

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

**REGULAR MEETING
Monday, November 17, 2025
9:30 A.M.**

MINUTES

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

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

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

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

Also Present: David Kim, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, General Counsel; Molly Murphy, Chief Investment Officer; Darren Dang, Chief Technology Officer; Will Tsao, Director of EPMO; Mark Adviento, Director of Member Services; Jeff Lamberson, Director of Member Services; Cynthia Hockless, Director of HR; Jennifer Reyes, Director of Finance; Tracy Bowman, Director of Finance; Kristine De Los Santos, Finance Manager; Fong Tse, Sr Facilities Manager; Joon Kim, Staff Attorney; Nicole McIntosh; Director of Disability; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Maytak Chin, ReedSmith (ZOOM)

Absent:

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.

- none

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Board Meeting Minutes

October 20, 2025

Recommendation: Approve minutes.

A **MOTION** was made by Mr. Dewane, **seconded** by Ms. Lopez Tagalao, 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: JORGE CASTANEDA

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 May 19, 2024.

DC-2: ROBERTO DE PADUA

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

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

- Grant service-connected disability retirement.
- Set the effective date as August 9, 2024.

DC-3: KIPP LYONS

Community Service Coordinator, City of San Juan Capistrano (General)

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

- Grant service-connected disability retirement.
- Set the effective date as April 17, 2023.

DC-4: RAMON MUNOZ

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 May 30, 2024.

DC-5: RAMI PAYNE

Library Assistant II, Orange County Public Library (General)

Recommendation: Staff recommends that the Board:

- Rescind member’s nonservice-connected disability in order to allow member to withdraw accumulated contributions pursuant to Government Code section 31628.

A **MOTION** was made by Mr. Oates, **seconded** by Mr. Oates, to approve DC 1-5.

The motion passed **unanimously**.

ACTION ITEMS

A-2 OCERS’ PROPOSED ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2026

Presentation by Brenda Shott, Assistant CEO, Internal Operations, and Steve Delaney, CEO

Recommendation: Approve the FY 2026 Administrative and Capital Budgets totaling \$107,268,231

1. **Adopt the FY 2026 Administrative Budget (excluding Capital Expenditures)**

Total: \$46,433,042

a. Personnel Costs:	\$28,687,727
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b. Service and Supplies:	\$17,745,315
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2. **Adopt the FY 2026 Capital Expenditures Budget**

Total: \$60,835,189

Ms. Shott presented the 2026 Administrative and Capital Expenditures Budget, reviewing the major cost drivers and comparing previous year's budget to actuals in each of the major categories.

Mr. Lindholm questioned the amount being budgeted in the Services and Supplies as the actuals in this area have come in 20%-25% less than the amount budgeted in the past five years. He suggested that we should be able to cut the budget in this area based on the past results.

Ms. Freidenrich agreed and wants to see the budget be more challenging. She expressed her appreciation that the Staff is diligent in not spending dollars if not needed, but encouraged staff to be tighter on the amounts requested in the budget. She explained that she would prefer that staff budget only what they knew was needed and would be spent, and then come back during the year for additional dollars if needed.

When reviewing the Capital Projects category, Ms. Shott explained that the 2026 budget includes \$57.8 million in cash flow estimated as needed for the new Headquarters building; however, this is a multi-year project, and the amount budgeted for 2026 does not reflect the full project cost. The full cost of the project is expected to be reviewed by the Building Committee and the Board in December.

Additionally, in the Capital Projects category, there is \$3 million for the OCERS Horizon – PAS Modernization Project. The amount budgeted includes costs for the external limited-term project staff and for the Implementation Partner contract for 2026. The amount budgeted does not include the cost of the new system itself, as the vendor selection and contract negotiation will

happen over the next several months. A budget amendment is anticipated to cover the vendor cost once contract negotiations are completed.

A **MOTION** was made by Mr. Dewane, **seconded** by Mr. Oates, to approve staff recommendations.

The motion passed **unanimously**.

A-3 ELECTION OF OCERS BOARD VICE-CHAIR

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

Recommendation: Elect a new OCERS Board Vice-Chair for calendar year 2026.

A **MOTION** was made by Mr. Hidalgo, **seconded** by Mr. Lindholm, to nominate Mr. Dewane as OCERS Board Vice Chair for calendar year 2026.

The motion passed **unanimously**.

The Board recessed for break at 10:26 a.m.

The Board reconvened from break at 10:44 a.m.

Recording Secretary administered the Roll Call attendance.

