

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

REGULAR MEETING  
Monday, March 19, 2018  
9:00 a.m.

MINUTES

Chair Prevatt called the meeting to order at 9:01 a.m.

Attendance was as follows:

Present: Chris Prevatt, Chair; Chuck Packard, Vice-Chair; Eric Gilbert; David Ball; Roger Hilton; Wayne Lindholm; Shawn Dewane; Frank Eley; and Russell Baldwin

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Finance and Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, Chief Investment Officer; Jenny Sadoski, Director of Information Technology; Gina Ratto, General Counsel; Lee Fink, Deputy General Counsel; Anthony Beltran, Visual Technician; Megan Cortez; Disability Coordinator; Cammy Danciu, Recording Secretary.

Guests: Harvey Leiderman

Absent: Shari Freidenrich

*Mr. Gilbert led the Pledge of Allegiance.*

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Board Member or a member of the public requests separate action on a specific item.

A **motion** was made by Mr. Packard **seconded** by Mr. Ball to move the consent agenda.

Motion passed **unanimously**.

<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.

(1) N/A

<b>ADMINISTRATION</b>
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**C-2 BOARD MEETINGS AND COMMITTEE MEETINGS**

Audit Committee Minutes

January 30, 2018

Regular Board Meeting Minutes

February 13, 2018

**Recommendation:** Authorize meeting and approve minutes.

**C-3 AUDIT COMMITTEE OUTCOMES FROM JANUARY 30, 2018 MEETING**

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

- (1) Receive and file the Actuarial Audit of OCERS' 2016 Actuarial Valuation.
- (2) Receive and file the Audit of OCERS' Investment Rebalancing Reporting.
- (3) Receive and file the Status of 2017 Internal Audit Plan.
- (4) Receive and file the Status of 2018 Internal Audit Plan.

**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 address items on the agenda should provide written notice to the Secretary of the Board prior to the Board's discussion on the item by signing in on the Public Comment Sign-In Sheet located at the back of the room.

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

**A-2 2018 STAR COLA FINAL APPROVAL**

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

**Recommendation:** Approve payment of STAR COLA for the period April 1, 2018 through March 31, 2019.

Sara Ruckle Harms, representing the Retired Employees Association of Orange County (REAOC), asked, on behalf of REAOC, the Board to approve and grant STAR COLA for another year.

Following discussion, a **motion** was made by Mr. Eley **seconded** by Mr. Hilton to approve payment of STAR COLA for the period April 1, 2018 through March 31, 2019.

Motion passed **unanimously**.

**Mr. Lindholm arrived at 9:06 a.m.**

**INFORMATION ITEMS**

- I-1 MEMBER MATERIALS DISTRIBUTED**  
Written Report  
  
Application Notices March 19, 2018  
Death Notices March 19, 2018
- I-2 CEO FUTURE AGENDAS AND 2018 OCERS BOARD WORK PLAN**  
Written Report
- I-3 QUIET PERIOD – NON-INVESTMENT CONTRACTS**  
Written Report
- I-4 FIRST QUARTER REVIEW OF 2018-2020 OCERS STRATEGIC PLAN**  
Written Report
- I-5 LEGISLATIVE UPDATE**  
Written Report
- I-6 TRAVEL REPORT – 2018 NAPO’S 30<sup>TH</sup> ANNUAL POLICE FIRE EMS AND MUNICIPAL EMPLOYEES PENSION AND BENEFITS SEMINAR**  
Written Report
- I-7 BOARD ELECTION, SAFETY MEMBER AND ALTERNATE SAFETY MEMBER**  
Written Report
- I-8 BOARD COMMUNICATION**  
Written Report
- I-9 2018 STATE OF OCERS ANNUAL REPORT**  
*Presentation by Steve Delaney, Chief Executive Officer, OCERS*

Mr. Delaney delivered his third State of OCERS Annual Report which fulfills a number of reporting and overview requirements outlined in OCERS Board Policies, or through Board directives.

Paul Angelo explained the actuarial accrued liability portion of the report.

Ms. Hockless explained OCERS staff turnover.

Mr. Gilbert stated that it would be beneficial to see how OCERS compares with other retirement systems that have a split between County and direct employees, and where OCERS stands compared to those systems.

