

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

**REGULAR MEETING
Thursday, July 11, 2019
9:00 a.m.**

MINUTES

Chair Packard called the meeting to order at 9:02 a.m.

Attendance was as follows:

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

Absent: Shawn Dewane, Jeremy Vallone

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, CIO; Brenda Shott, Assistant CEO, Internal Operations; Gina Ratto, General Counsel; Dawn Matsuo, Staff Attorney; Matt Eakin, Director of Cyber Security; Anthony Beltran, Visual Technician; and Nichol Forbes; Recording Secretary.

Guests: Paul Angelo, Segal Consulting

Vice Chair Hilton led the Pledge of Allegiance.

CONSENT AGENDA

MOTION by Prevatt, **seconded** by Eley, to approve staff's recommendation on all of the following items on the Consent Agenda:

C-1 OPTION 4 RETIREMENT ELECTION

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

NONE

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board Meeting Minutes

June 17, 2019

Recommendation: Approve minutes.

C-3 RETIREE REQUEST TO BE REINSTATED – NARCIZO BAHENA

Recommendation: Reinstate Mr. Bahena as an active member under the provisions of Government Code Section 31680.4 and 31680.5.

The motion passed **unanimously** with Trustee Freidenrich and Trustee Lindholm absent.

DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT AGENDA

MOTION by Prevatt, **seconded** by Eley, to approve the recommendations of the Disability Committee on all of the items on the Disability/Member Benefits Consent Agenda as follows:

DC-1: Theresia Balandran

Senior Institutional Cook, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of August 18, 2017. (General Member)

DC-2: James Bland

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of October 29, 2017. (General Member)

DC-3: Dumitru Bostean

Correctional Services Technician, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 31, 2017. Grant a supplemental disability retirement payment allowance in the amount of the salary difference between the higher and lower paying positions effective March 31, 2017, the date of the position change, until January 31, 2019 the day Mr. Bostean retired. (General Member)

DC-4: Susan Chipman

Social Worker II, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of September 20, 2016. (General Member)

DC-5: Shawn Fernandez

Equipment Operator, Orange County Community Resources

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 23, 2015. (General Member)

DC-6: Guy Grindle

Fire Apparatus Engineer, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of November 9, 2018. (Safety Member)

DC-7: Steven Haupu

Fire Apparatus Engineer, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of July 4, 2018. (Safety Member)

DC-8: Kamal Kamal

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of February 18, 2018. (General Member)

DC-9: Brian Quinones

Deputy Juvenile Correctional Officer II, Orange County Probation Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of August 18, 2017. (Safety Member)

DC-10: Joseph Zawacki

Fire Apparatus Engineer, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 30, 2018. (Safety Member)

The motion passed **unanimously** with Trustee Freidenrich, Trustee Lindholm and Trustee Dewane absent.

Trustee Lindholm arrived at 9:05 a.m.

Trustee Freidenrich arrived at 9:06 a.m.

The Board Meeting adjourned to closed session at 9:06 a.m.

CLOSED SESSION

(Government Code sections 54957 and 54956.9)

DISABILITY/MEMBER BENEFITS AGENDA

DA-2: DISABILITY APPEAL – JOYCE M. SIMON

Financial Counselor II, Orange County Auditor Controller

MOTION by Prevatt, **seconded** by Eley, to approve and adopt the findings and recommendations of the Referee as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 26, 2019 (Recommendations), and deny Applicant’s request for service and non-service connected disability retirement due to insufficient evidence of permanent incapacity.

Mr. Simon addressed the Board with Mrs. Simon present. Mr. Simon asked that the Board’s consideration of this item be continued to October.

Discussion by the Board took place.

The Board recessed for a break at 9:41 a.m.

The Board reconvened at 9:49 a.m.

Further discussion took place.

SUBSTITUTE MOTION by Baldwin, **seconded** by Hilton to refer the matter back to the Hearing Officer on the issue of the County’s ability to accommodate the member’s work restrictions, and give both the member and OCERS two additional months to present additional evidence to the Hearing Officer on the issue. The motion failed **6-2** with voting as follows:

AYES

Baldwin
Hilton

NAYS

Prevatt
Lindholm
Ball
Eley
Freidenrich
Chair Packard

ABSTAIN

ABSENT

Dewane

On the original **MOTION** by Prevatt, **seconded** by Eley to adopt the findings and recommendations of the Referee as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated March 26, 2019 (Recommendations), and deny Applicant’s request for service and non-service connected disability retirement due to insufficient evidence of permanent incapacity, the **motion passed 6-2** with voting as follows:

AYES

Prevatt
Lindholm
Ball
Eley
Freidenrich
Chair Packard

NAYS

Baldwin
Hilton

ABSTAIN

ABSENT

Dewane

DA-3: DISABILITY APPEAL – CAROL J. DUENSING
Staff Assistant, Orange County Superior Court

MOTION by Prevatt, **seconded** by Eley, to approve and adopt the findings and recommendations of the Hearing Officer's Proposed Decision dated June 10, 2019 (Recommendations), and deny Applicant's request for service and non-service connected disability retirement for her orthopedic condition.

The motion passed **unanimously**.

