

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

**REGULAR MEETING
Monday, October 21, 2019
9:00 a.m.**

MINUTES

Chair Packard called the meeting to order at 9:03 a.m.

Attendance was as follows:

Present: Charles Packard, Chair; Roger Hilton, Vice Chair; Chris Prevatt; Frank Eley, Shari Freidenrich, Wayne Lindholm, and Jeremy Vallone

Absent: David Ball, Russell Baldwin, Shawn Dewane

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Gina Ratto, General Counsel; Dawn Matsuo, Staff Attorney; Megan Cortez, Disability Manager, Matt Eakin, Director of Cyber Security; Reginald Tucker, Managing Director of Investments; Anthony Beltran, Visual Technician; and Nichol Forbes; Recording Secretary.

Guests: Harvey Leiderman

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:

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

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

(1) NONE

ADMINISTRATION

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board Meeting Minutes

August 19, 2019

Strategic Planning Workshop Meeting Minutes

September 18 - 19, 2019

Recommendation: Approve minutes.

**C-3 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
TRIENNIAL REVIEW OF THE OVERPAID AND UNDERPAID BENEFITS POLICY AND THE TRUSTEE
EDUCATION POLICY**

Recommendation: The Governance Committee recommends that the Board of Retirement:

- (1) Approve the revisions to the *Overpaid and Underpaid Benefits Policy* as presented; and
- (2) Approve the revisions to the *Trustee Education Policy* as presented.

C-4 RETIREE REQUEST TO BE REINSTATED – BEYAN NEGASH

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

The motion passed **unanimously** with Trustees Ball, Baldwin and Dewane absent.

DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT AGENDA

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

DC-1: James Aldrich

Firefighter/Paramedic, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of April 5, 2018. (Safety Member)

DC-2: Anna Amaro

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of April 1, 2018. (General Member)

DC-3: Sima Azma
Applications Developer I, Orange County Superior Court

Recommendation: The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of October 27, 2017. (General Member)

DC-4: Theresia Balandran
Senior Institutional Cook, 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-5: Matthew Barr
Lieutenant, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 5, 2018. (Safety Member)

DC-6: Donald Blackburn
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 May 15, 2018. (Safety Member)

DC-7: Terri Brunette
Public Health Nurse III, Orange County Health Care Agency

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. (General Member)

DC-8: Dee Clair-Crossen
Deputy Sheriff I, Orange County Sheriff's Department

Recommendation: Staff recommends that the Disability Committee grant service connected disability retirement with an effective date of January 4, 2019. (Safety Member)

DC-9: Alfredo Contreras
Laborer, Orange County Waste and Recycling

Recommendation: Staff recommends that the Disability Committee grant service connected disability retirement with an effective date of August 21, 2015. (General Member)

DC-10: Elsa Davis

Administrative Manager II, Orange County Health Care Agency

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of August 5, 2016. (General Member)

DC-11: Maria Fierro

Social Worker II, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)

DC-12: John Gammon

Firefighter/Paramedic, 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-13 : Michael Gibson

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of June 1, 2014. (General Member)

DC-14: James Gorski

Fire Apparatus Engineer, Orange County Fire Authority

Recommendation: Staff recommends that the Disability Committee grant service connected disability retirement with an effective date of March 31, 2017. (Safety Member)

DC-15: James Guarneri

Sergeant, 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. (Safety Member)

DC-16: Dione Hernandez

Coach Operator, Orange County Transportation Authority

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)

DC-17: Imelda Jimenez De Garcia

Warehouse Worker III, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of October 12, 2018, the day following the last day of regular compensation as a Warehouse Worker III. 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 October 12, 2018, the date of the position change until the day Ms. Jimenez De Garcia wishes to retire from the new position. (General Member)

DC-18: Eduardo Macedo

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 the day after the last day of regular compensation. (Safety Member)

DC-19: Timothy Murray

Deputy Sheriff II, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of February 15, 2019. (Safety Member)

DC-20: Patricia Palacios

Office Specialist, Orange County Health Care Agency

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)

DC-21: Surjiwan Sharma

Data Entry Technician, Orange County Social Services Agency

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. (General Member)

DC-22: Michael Whalen

Firefighter/Paramedic, Orange County Fire Authority

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 16, 2018. (Safety Member)

The motion passed **unanimously** with Trustees Ball, Baldwin, Dewane and Vallone absent.

The Board Meeting adjourned to Closed Session at 9:05 a.m.

Trustee Vallone arrived at 9:06a.m.

