

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**BOARD OF RETIREMENT  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CALIFORNIA**

**REGULAR MEETING  
Monday, June 20, 2022  
9:30 a.m.**

**MINUTES**

Chair Eley called the meeting to order at 9:31 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Frank Eley, Chair; Adele Tagaloa, Charles Packard, Chris Prevatt, and Shari Freidenrich

Present via Zoom Video conference pursuant to Government Code § 54953, as amended by

AB 361: Shawn Dewane, Vice Chair; Richard Oates, Wayne Lindholm, Arthur Hidalgo, Jeremy Vallone

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Shanta Chary, Director of Investment Operations; Gina Ratto, General Counsel; Manuel Serpa, Deputy General Counsel; David Kim, Director of Internal Audit; Tracy Bowman, Director of Finance; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Andy Yeung, Segal Consulting; Todd, Segal Consulting; Harvey Leiderman, ReedSmith; Maytak Chin, ReedSmith; Cory Hogan, Moss Adams

Chair Eley lead the Pledge of Allegiance.

**CONSENT AGENDA**

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| <b>BENEFITS</b> |
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**C-1 OPTION 4 RETIREMENT ELECTION**

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

- Frazee, Bruce

- Gardner, Robert
- Nadeau, Kevin
- Neal, Sandra
- Perrin, Todd
- Stewart, Steve
- Waldron, Elvia

Ms. Suzanne Jenike requests that we remove Kevin Nadeau from consent item C-1.

**MOTION** by Mr. Packard, **SECONDED** by Ms. Tagaloa, to consent on all the remainder Option 4 applications of agenda item C-1.

The motion passed **unanimously**.

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| <b>ADMINISTRATION</b> |
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**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

May 16, 2022

**Recommendation:** Approve minutes.

**MOTION** by Mr. Lindholm, **SECONDED** by Ms. Tagaloa, to approve previous minutes.

The motion passed **unanimously**.

**C-3 OUTCOMES OF THE MEETINGS OF THE GOVERNANCE COMMITTEE HELD ON FEBRUARY 14, 2022 AND MAY 3, 2022**

**Recommendation:** The Governance Committee recommends the Board approve the following:

1. Revisions to the **Board of Retirement Charter** as approved by the Committee;
2. Revisions to the **Board of Retirement Chair Charter** as approved by the Committee;
3. Revisions to the **Board of Retirement Vice Chair Charter** as approved by the Committee;
4. Revisions to the **Committee Chair Charter** as approved by the Committee;
5. Revisions to the **Indemnity and Defense Policy** as approved by the Committee;
6. Revisions to the **Rules of Parliamentary Procedure** as approved by the Committee;
7. Revisions to the **Whistleblower Policy** as approved by the Committee;
8. Revisions to the **Protocol for Handling Workplace Complaints** as approved by the Committee;
9. Revisions to the **Retirement and Enhancement Review Policy** as approved by the Committee; and
10. Revisions to the **Pay Item Review Policy** as approved by the Committee.

**MOTION** by Mr. Prevatt, **SECONDED** by Ms. Freidenrich: Approve all revisions except Board Retirement Charter. Refer the Board Retirement Charter to the Governance Committee for further review.

The motion passed **unanimously**.

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**DISABILITY/MEMBER BENEFITS AGENDA**

**CONSENT ITEMS**

**MOTION** by Mr. Packard, **SECONDED** by Mr. Lindholm, to approve staff’s recommendations on the Disability/Member Benefits Consent Agenda:

The motion passed **unanimously**.

**DC-1: DAN BOWDISH**  
Investigator, Orange County Sheriff’s Department

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service connected disability retirement due to insufficient evidence of job causation.

**DC-2: MICHAEL CARLSON**  
Deputy Sheriff II, Orange County Sheriff’s Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as the day after the last day of regular compensation.

**DC-3: COLLIN CATE**  
Paramedic Engineer, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as September 24, 2021.

**DC-4: SANDRA CHAIBUN**  
Employment and Eligibility Specialist, Orange County Social Services Agency (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity.