Mr. Delaney concluded his State of OCERS annual report by noting, “With \$16 billion in the bank, a funded status of approximately 70%+ and a plan to get us to 100% over the next 20 years, we have a solid foundation. OCERS is both cash flow positive, as well as having a positive Active to Retiree ratio, both reflections of a system relatively young compared to others nationally, gives

this system the time to plan and prepare for the day both of those measures change. We have a new benefit cost structure – PEPPRA, designed to maintain a sustainable benefit cost into the future. Our plan sponsors and employees fund the system with every payroll in the amount required under an independent actuarial valuation. The system is managed by a professional organization of pension administration experts with a good reputation among its members, employers and other stakeholders. Finally, we have a fully engaged Board of Trustees who set a tone that clearly values a quality business and service culture.”

***The Board recessed for break at 10:06 a.m.***

***The Board reconvened from break at 10:23 a.m.***

**I-10 OCERS’ PLAN SPONSOR – AN ANNUAL REVIEW**

*Presentation by Mark Adviento, Internal Auditor, OCERS*

Mark Adviento presented the OCERS Plan Sponsor annual review.

Mr. Lindholm asked if there are any updates on the City of Irvine.

Mr. Adviento stated there are no changes or updates since the last annual report of May 2017.

***The Board recessed for break at 10:48 a.m.***

***The Board reconvened from break at 11:03 a.m.***

**I-11 OCERS FUNDING POLICY**

*Presentation by Paul Angelo, Segal Consulting*

The Board adopted the Actuarial Funding Policy in January, 2014 and approved amendments to the Policy in December 2014. The Board has since adopted new actuarial assumptions that need to be incorporated into the policy. Since the policy was due for its regularly scheduled triennial review, Paul Angelo from Segal Consulting discussed the actuarial funding policy components and objectives. Mr. Angelo made clear that he would not recommend any change to the current policy and its use of 20 year amortization. Asking if this item needed to return next month as a consent or discussion item, Chair Prevatt directed that it return as an action item.

***Mr. Eley stepped out at 12:16 p.m.***

***Mr. Eley returned at 12:18 p.m.***

**\*\*\*\*\* END OF INDIVIDUAL ITEMS AGENDA \*\*\*\*\***

**DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA**

**11:00 A.M.**

**NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO DISCUSS MATTERS RELATING TO THE MEMBER’S APPLICATION OR APPEAL, PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A**

**DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.**

**DISABILITY INDIVIDUAL AGENDA**

Megan Cortez, Disability Coordinator, presented item D-1.

**D-1: Thomas Hollins**

Utility Worker, John Wayne Airport

Date of employee filed application for service and non-service connected disability retirement:  
08/13/2015

**Recommendation: Refer the matter to a hearing officer for further analysis of the record regarding permanent incapacity and job causation. (General Member)**

Jane Oatman representing Mr. Hollins asked the Board to reconsider staff recommendation.

Mr. Baldwin asked staff for clarification of the opinion of the two doctors involved.

Ms. Cortez stated that when Dr. Guellich was asked why his opinion differed from the opinion of Dr. Chiu, Dr. Guellich stated that he didn't have sufficient records to give a different opinion.

After further discussion, a **motion** was made by Mr. Eley, **seconded** by Mr. Packard to refer the matter to a hearing officer for further analysis of the record regarding permanent incapacity and job causation. The motion carried **8-0** with voting as follows:

**AYES**

Chair Prevatt  
Mr. Dewane  
Mr. Lindholm  
Mr. Ball  
Mr. Baldwin  
Mr. Packard  
Mr. Eley  
Mr. Hilton

**NAYS**

**ABSTAIN**

**ABSENT**

Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-2.

**D-2: Brad Jarrell**

Fire Captain, Orange County Fire Authority

Date of employer filed application for service and non-service connected disability retirement:  
01/06/2017

Date of employee filed application for service and non-service connected disability retirement:  
02/18/2017

**Recommendation: Grant service connected disability retirement with an effective date of March 17, 2017. (Safety Member)**

A **motion** was made by Mr. Gilbert, **seconded** by Mr. Eley to grant service connected disability retirement with an effective date of March 17, 2017. The motion carried **7-1** with voting as follows:

**AYES**

Chair Prevatt  
Mr. Dewane  
Mr. Ball  
Mr. Baldwin  
Mr. Packard  
Mr. Eley  
Mr. Gilbert

**NAYS**

Mr. Lindholm

**ABSTAIN**

**ABSENT**

Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-3.

