

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

**REGULAR MEETING
Monday, October 17, 2022
9:30 A.M.**

MINUTES

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

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Frank Eley, Chair; Shawn Dewane, Vice Chair; Adele Tagalao, Charles Packard, Chris Prevatt, Richard Oates, Wayne Lindholm, Arthur Hidalgo, Shari Freidenrich

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, Chief Investments Officer; 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: Harvey Leiderman, ReedSmith

Absent: Jeremy Vallone

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.

- Sean Howell

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes
Special Board Meeting Minutes
Strategic Planning Workshop Minutes

August 15, 2022
August 24, 2022
September 14-15, 2022

Recommendation: Approve minutes.

C-3 OUTCOMES FROM THE GOVERNANCE COMMITTEE ON AUGUST 3, 2022

Recommendation: The Governance Committee recommends the Board approve revisions to the following charter and policies as presented:

- Board of Retirement Charter
- Trustee Education Policy
- Member Services Customer Service Policy
- Monitoring and Reporting Policy

MOTION by Mr. Lindholm, **SECONDED** by Ms. Tagaloa, to approve Consent Agenda items, C-1, C-2 and C-3.

The motion passed **unanimously**.

C-4 OUTCOMES FROM THE DISABILITY COMMITTEE ON AUGUST 15, 2022

Recommendation: The Disability Committee recommends the Board approve OCERS Administrative Procedure - Disability from Performance of Usual Duty Determinations.

Ms. Freidenrich had questions regarding the language, but Legal Division confirmed that they had drafted and reviewed the language.

Pulled for discussion (see A-1)

DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

DC-1: KENDRA BOLDEN

Supervising Juvenile Correctional Officer, 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, the day after last date of regular compensation as a Supervising Juvenile Correction Officer.
- 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 December 31, 2021, the date of the position change until the day Ms. Bolden wishes to retire from the new position.

DC-2: JAMES CARROLL
Sergeant, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-3: DONESHIA CHATMAN
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as January 3, 2021.

DC-4: YVETTE CLANTON
Coach Operator, Orange County Transportation Authority (General Member)

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.

DC-5: CHARLES EASTMAN
Supervising Helicopter Mechanic, Orange County Sheriff's Department (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as February 3, 2021.

DC-6: BRANDY HARRIS
Office Technician, 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-7: SHANE HOWEY
Firefighter/Paramedic, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-8: TERRY JOHNSON
Office Supervisor B, Orange County Probation Department (General Member)

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.

DC-9: PRESTON KNOWLES
Deputy Sheriff I, 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 February 2, 2022.

DC-10: JARRETT KURIMAY
Commander, 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 January 14, 2022.

DC-11: ANA LA PYRNE
Deputy Sheriff I, 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 March 11, 2022.

DC-12: MICHAEL MATRANGA
Deputy Sheriff I, 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 January 1, 2021.

DC-13: JESSICA MITCHELL (ULMER-RODRIGUEZ)

Communications Coordinator II, Orange County Sheriff's Department (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as August 18, 2017.

DC-14: MARK PETERS

Sergeant, 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 March 25, 2022.

DC-15: PAUL PHANTUMABAMRUNG

Fire Apparatus 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 March 11, 2022.

DC-16: BRAD ALLEN PHOENIX

Battalion Chief, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as December 21, 2021.

DC-17: BRANDI STUMPH

Sheriff's Special Officer II, Orange County Sheriff's Department (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- 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 July 2, 2021, the date of the position change, until the day Ms. Stumph stops working in the new position.

DC-18: PAMELA THOMAS

Senior Family Support Officer, Orange County Child Support Services (General Member)

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.

DC-19: MICHAEL TIVENAN

Fire Apparatus 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 February 3, 2015.

DC-20: FRANK VILLASENOR

Park Maintenance Worker, Orange County Community Resources/OC Parks (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as August 3, 2018.

DC-21: BAO VINH

Senior Social Worker, Orange County Social Services Agency (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 31, 2017.

DC-22: GLENN STITZ

Court Collection Officer I, Orange County Superior Court (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant non-service connected disability retirement.
- Set the effective date as August 6, 2021.

