Chair Packard called the meeting to order at 9:06 a.m.

Attendance was as follows:

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

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Joe Fletcher, Staff Attorney; Anthony Beltran, Visual Technician; Cammy Torres, Recording Secretary.

Guests: Harvey Leiderman

Absent: Jeremy Vallone

Mr. Hilton led the Pledge of Allegiance.

CONSENT AGENDA

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

A motion was made by Mr. Dewane seconded by Mr. Hilton to approve the consent agenda.

Motion passed unanimously.

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

Recommendation: Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.
C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

January 16, 2019

Recommendation: Approve minutes.

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

A-2 2019 COST OF LIVING ADJUSTMENT

Presentation by Suzanne Jenike, Assistant CEO of External Operations, OCERS; and Andy Yeung, Segal Consulting

Recommendation: Adjust all applicable benefit allowances by 3% effective April 1, 2019, in accordance with Government Code Section 31870.1, resulting from the 3.81% change to CPI in calendar year 2018.

Chris Prevatt arrived at 9:09 a.m.

Sara Ruckle-Harms, representing Retired Employees Association of Orange County (REAOC), asked the Board to approve the COLA increase and explained the importance of the COLA to all retirees.

Ms. Jenike and Andy Yeung presented the 2019 Cost of Living Adjustment.

Mr. Ball arrived at 9:13 a.m.

Mr. Lindholm arrived at 9:14 a.m.

Mr. Yeung explained that this year CPI was calculated using a new geographic area: Los Angeles, Long Beach, and Anaheim.

Ms. Freidenrich asked that in future years staff include the prior CPI from previous year for comparison purposes.

A motion was made by Mr. Eley seconded by Mr. Dewane to adjust all applicable benefit allowances by 3% effective April 1, 2019, in accordance with Government Code Section 31870.1, resulting from the 3.81% change to CPI in calendar year 2018.

Motion passed unanimously.

A-3 OCERS HEADQUARTERS BUILDING
Recommendation: The ad hoc Building Committee recommends that the OCERS Board determine to remain at 2223 E. Wellington Ave., Santa Ana and direct staff to advance plans for tenant improvements and upgrade of mechanical systems.

Ms. Shott presented the OCERS Headquarters Building project update.

Mr. Tim Hogan joined the Board meeting via conference call.

Mr. Hogan, via conference call, gave his executive summary of his report recommends OCERS remain in its current building and upgrade that building.

Mr. Eley asked staff regarding the choreography of staff movement and how that will play out in order to not disturb workflow.

Mr. Delaney explained that this will be about a two-year process and the goal is to move staff in groups using the open space on the this floor as a start, as not to disturb workflow.

Mr. Prevatt explained the thought process behind the Building Committee discussions and how they came about making their conclusion.

Ms. Freidenrich asked if the Board could have a written documentation of the ad hoc committee’s meetings and their recommendations.

Mr. Delaney discussed the benefits of OCERS staying in the current location.

A motion was made by Mr. Dewane seconded by Mr. Hilton to approved the ad hoc Building Committee recommendation that the OCERS Board determine to remain at 2223 E. Wellington Ave., Santa Ana and direct staff to advance plans for tenant improvements and upgrade of mechanical systems.

Motion passed unanimously.

A-4 SACRS BOARD OF DIRECTORS ELECTIONS 2019-2020

Presentation by Steve Delaney, CEO, OCERS

Recommendation: Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 10, 2019; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2019.

Mr. Delaney presented the SACRS Board of Directors Elections 2019-2020.

A motion was made by Mr. Prevatt seconded by Mr. Dewane to approve the endorsement of Roger Hilton to another term.
Motion passed unanimously.

The Board recessed for break at 9:45 a.m.
The Board reconvened from break at 10:02 a.m.

A-5 AUDIT COMMITTEE OUTCOMES FROM DECEMBER 11, 2018 MEETING - TRIENNIAL REVIEW OF THE RISK POLICY
Presentation by Brenda Shott, Assistant CEO of Internal Operation, OCERS

Recommendation: The Audit Committee recommends that the Board adopt the revised Risk Policy as presented.

Ms. Shott presented the triennial review of the risk policy.

Mr. Hilton asked if we could name the policy “Operational Risk Policy” not “Risk Policy”.

Staff stated yes, that change will be implemented.

A motion was made by Mr. Dewane seconded by Mr. Lindholm to approve the Audit Committee’s recommendation for the Board to adopt the revised Risk Policy as presented.