**DC-5: JEREMY DOTY**

Automotive Fleet Technician II, Orange County Public Works (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as October 11, 2019.

**DC-6: KEVIN FOSS**

Deputy Probation Officer II, Orange County Probation Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant non-service connected disability retirement.
- Set the effective date as the day after the last day of regular compensation.

**DC-7: ROSEMARY HARVEY**

Coach Operator, Orange County Transportation Authority (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement due without prejudice due to member's failure to cooperate.

**DC-8: KIPP LYONS**

Community Services Coordinator, City of San Juan Capistrano (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement due without prejudice due to member's failure to cooperate.

**DC-9: KERI STUFF**

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

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as December 31, 2021.

**CLOSED SESSION**

The Board adjourned into closed session at 9:55 a.m.

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

**DA-2: EDER PALMA**

Deputy Sheriff II, Orange County Sheriff’s Department

**Recommendation:**

Staff recommends the Board approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated April 10, 2022 (Recommendation) wherein the Hearing Officer recommended that the Board **deny** both service and non-service connected disability retirement.

**OPEN SESSION**

The Board reconvened into open session at 10:30 a.m.

**REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

*Mr. Dewane left the meeting during closed session to return later.*

Motion to approve staff’s recommendations for DA-2; the motion passed **unanimously** with Mr. Dewane being absent.

**DA-3: REQUEST FOR ADMINISTRATIVE REVIEW OF CEO DETERMINATION - MANCHESTER, JEFFREY**

**Recommendation:**

- (1) Staff recommends that the Board review and determine the Request for Administrative Review of CEO Determination filed by OCERS member, Jeffrey Manchester (Applicant), at the Board’s meeting on June 20, 2022; and
- (2) The Board affirm that OCERS’ Staff correctly calculated the Applicant’s final average salary in accordance with the law, OCERS’ policies and procedures, and the applicable Memorandum of Understanding (MOU).

\*\*Item DA-3 was pulled at the request of the member.

**END OF DISABILITY/MEMBER BENEFITS AGENDA**

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**ACTION ITEMS:**

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

**A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-06**

**Recommendation:** That the Board:

(1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:

- i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
- ii. State or local officials continue to impose or recommend measures to promote social distancing; and

(2) If the Board so determines, adopt Board of Retirement Resolution 2022-06 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

The Board moved to adopt a portion of Board of Retirement Resolution 2022-06 and will continue a hybrid model in July 2022.

**MOTION** by Ms. Freidenrich, **SECONDED** by Mr. Lindholm, to approve staff recommendations, but removing the verbiage in paragraph (1)i of staff's recommendation.

The motion passed **unanimously**.

*The Board recessed for break at 10:45 a.m.*

*The Board reconvened from break at 11:00 a.m.*

*Recording Secretary administered the Roll Call attendance.*

**A-3 DECEMBER 31, 2021 ACTUARIAL VALUATION- FINAL APPROVAL**

*Presentation by Andy Yeung, Segal Consulting, and Todd Tauzer, Segal Consulting*

**Recommendation:** Approve the Actuarial Valuation and Review as of December 31, 2021 and adopt contribution rates for Fiscal Year 2023 – 2024 as recommended by Segal Consulting.

**MOTION** by Mr. Packard, **SECONDED** by Mr. Prevatt, to approve and adopt recommendations by Segal.

The motion passed **unanimously**.

*Mr. Dewane returned to the meeting.*

**A-4 2021 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORTS**

*Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS*

**Recommendation:** Approve the following recommendations presented to the Audit Committee during a meeting held on June 2, 2022:

1. Approve OCERS' audited financial statements for the year ended December 31, 2021
2. Direct staff to finalize OCERS' 2021 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2021

4. Receive and file Moss Adams LLP’s “OCERS’ Report to the Audit Committee for the Year Ended December 31, 2021” and their “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards”

**MOTION** by Ms. Freidenrich, **SECONDED** by Mr. Packard, to approve staff recommendations.

The motion passed **unanimously**.