MOTION by Mr. Prevatt, **SECONDED** by Mr. Packard, to approve the Disability Consent Agenda items, DC-1 through DC-22.

The motion passed **unanimously**.

Adjourn to closed session at 9:42 am.

CLOSED SESSION

DA-2: LAURIE KEOGH

Senior Computer Graphics Specialist, Orange County Public Works

Recommendation: 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 June 1, 2022 (Recommendation) wherein the Hearing Officer recommended that the Board deny the application of Applicant Laurie Keogh for service-connected disability retirement benefits.

OPEN SESSION

Return from Closed Session at 10:00 am.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

Chair Eley reported out: **MOTION** by Mr. Prevatt, **SECONDED** by Mr. Lindholm, to approve consideration in favor of hearing officer’s review.

The motion passed, pursuant to a Roll Call vote, as follows:

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

END OF DISABILITY/MEMBER BENEFITS AGENDA

ACTION ITEMS

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA
C-4 OUTCOMES FROM THE DISABILITY COMMITTEE ON AUGUST 15, 2022**

Recommendation: The Disability Committee recommends the Board approve OCERS Administrative Procedure - Disability from Performance of Usual Duty Determinations.

Ms. Freidenrich had questions regarding the language, but Legal Division confirmed that they had drafted and reviewed the language.

MOTION by Ms. Freidenrich, **SECONDED** by Mr. Lindholm, to approve staff recommendation.

The motion passed **unanimously**.

A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-10

Presentation by Gina Ratto, General Counsel, OCERS

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 2022-10 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

MOTION by Ms. Tagaloa, **SECONDED** by Mr. Oates, to approve staff recommendations.

The motion passed **unanimously**.

A-3 OCERS 2023-2025 STRATEGIC PLAN

Presentation by Steve Delaney, Chief Executive Officer

Recommendation: Approve the OCERS 2023-2025 Strategic Plan as modified, and direct staff to update the 2023 Business Plan to reflect modified language.

Discussion called for approval of Strategic Plan at this time, but requesting updates at the next quarterly review.

MOTION by Mr. Packard, **SECONDED** by Ms. Tagaloa, to approve the 2023-2025 Strategic Plan with an update from “Leading Practice” to “Best Practice” and to task staff to update the Business Plan accordingly.

The motion passed **unanimously**.

A-4 2023 PROPOSED STAFFING PLAN – PERSONNEL COMMITTEE RECOMMENDATIONS

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: The Personnel Committee recommends the Board of Retirement approve the following items related to the 2023 Staffing Plan at the October 17, 2022 Board meeting:

1. **Add 14 New Positions to the 2023 Budgeted Headcount**

- A. Add one Project Manager position to the Executive Division
 - B. Add three positions to the Legal Division
 - i) Chief Compliance Officer
 - ii) Staff Attorney
 - iii) Executive Secretary I
 - C. Add one Investment Officer position to the Investments Division
 - D. Add three Retirement Program Specialists to the Member Services Division
 - E. Add one Information Security Analyst (Staff Analyst) position to the Information Security Department
 - F. Add three positions to the IT Department
 - i) IT Systems Technician
 - ii) Testing Coordinator (Manager Level)
 - iii) Automation Developer (Manager Level)
 - G. Add two positions to the Human Resources Department
 - i) Staff Analyst
 - ii) Staff Assistant
- 2. Approve the Creation of Three Career Ladders in the Finance and Internal Audit Departments (no change to headcount)**
- A. Finance Department
 - i) Senior Accountant to Staff Analyst
 - ii) Accountant Auditor to Senior Accountant
 - B. Internal Audit Department
 - i) Internal Auditor to Senior Internal Auditor
- 3. Approve the Following Add/Drop**
- A. Add a Director of Communications and drop a Communications Manager position in the Communications department (no change to headcount).

The total estimated Personnel Cost to be added with the 2023 budget is **\$2,376,000.**

MOTION by Mr. Dewane, **SECONDED** by Mr. Packard, to approve the 2023 Proposed Staffing Plan.

The motion passed, pursuant to a Roll Call vote, as follows:

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

The Board recessed for break at 11:13 a.m.