Motion passed unanimously.

INFORMATION ITEMS

Ms. Freidenrich pulled item 1-5 and 1-9 for discussion.

I-1 MEMBER MATERIALS DISTRIBUTED
Written Report

Application Notices
Death Notices

February 19, 2019

I-2 COMMITTEE MEETING MINUTES
- None

I-3 CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN
Written Report

I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS
Written Report

I-5 2018 PPCC PUBLIC PENSION STANDARDS AWARD FOR FUNDING AND ADMINISTRATION
Written Report

Ms. Freidenrich wanted to acknowledge that OCERS received the PPCC Award.

I-6 FOURTH QUARTER 2018 BUDGET VS. PRELIMINARY ACTUALS REPORT
Written Report
FOURTH QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018
Written Report

2019 STAR COLA COST POSTING
Written Report

OVERPAID AND UNDERPAID PLAN BENEFITS – 2018 REPORT
Written Report

Mr. Freidenrich questioned if OCERS has taken the necessary steps to prevent an overpayment or underpayment in plan benefits.

Ms. Halbur discussed the ways OCERS has prepared and the steps taken to avoid any issues in the future.

OCERS BOARD POLICY COMPLIANCE
Written Report

BOARD COMMUNICATIONS
Written Report

2018 BUSINESS PLAN – END OF YEAR REPORT
Presentation by Steve Delaney, CEO, OCERS

Mr. Delaney presented the 2018 Business Plan – End of Year Report. He specifically reviewed those tasks that begun in 2018 but which would not conclude until 2019.

*** END OF INFORMATION ITEMS AGENDA ***

DISABILITY/MEMBER BENEFITS AGENDA
10:00 AM

OPEN SESSION

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Board member requires separate action on a specific item. If separate action is requested, the item will be discussed during agenda item DA-1.

A motion was made by Mr. Dewane, seconded by Mr. Eley to approve the Disability Consent Agenda. The motion carried 9-0 with voting as follows:

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<th>AYES</th>
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<tr>
<td>Mr. Prevatt</td>
<td>Mr. Dewane</td>
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</table>
Mr. Ball  
Mr. Baldwin  
Chair Packard  
Mr. Eley  
Mr. Hilton  
Ms. Freidenrich  
Mr. Lindholm

DC-1:  Jason Yates  
Sheriff’s Special Officer II, 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. (General Member)

DC-2:  Robert D. Davis  
Deputy Sheriff, Orange County Sheriff’s Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of August 31, 2018. (Safety Member)

DC-3:  Claudette Oliver  
Bus Operations Supervisor, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of May 28, 2017. (General Member)

DC-4:  Robert Willis  
Certified Journeyman Mechanic II, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of July 23, 2017. (General Member)

DC-5:  James E. Bento  
Firefighter, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of November 10, 2017. (Safety Member)

DC-6:  Darrin Wheaton  
Senior Social Worker, Social Services Agency

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of August 7, 2015. (General Member)

CLOSED SESSION
(Government Code sections 54957 and 54956.9)
The Board will adjourn to Closed Session pursuant to Government Code sections 54957 or 54956.9 to discuss matters relating to member applications or appeals. The member may request that the discussion relating to his or her application or appeal take place in Open Session.

**ACTION ITEMS**

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

**DISABILITY/MEMBER BENEFITS AGENDA**

The Board adjourned into closed session at 10:06 a.m.

**DA-2: DISABILITY APPEAL - FAHIMEH NAZARI**
Library Clerk, Orange County Community Resources

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 October 27, 2018, and deny Applicant's application for service connected disability retirement.

Mr. Ball stepped out of the room.

A motion was made by Mr. Baldwin, seconded by Mr. Eley to 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 October 27, 2018, and deny Applicant's application for service connected disability retirement.

The motion carried 8-0 with voting as follows:

**AYES**
- Mr. Prevatt
- Mr. Dewane
- Mr. Baldwin
- Chair Packard
- Mr. Eley
- Mr. Hilton
- Ms. Freidenrich
- Mr. Lindholm

**NAVS**

**ABSTAIN**

**ABSENT** Mr. Ball

**DA-3: DISABILITY APPEAL - MAX CHANCE, JR.**
Sergeant, Orange County Sheriff’s Department

Recommendation: Staff recommends the Board dismiss the appeal by Max Chance Jr. of OCERS’ denial of his application for service and non-service connected disability retirement pursuant to Section 3.E of OCERS Adjudication Policy and Administrative Hearing Rules.
A motion was made by Mr. Hilton, seconded by Mr. Prevatt to dismiss the appeal by Max Chance Jr. of OCERS' denial of his application for service and non-service connected disability retirement pursuant to Section 3.E of OCERS Adjudication Policy and Administrative Hearing Rules.