**A-5 GASB 68 VALUATION AND AUDIT REPORT**

*Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS*

**Recommendation:** Approve the following recommendations from the Audit Committee during a meeting held on June 2, 2022:

1. Approve OCERS’ audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2021.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2021 for distribution to employers.

**MOTION** by Mr. Packard, **SECONDED** by Ms. Freidenrich, to approve staff recommendations.

The motion passed **unanimously**.

**A-6 AUDIT COMMITTEE- ACTUARIAL AUDITOR SERVICES CONTRACT AWARD**

*Presentation by David Kim, Director of Internal Audit, OCERS*

**Recommendation:** The Audit Committee recommends the Board of Retirement award a contract for actuarial auditor services to Cheiron Inc. (Cheiron), subject to satisfactory negotiation of terms.

**MOTION** by Mr. Packard, **SECONDED** by Ms. Freidenrich, to approve staff recommendations.

The motion passed **unanimously**.

*The Board recessed for break at 1:08 p.m.*

*The Board reconvened from break at 1:17 p.m.*

*Recording Secretary administered the Roll Call attendance.*

**INFORMATION ITEMS**

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

**Presentations**

**I-1 BENEFIT PLANS OFFERED BY CONTRACTING EMPLOYERS AND ASSOCIATED ADMINISTRATIVE CHALLENGES**

*Presentation by Andy Yeung, Segal Consulting, Todd Tauzer, Segal Consulting*

Mr. Yeung and Mr. Tauzer presented on the topic of the various plans offered through OCERS.

**I-2 ALTERNATIVE ECONOMIC ASSUMPTIONS FOR USE IN 2022 SENSITIVITY ANALYSES**

*Presentation by Andy Yeung, Segal Consulting, Todd Tauzer, Segal Consulting*

Mr. Yeung and Mr. Tauzer offered scenarios for testing the economic assumptions.

**I-3 ALAMEDA IMPLEMENTATION PROJECT UPDATE**

*Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations, OCERS*

Ms. Jenike provided an update on the status of the implementation of recalculation as dictated from the Alameda decision.

**I-4 COVID-19 UPDATE**

*Presentation by Steve Delaney, Chief Executive Officer, OCERS*

Mr. Delaney presented to the board an update about OCERS and the effects of COVID-19.

**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**

Written Report

Application Notices

June 20, 2022

Death Notices

June 20, 2022

**R-2 COMMITTEE MEETING MINUTES**

- March 2022 Audit Committee Meeting Minutes
- April 2022 Disability Committee Meeting Minutes

**R-3 CEO FUTURE AGENDAS AND 2022 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 ELECTION UPDATE - GENERAL AND RETIRED BOARD MEMBER**  
Written Report

**R-8 2022 ANNUAL BUSINESS PLAN PROGRESS – MID YEAR REVIEW**  
Written Report

**R-9 SECOND QUARTER REVIEW OF OCERS 2022-2024 STRATEGIC PLAN**  
Written Report

**R-10 2022 STRATEGIC PLANNING WORKSHOP – PROPOSED FORMAT AND AGENDA TOPICS**  
Written Report

**CIO COMMENTS**

Ms. Chary presented the current status of the OCERS portfolio noting that the fund is doing well despite being barely cash flow negative.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

Mr. Delaney shared about the passing of Ms. Anna Crosson and a video clip from her prior interview. Anna Crosson is the longest OCERS member.

**COUNSEL COMMENTS**

Ms. Ratto announced to the Board that Mr. Manuel Serpa has been promoted to Deputy General Counsel.

**BOARD MEMBER COMMENTS**

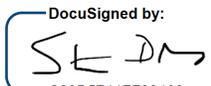
None

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Meeting **ADJOURNED** at 2:29 p.m. in memory of the active members, retired members, and surviving spouses.

Submitted by:

Approved by:

DocuSigned by:  
  
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Steve Delaney  
Secretary to the Board

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Frank Eley  
Chairman