The Board reconvened from break at 11:36 a.m.

Recording Secretary administered the Roll Call attendance.

A-5 OCERS 2023 BUSINESS PLAN

Presentation by Steve Delaney, Chief Executive Officer and Brenda Shott, Assistant CEO, Finance and Internal Operations

Recommendation: Approve OCERS 2023 Business Plan.

MOTION by Mr. Dewane, **SECONDED** by Mr. Lindholm, to approve the 2023 Business Plan.

The motion passed **unanimously**.

A-6 VOTING DIRECTION FOR SACRS BUSINESS MEETING

Presentation by Gina Ratto, General Counsel, OCERS

Recommendation: Give voting direction to OCERS' delegates for November 11, 2022 SACRS business meeting.

MOTION by Ms. Tagaloa, **SECONDED** by Mr. Lindholm, to direct OCERS Delegates to cast OCERS' votes at the November 11, 2022 SACRS business meeting in accordance with SACRS Voting Authority Policy.

The motion passed **unanimously**.

INFORMATION ITEMS

Presentations

I-1 NEW FORM 700 REVIEW PROCESS

Presentation by Gina Ratto, General Counsel, OCERS

General Counsel Ratto informed the Board of the new Form 700 review process to ensure additional accountability and oversight of potential conflicts.

I-2 EMPLOYER & EMPLOYEE PENSION COST COMPARISON

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

Assistant CEO Jenike reported on the employee and employer pension cost comparison. Chair Eley thanked Ms. Jenike for her staff's work and requested this report continue to be provided to the Board on an annual basis.

I-3 ALAMEDA IMPLEMENTATION UPDATE

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

Assistant CEO Jenike reported on the status of the *Alameda* implementation project. Ms. Jenike reported that the project is on track overall, she gave details on the recent accomplishments of the team as well as challenges looking ahead. The report included information regarding recent addition of resources in the form of contractors who are in the process of being trained on performing benefit recalculations. Once these contractors are performing independently, the team

will be able to determine the benefit recalculation schedule moving forward and identify additional resource needs.

I-4 SUMMARY OF CHANGES TO THE BROWN ACT TELECONFERENCE MEETING RULES EFFECTIVE 1/1/2023 – AB 2499

Presentation by Manuel Serpa, Deputy General Counsel, OCERS

Deputy GC Serpa summarized the changes to Brown Act rules regarding teleconferencing.

I-5 COVID-19 UPDATE

Presentation by Steve Delaney, Chief Executive Officer, OCERS

CEO Delaney shared about the OCERS approach to COVID-19, with staff continuing a hybrid attendance program.

WRITTEN REPORTS

R-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices

October 17, 2022

Death Notices

October 17, 2022

R-2 COMMITTEE MEETING MINUTES

- May 2022 – Governance Committee Minutes
- June 2022 - Audit Committee Minutes
- August 2022- Personnel Committee 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 RESPONSE TO BOARD MEMBER QUESTIONS REGARDING PROVISIONS OF THE PROCUREMENT AND CONTRACTING POLICY

Written Report

R-8 BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN EXERCISE EXECUTIVE SUMMARY

Written Report

R-9 ELECTION UPDATE - GENERAL AND RETIRED BOARD MEMBER

Written Report

R-10 THIRD QUARTER 2022 TRAVEL AND TRAINING EXPENSE REPORT

Written Report

R-9 was pulled to congratulate Mr. Hilton on his election to the Board and Ms. Tagaloa for her re-election to the Board.

CIO Comments

CIO Murphy shared about the current market and predictive models regarding recession. While the tough market remains, the Investment team is thinking about cash flow and being cognizant of wanting productive results and optimizing current markets.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- None

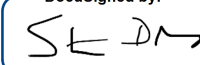
COUNSEL COMMENTS - None

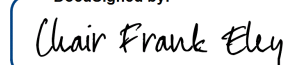
BOARD MEMBER COMMENTS- None

Meeting **ADJOURNED** at 1:41pm.

Submitted by:

Approved by:

DocuSigned by:

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Steve Delaney
Secretary to the Board

DocuSigned by:

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Frank Eley
Chairman