**D-3: David Loaiza**

Deputy Sheriff II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:  
03/22/2017

Date of employee filed application for service and non-service connected disability retirement:  
04/04/2017

**Recommendation: Grant service connected disability retirement with an effective date of March 31, 2017. (Safety Member)**

A **motion** was made by Mr. Hilton, **seconded** by Mr. Ball to grant service connected disability retirement with an effective date of March 31, 2017. The motion carried **7-1** with voting as follows:

**AYES**

Chair Prevatt  
Mr. Dewane  
Mr. Ball  
Mr. Baldwin  
Mr. Packard  
Mr. Eley  
Mr. Hilton

**NAYS**

Mr. Lindholm

**ABSTAIN**

**ABSENT**

Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-4.

**D-4: Jorge Menocal**

Senior Mechanic, Orange County Sanitation District

Date of employer filed application for service and non-service connected disability retirement:  
04/19/2017

Date of employee filed application for service and non-service connected disability retirement:  
05/23/2017

**Recommendation: Grant non-service connected disability with an effective date of April 19, 2017 and deny service connected disability retirement due to insufficient evidence of job causation. (General Member)**

A **motion** was made by Mr. Baldwin, **seconded** by Mr. Packard to grant non-service connected disability with an effective date of April 19, 2017 and deny service connected disability retirement due to insufficient evidence of job causation. The motion carried **8-0** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Chair Prevatt			Ms. Freidenrich
Mr. Dewane			
Mr. Ball			
Mr. Baldwin			
Mr. Packard			
Mr. Eley			
Mr. Hilton			
Mr. Lindholm			

Megan Cortez, Disability Coordinator, presented item D-5.

**D-5: Giang Nguyen**

Facilities Mechanic, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:

05/25/2017

Date of employee filed application for service and non-service connected disability retirement:

06/12/2017

**Recommendation Grant service connected disability retirement with an effective date of July 7, 2017. (General Member)**

A **motion** was made by Mr. Ball, **seconded** by Mr. Eley to grant service connected disability retirement with an effective date of July 7, 2017. The motion carried **8-0** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Chair Prevatt			Ms. Freidenrich
Mr. Dewane			
Mr. Ball			
Mr. Baldwin			
Mr. Packard			
Mr. Eley			
Mr. Hilton			
Mr. Lindholm			

Megan Cortez, Disability Coordinator, presented item D-6.

**D-6: Aaron Richard**

Sergeant, Orange County Sheriff's Department

Date of employee filed application for service and non-service connected disability retirement:

03/07/2017

**Recommendation Grant service connected disability retirement with an effective date of March 17, 2017. (Safety Member)**

A **motion** was made by Mr. Hilton, **seconded** by Mr. Packard to grant service connected disability retirement with an effective date of March 17, 2017. The motion carried **8-0** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Chair Prevatt Mr. Dewane Mr. Ball Mr. Baldwin Mr. Packard Mr. Eley Mr. Hilton Mr. Lindholm			Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-7.

**D-7: Robert Spiegel**

Fire Captain, Orange County Fire Authority

Date of employee filed application for service connected disability retirement: 01/23/2017

**Recommendation Grant service connected disability retirement with an effective date of January 23, 2017. (Safety Member)**

A **motion** was made by Mr. Gilbert, **seconded** by Mr. Packard to grant service connected disability retirement with an effective date of January 23, 2017. The motion carried **8-0** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Chair Prevatt Mr. Dewane Mr. Ball Mr. Baldwin Mr. Packard Mr. Eley Mr. Gilbert Mr. Lindholm			Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-8.

**D-8: Amber White**

Deputy Probation Officer II, Orange County Probation Department

Date of employee filed application for service and non-service connected disability retirement: 01/13/2017

**Recommendation Grant service connected disability retirement with an effective date of August 4, 2017. (Safety Member)**

A **motion** was made by Mr. Hilton, **seconded** by Mr. Ball to grant service connected disability retirement with an effective date of August 4, 2017. The motion carried **7-1** with voting as follows:



**AYES**

Chair Prevatt  
Mr. Dewane  
Mr. Ball  
Mr. Baldwin  
Mr. Packard  
Mr. Eley  
Mr. Hilton

**NAYS**

Mr. Lindholm

**ABSTAIN**

**ABSENT**

Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-9.