The motion carried 9-0 with voting as follows:

**AYES**
- Mr. Prevatt
- Mr. Dewane
- Mr. Baldwin
- Chair Packard
- Mr. Eley
- Mr. Hilton
- Ms. Freidenrich
- Mr. Lindholm
- Mr. Ball

**NAYS**

**ABSTAIN**

**ABSENT**

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**DA-4: BENEFIT APPEAL – BETSY ZUANICH**

**Recommendation:** Staff recommends that the Board approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated January 19, 2019 (Recommendations), and deny the Applicant's request to have 96 hours of sick leave cash-out included in her Final Average Salary calculation to determine her service retirement benefit.

A motion was made by Mr. Hilton, seconded by Mr. Prevatt to approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated January 19, 2019 (Recommendations), and deny the Applicant's request to have 96 hours of sick leave cash-out included in her Final Average Salary calculation to determine her service retirement benefit.

The motion carried 9-0 with voting as follows:

**AYES**
- Mr. Prevatt
- Mr. Dewane
- Mr. Baldwin
- Chair Packard
- Mr. Eley
- Mr. Hilton
- Ms. Freidenrich
- Mr. Lindholm
- Mr. Ball

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*The Board reconvened from closed session at 11:06 a.m.*

Chair Packard reported out of closed session:
DA-2 – The Board approved staff recommendation.

DA-3 – The Board agreed to provide Mr. Chance with additional time to file the appropriate documents.

DA-4 – The Board approved staff recommendation.

CLOSED SESSION ITEMS

E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED
(GOVERNMENT CODE SECTION 54956.9(d)(1)) O.C. Department of Education v. OCERS, CA Court of Appeal, 4th Dist. (Case No. G055439); CA Superior Court, Orange County, (Case No. 30-2016-00836897)
Adjourn pursuant to Government Code Section 54956.9(d)(1).

Recommendation: Take appropriate action.

The Board adjourned into closed session at 11:08 a.m.
The Board reconvened from closed session at 11:35 a.m.

No reportable action taken.

BOARD MEMBER COMMENTS

Mr. Packard stated:
I am directing that the Employee Handbook revisions that were heard initially by the Governance Committee in December, because of having an impact on the employment benefits provided to our OCERS Direct staff, now be more appropriately considered by the newly formed Personnel Committee. Fortunately two of the three Personnel Committee Trustees, Mr. Hilton and Mr. Prevatt, were on the Governance Committee and heard the initial discussions regarding revisions to the Employee Handbook, so we will benefit by that continuity.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

Ms. Jenike provided her monthly update to the Board regarding the master final average salary project.

COUNSEL COMMENTS

N/A

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ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)
Active Members
Flores-Shakouri, Alejandrina

Retired Members
Banigan, Ida
Bastow, Jean
Bennett, Jeanne
Bolken, Loween
Canlas, Rolando
Centeno, Linda
Chadwick, Bert
Craunn, Paddy
Croker, John
Dalton, Darlene
Del Campo, Jeff
Diemer, Jerome
Edgerly, Raymond
Eggers, David
Gill, John
Gonzales, Ana
Guajardo, Emilio
Hemmen, Eileen
Isbell, Robert
Johnson, Rebecca
King, Frank
Kuebler, Robin
Labelle, Margaret
Lock, Henry
Mattern, Bruce
Mc Nealy, Tim
Mikkelsaar, Tiia
Miller, Robert
Mitchell, Joseph
Mount, Leila
Nakamura, Steven
Orosco, Rafael
PARK, MARTHA
POHLKE, FREDERICK HENRY
Poulson, Juliette
Schagene, Joan
Stone, Vaneva
Tran, Chau
Waddell, Doris
Waltermire, Louis
Watkins, Lloyd

Surviving Spouses
Babtist, Margaret
Bell, Donald
There being no further business to bring before the Board, the meeting adjourned at 11:42 a.m.

Submitted by:

Steve Delaney
Secretary to the Board

Approved by:

Chuck E. Packard
Chairman