dewane, **seconded** by Mr. Hilton, to approve staff recommendations.

The motion passed **unanimously**.

A-3 SACRS BOARD OF DIRECTORS ELECTIONS 2025-2026

Presentation by Manuel Serpa, General Counsel, OCERS

Recommendation: Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 16, 2025; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2025.

MOTION by Mr. Hilton, **seconded** by Mr. Dewane, to support the nomination for Ms. Adele Lopez Tagaloa for President of SACRS.

The motion passed **unanimously**.

A-4 BOARD CALENDAR UPDATE- AUGUST MEETING AND STRATEGIC PLANNING WORKSHOP

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Staff recommends canceling the Board Meeting on August 18, 2025, and moving the Strategic Planning Workshop to September 9-10, 2025.

MOTION by Mr. Dewane, **seconded** by Ms. Barriga, to approve staff recommendations.

After discussion, with approval from motion maker and second as listed above, motion was bifurcated to two action items:

1. Moving the Strategic Planning Workshop to September 9-10, 2025
2. Cancelling the August 18, 2025 Board Meeting

The motion (1) to move Strategic Planning Workshop to September 9-10, 2025.

The motion passed **unanimously**.

The motion (2) to cancel the August 18, 2025 Board Meeting.

The motion failed in accordance to the following roll call vote:

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

SUBSTITUTE MOTION by Ms. Freidenrich, **seconded** by Ms. Lopez Tagaloa, to defer cancelling or maintaining August Board Meeting to May or June Board Meeting.

The motion passed **unanimously**.

A-5 M365 TENANT MIGRATION BUDGET AMENDMENT

Presentation by Jenny Sadoski, Director of IT, and Matt Eakin, Director of Information Security, OCERS

Recommendation: Approve a budget amendment of \$452,800 for the total project costs to migrate OCERS' current Microsoft 365 Government Cloud tenant to the Microsoft 365 Commercial Cloud tenant. This amendment would increase the 2025 Administrative Budget from \$47,957,279 to \$48,410,079.

MOTION by Mr. Dewane, **seconded** by Ms. Lopez Tagaloa, to approve staff recommendations.

Mr. Hidalgo stepped away during the vote.

The motion passed in accordance to the following roll call vote:

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

Ms. Barriga
Mr. Hilton
Ms. Lopez Tagaloa
Mr. Oates

The Board recessed for break at 11:28 a.m.

The Board reconvened from break at 11:45 a.m.

Recording Secretary administered the Roll Call attendance.

A-6 BOARD OF RETIREMENT MEETING ATTENDANCE COMPENSATION

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Approve introduction of legislation to amend Government Code Section 31521 to permit the OCERS Board of Retirement to increase the compensation rate for meeting attendance by its fourth, fifth, sixth, eighth, and ninth members by an amount not to exceed five percent per calendar year since the last increase.

MOTION by Mr. Dewane, **seconded** by Ms. Lopez Tagaloa, to approve staff recommendations.

The motion passed in accordance to the following roll call vote:

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

The Board adjourned to closed session at 12:22 p.m.

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION (GOVERNMENT CODE SECTION 54956.9(d)(1))

SECTION 54956.9(d)(1))

Szewczyk v. OCERS; Orange County Superior Court, Case No. 30-2022-01268984-CU-WM-CJC

Recommendation: Take appropriate action.

The Board returned from Closed Session at 12:47 p.m.

No roll call was administered, but noted everyone was present. Recording Secretary administered the Roll Call attendance.

Report out from closed session: Mr. Serpa notes the board took action to authorize an appeal of the trial court decision.

The motion passed in accordance to the following roll call vote:

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

INFORMATION ITEMS

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

I-3 OUTCOMES FROM THE BUILDING COMMITTEE ON JANUARY 15, 2025

Presentation by Brenda Shott, Asst CEO, Internal Operations, OCERS

Ms. Shott presented the outcomes of the Building Committee Meeting from January.

I-1 2024 EMPLOYEE, MANAGER AND INNOVATOR OF THE YEAR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Mr. Delaney introduced to the Board the 2024 Employee of the Year, Rebeca Gonzalez-Verdugo, Manager of the Year, Gabriel Pel, and Innovator of the Year, Josephine He.

Mr. Vallone left the meeting at 1:02 p.m.

I-2 OCERS PENSION ADMINISTRATION SYSTEM (PAS) UPDATE

Presentation by William Tsao, Director of EPMO, OCERS, and Provaliant Team

Members of the Provaliant team presented updates and next steps on the OCERS Pension Administration System.

WRITTEN REPORTS

R-1 MEMBER MATERIALS DISTRIBUTED

Application Notices	February 19, 2025
Death Notices	February 19, 2025

R-2 COMMITTEE MEETING MINUTES

- October 2023- Building Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2025 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 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

Written Report

R-8 OVERPAID AND UNDERPAID PLAN BENEFITS – 2024 REPORT

Written Report

R-9 2025 STAR COLA COST POSTING

Written Report

R-10 ANNUAL REPORT OF CONTRACTS GREATER THAN \$100,000

Written Report

R-11 2024 ANNUAL BOARD POLICY COMPLIANCE REPORT

Written Report

R-12 UPDATE BOARD ELECTIONS: GENERAL MEMBER AND RETIRED MEMBER

Written Report

CIO COMMENTS- Ms. Murphy reminded everyone that the next Investment Committee is on FRIDAY, March 7th. Additionally, she shared that 2024 returns are 9.96% net, top quartile among OCERS’ peer group peers. Median peer group return was 9%. 10-year results are also in the top quartile.

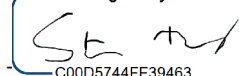
CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- Mr. Delaney shared a thank you note from a member who received a blanket from the Board for her 100th birthday.

BOARD MEMBER COMMENTS- Madam Treasurer would like to request more details about the Spence vs American Airlines case.

COUNSEL COMMENTS- File 700 forms by April 1.

Meeting **ADJOURNED** at 1:50 p.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:
DocuSigned by:

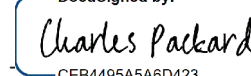


C00D5744FF39463...

Steve Delaney

Secretary to the Board

Approved by:
DocuSigned by:



CEB4495A5A6D423...

Charles Packard

Chairperson