**D-9: Jacki Livingston**

Eligibility Technician, Orange County Social Services Agency

Date of employee filed application for service and non-service connected disability retirement:  
10/28/2015

**Recommendation Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)**

***This item was pulled from the agenda.***

Megan Cortez, Disability Coordinator, presented item D-10.

**D-10: Brian Petros**

Administrative Manager I, Orange County Health Care Agency

Date of employee filed application for service and non-service connected disability retirement:  
07/26/2017

**Recommendation Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)**

A **motion** was made by Mr. Hilton, **seconded** by Mr. Ball to deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. The motion carried **8-0** with voting as follows:

A substitute **motion** was made by Mr. Hilton, **seconded** by Mr. Ball to send the matter back to staff and bring the item back to the Board at a later time. The motion carried **8-0** with voting as follows:

**AYES**

Chair Prevatt  
Mr. Dewane  
Mr. Ball  
Mr. Baldwin  
Mr. Packard  
Mr. Eley  
Mr. Hilton  
Mr. Lindholm

**NAYS**

**ABSTAIN**

**ABSENT**

Ms. Freidenrich

Megan Cortez, Disability Coordinator, presented item D-11.

**D-11: Brian Quinones**

Deputy Juvenile Correctional Officer II, Orange County Probation Department

Date of employee filed application for service connected disability retirement: 06/02/2017

**Recommendation Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (Safety Member)**

A **motion** was made by Mr. Eley, **seconded** by Mr. Lindholm to deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. The motion carried **7-1** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Chair Prevatt	Mr. Hilton		Ms. Freidenrich
Mr. Dewane			
Mr. Ball			
Mr. Baldwin			
Mr. Packard			
Mr. Eley			
Mr. Lindholm			

Megan Cortez, Disability Coordinator, presented item D-12.

**D-12: Michelle Black**

Deputy Sheriff II, Orange County Sheriff's Department

Date of employee filed application for service connected disability retirement: 01/23/2014

**Recommendation: Adopt the findings and recommendations of the Hearing Officer and deny Applicant's application for service connected disability retirement. (Safety Member)**

A **motion** was made by Mr. Ball, **seconded** by Mr. Packard to deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. The motion carried **7-1** with voting as follows:

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTAIN</u></b>	<b><u>ABSENT</u></b>
Chair Prevatt	Mr. Hilton		Ms. Freidenrich
Mr. Dewane			
Mr. Ball			
Mr. Baldwin			
Mr. Packard			
Mr. Eley			
Mr. Lindholm			

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**PUBLIC COMMENTS:** At this time members of the public may address the Board of Retirement regarding any items within the subject matter jurisdiction of the Board, provided that no action may be taken on non-agendized items unless authorized by law.

N/A

**BOARD MEMBER COMMENTS**

N/A

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

Ms. Hockless updated the Board on OCERS staffing status as of March 19, 2018.

**COUNSEL COMMENTS**

Ms. Ratto reminded the Board of the two filing requirements, Form 700 and OCERS Annual Disclosure Form that are due on April 2, 2018.

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

**Active Members**

Beyl, Matthew  
Hitt, Maria Cristina  
Miller, Douglas

**Retired Members**

Balcazar, Juan  
Boyd, Ruth  
Chow, Maurine  
Cloutier, Marguerite  
De Vries, Walter  
Edwards, Alan  
Foster, Albertina  
McDonald, Joan  
Mitchell, Judith  
Mitzel, Ramona  
Nute, Constance  
Pavlik, John  
Scott, Anne  
Strachan, Gail  
Sulatycki, Jane  
Sundquist, Hazel  
Terry, Valerie

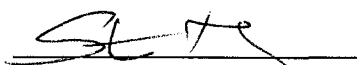
Vail, Carol  
Wellman, John

**Surviving Spouses**

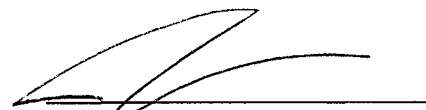
Gandall, Roselyne  
Nesbitt, Patricia Joan  
Wilkerson, Janice

There being no further business to bring before the Board, the meeting adjourned at 12:41 p.m.

Submitted by:

  
\_\_\_\_\_  
Steve Delaney  
Secretary to the Board

Approved by:

  
\_\_\_\_\_  
Chris Prevatt  
Chairman