A-4 AWARD OF CONTRACT FOR THE PENSION ADMINISTRATION SOLUTION

Presentation by David Kim, Assistant CEO, External Operations, Darren Dang, Chief Technology Officer, and Will Tsao, Director of EPMO, OCERS

Recommendation: Staff recommends the Board of Retirement award a contract for the Pension Administration Solution (PAS) to Vitech System Group, subject to satisfactory negotiation of terms.

OCERS is undertaking a major modernization under Vision 2030, replacing its legacy Pension Administration System (V3), which ends in 2028, with the new OCERS Horizon system to enhance flexibility, automation, and long-term growth. Ms. Brenda Shott emphasized that Horizon is a strategic investment, not just a technical upgrade.

Mr. David Kim outlined the strategic rationale and vendor selection, noting that the May 2025 RFP included over 1,900 requirements to limit scope creep. From five proposals, three finalists—Cognizant, Sagitec, and Vitech—were chosen after rigorous evaluations, demos, site visits, and staff input.

Mr. Will Tsao reviewed the Vision 2030 timeline and evaluation methodology, highlighting the strong Operations-IT alignment—driven by Vision 2030 goals—which made the process smoother and more thorough than past efforts.

Mr. Darren Dang assessed Vitech’s Velocity platform, noting its Level 4 composable architecture, cloud readiness, modularity, and minimal customization, meeting 99% of OCERS’ requirements. Vitech stood out for its modern SaaS model, low cost, familiarity with OCERS data, and deliverables-based payment structure.

The discussion covered risk mitigation, including dedicated Vitech project personnel, continuity guarantees, and OCERS approval for staffing changes. OCERS will have access to Vitech’s JIRA system, CTO escalation, and source-code escrow. The 28-month implementation timeline was considered ambitious but achievable with strong monitoring and contingency plans.

During the board Q&A, the team addressed concerns on financial stability, noting cautious optimism about Vitech’s new ownership. The latest Velocity system and SaaS model ensure smoother upgrades. Vitech’s low cost reflects familiarity with OCERS’ data, and assurances were given that OCERS will remain a priority client with contractual safeguards. Data migration risks are expected to be lower due to Vitech’s existing knowledge of OCERS’ dataset.

Mr. Dang notes that the next steps upon approval include starting contract negotiations with Vitech, embedding risk mitigations and deliverable-based payments, continuing OCERS’ data-cleanup efforts, and monitoring implementation milestones.

A **MOTION** was made by Mr. Dewane, **seconded** by Ms. Barriga, to approve staff recommendation to award a contract for the Pension Administration Solution (PAS) to Vitech System Group, subject to satisfactory negotiation of terms.

The motion passed **unanimously**.

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
Death Notices

November 17, 2025
November 17, 2025

R-2 COMMITTEE MEETING MINUTES

- April 2025- Building Committee Meeting

R-3 NEW HEADQUARTERS ACTIVITY REPORT

Written Report

R-4 CEO FUTURE AGENDAS AND 2025 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 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT

Written Report

R-9 THIRD QUARTER 2025 BUDGET TO ACTUALS REPORT

Written Report

R-10 THIRD QUARTER 2025 UNAUDITED FINANCIAL STATEMENTS

Written Report

R-11 2025 EMPLOYER AND EMPLOYEE CONTRIBUTIONS MATRIX

Written Report

R-12 REPORT OF ATTENDANCE AT CONFERENCE- IRISS BARRIGA- iDAC

Written Report

R-13 REPORT OF ATTENDANCE AT CONFERENCE- ADELE LOPEZ TAGALOA- iDAC

Written Report

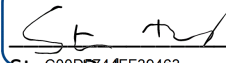
CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- Ms. Shott reminds Trustees to stay for lunch for our December Board meeting as it is our annual Lunch with Trustees for OCERS staff.

BOARD MEMBER COMMENTS- Ms. Lopez Tagaloa thanked everyone for attending and participating in SACRS. Mr. Oates thanked the OCERS staff for their efforts on Horizon and reminded the Committee about the meeting on Wednesday, November 19th. Ms. Freidenrich alerted staff and the broader public to be aware of potential mail fraud involving property tax forms.

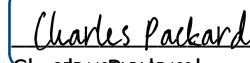
COUNSEL COMMENTS- none

Meeting **ADJOURNED** at 11:38 a.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

DocuSigned by:

Steve Delaney
Secretary to the Board

Approved by:

DocuSigned by:

Charles Packard
Chairperson