The Board Meeting reconvened in Open Session at 10:11 a.m.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS PROGRAM – 2020

Presentation by Brenda Shott, Asst. Chief Executive Officer, Internal Operations

After discussion by the Board, **MOTION** by Eley, **seconded** by Ball, to approve the terms of prepayment discount program for the advance payment of employer contributions, including the discount rate to be used, for contribution year July 2020 through June 2021 (same terms and rates as prior year).

The motion passed **unanimously**.

MOTION by Eley, **seconded** by Prevatt, to approve OCERS continued non-participation in the Early Payment of Employer Contributions Program.

After discussion by the Board, the motion passed **unanimously**.

A-3 SEGAL PERFORMANCE REVIEW AND CONTRACT EXTENSION

Presentation by Steve Delaney, Chief Executive Officer, OCERS

After discussion by the Board, **MOTION** by Baldwin, **seconded** by Ball to extend the Segal contract for another three years with direction to staff to prepare an RFP prior to the end of the three year period.

After additional discussion by the Board, Ball withdrew his second and Baldwin withdrew his motion.

MOTION by Prevatt, **seconded** by Eley, to extend the Segal Agreement for another year with direction to staff to bring back suggestions related to further extensions to the Board.

The motion passed **unanimously**.

INFORMATION ITEMS

The following written informational reports were received by the Board:

- I-1 MEMBER MATERIALS DISTRIBUTED**
Written Report

Application Notices July 11, 2019
Death Notices July 11, 2019
- I-2 COMMITTEE MEETING MINUTES**
Written Report – Personnel Committee Minutes May 20, 2019
- I-3 CEO FUTURE AGENDAS AND 2019 OCERS BOARD WORK PLAN**
Written Report
- I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**
Written Report
- I-5 LEGISLATIVE UPDATE**
Written Report
- I-6 BOARD COMMUNICATIONS**
Written Report
- I-7 SECOND QUARTER 2019 TRAVEL AND TRAINING EXPENSE REPORT**
Written Report
- I-8 SEPTEMBER 2019 STRATEGIC PLANNING WORKSHOP AGENDA**
Written Report
- I-9 GENERAL AND RETIRED BOARD MEMBER ELECTION UPDATE**
Written Report
- I-10 VITECH PERFORMANCE SURVEY RESULTS**
Written Report
- I-11 CONTRACT STATUS FOR NAMED SERVICE PROVIDERS**
Written Report

The following informational items were presented to the Board:

- I-12 ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE INVESTMENT RETURN SCENARIOS**

Presentation by Paul Angelo, Segal Consulting, and discussion by the Board.
- I-13 CYBER SECURITY – CLOUD COMPUTING**

Presentation by Matt Eakin, Director of Cyber Security, OCERS, and discussion by the Board.
- I-14 OCERS 75TH ANNIVERSARY PLANNING OVERVIEW**

Presentation by Steve Delaney, Chief Executive Officer, OCERS

I-15 PUBLIC IDENTIFICATION OF REAL PROPERTY SUBJECT TO NEGOTIATIONS AND PERSONS WITH WHOM OCERS NEGOTIATOR MAY NEGOTIATE

This item was pulled from the agenda.

CLOSED SESSION ITEMS

Both items on the Closed Session agenda were pulled. The Board did not adjourn into Closed Session.

- E-1 **CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED (*PULLED FROM AGENDA*) (Government Code section 54956.9(d)(1).)**
Jeffrey Gross v. OCERS; County of Orange; et al., CA Superior Court, County of Orange (Case No. 30-2017-00944959)
Adjourn to closed session pursuant to Government Code section 54956.9(d)(1).

- E-2 **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (*PULLED FROM AGENDA*) (GOVERNMENT CODE SECTION 54956.8)**
Adjourn to closed session pursuant to Government Code Section 54956.8
Property: 1200 N. Tustin Avenue, Santa Ana, CA
Agency Negotiators: Brenda Shott, OCERS Asst. Chief Executive Officer, Internal Operations and Brian Booth, Cushman & Wakefield
Negotiating Parties: LBR Commercial
Under Negotiation: Price and terms of payment

BOARD MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

The meeting **ADJOURNED** at 12:27 p.m. in memory of the active members, retired members, and surviving spouses who passed away during the past month:

Active Members


Adakai, Larry
Broussard, Anne
Bucholz, Lillian
Cardenas, Ventura
Chu, Albert
Cline, Michael
Cullen, Elizabeth
Elmore, Eleanor
Fierro, Kay
Gallagher, Edward

Griffith, Vicki
Grudzinski, Richard
Hall, Charles
Harness, Billy
Heim, James
Henderson, Lucille
Hitchcock, Kurt
Mallick, Ralph
Martin, Margaret
Martinez, Adelina
Matkosky, Michael
McConnell, James
McLaughlin, Jeffrey
Nguyen, Tinh-Chau
Owen, Marilyn
Payton, Bobbie
Robertson, Clyde
Stewart, Douglas
Tanzer, James

Surviving Spouses

Cochran, Beverly
Currie, Frances
King, Pearl
Morales, Regino
Neff, James
Stone, Charline

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Charles E. Packard
Chairman