CLOSED SESSION
(Government Code sections 54957 and 54956.9)

DISABILITY/MEMBER BENEFITS AGENDA

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

DISABILITY/MEMBER BENEFITS AGENDA

DA-2: DISABILITY APPEAL – ELIZABETH FREYRE

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated July 28, 2019 (“Recommendations”), and deny Applicant’s application for service connected disability retirement.

Chair Packard reported that for **DA-2**, the Board took the following action in Closed Session:

The Staff recommendation to approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated July 28, 2019 (“Recommendations”), and deny Applicant’s request for service connected disability retirement was **approved unanimously** with Trustees Ball, Baldwin, and Dewane absent.

DA-3: DISABILITY APPEAL – CATALINA ZUNIGA

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer’s Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated April 19, 2019 (“Recommendations”), and deny Applicant’s application for service connected disability retirement.

Chair Packard reported that for **DA-3**, the Board took the following action in Closed Session:

The Staff recommendation that the Board approve and adopt the Hearing Officer's Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated April 19, 2019 ("Recommendations"), and deny Applicant's request for service connected disability retirement was **approved unanimously** with Trustees Ball, Baldwin, and Dewane absent.

DA -4: BENEFIT APPEAL – LYDIA E. GONZALEZ

Recommendation: Staff recommends that the Board approve and adopt the Hearing Officer's Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated June 4, 2019 (Recommendation), and grant an earlier service retirement benefit effective date of June 6, 2008.

Chair Packard reported that for **DA-4**, the Board took the following action in Closed Session:

The Staff recommendation that the Board approve and adopt the Hearing Officer's Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated June 4, 2019 (Recommendation), and grant an earlier service retirement benefit effective date of June 6, 2008 was **approved unanimously** with Trustees Ball, Baldwin, and Dewane absent.

The Board Meeting reconvened in Open Session at 9:48 a.m.

The Board recessed for a break at 9:50 a.m.

The Board reconvened at 9:56 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 OCERS 2020-2022 STRATEGIC PLAN

Presentation by Steve Delaney, Chief Executive Officer asking the Board to adopt the 2020-2022 Strategic Plan.

MOTION by Prevatt, **seconded** by Hilton, to approve the OCERS 2020-2022 Strategic Plan.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

A-3 OCERS 2020 BUSINESS PLAN

Presentation by Steve Delaney, Chief Executive Officer asking the Board to approve the 2020 Business Plan. Discussion took place by the Board specifically on Risk Management A3(a), and B1 as well as Effective

Governance A1 related to the Funston Group.

The Board directed the CEO to bring the item related to the Funston Group back to the Board at its November meeting and to provide additional information about the Funston Group documentation/information sharing process.

Trustee Hilton stated for the record that for future business plans, he would like to see areas where OCERS will save money and additional clarity regarding whether costs are a one-time cost or a reoccurring cost.

MOTION by Prevatt, **seconded** by Hilton, to approve the OCERS 2020 Business Plan.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

A-4 VOTING DIRECTION FOR SACRS BUSINESS MEETING

Presentation by Gina Ratto, General Counsel to obtain voting direction for the SACRS Business Meeting on November 15, 2019. There is one item, with two subparts on the SACRS agenda that will call for a vote by the SACRS membership. They are whether SACRS should support two legislative proposals: the SACRS Omnibus Bill (SB 783) which would make various “clean up” revisions to the CERL and the LACERA proposal to amend the CERL sessions related to nonservice connected disability retirement to remove the element related to the intemperate use of alcoholic liquor or drugs.

The Board discussed both legislative proposals.

MOTION by Prevatt, **seconded** by Hilton, to direct OCERS voting delegates to vote “YES” in favor of supporting both legislative proposals (SB 783 and the LACERA proposal) at the November 15, 2019 SACRS business meeting.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

MOTION by Prevatt, **seconded** by Hilton, to give voting direction to the OCERS’ voting delegates for the November 15, 2019 SACRS business meeting, but also allow the delegate to use his/her best judgement based on the direction coming from the Board, should exigent circumstances arise during the discussions of the meeting.

Discussion took place.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

A-5 PHONE SYSTEM CONTRACT

Presentation by Jenny Sadoski, Director of Information Technology to obtain approval to enter a new contract with Dialpad for a voice over IP (VOIP), unified communications and contact center services.

MOTION by Prevatt, **seconded** by Eley, to support Staff’s recommendation to approve entering into a three year contract with Dialpad for voice over IP (VOIP), unified communications and contact center services.

Discussion took place by the Board.

Ms. Ratto suggested an amendment to the motion recommendation:

To support Staff's recommendation to approve entering into a three year contract with Dialpad for a voice over IP (VOIP), unified communications and contact center services, subject to negotiation of terms satisfactory to OCERS Chief Executive Officer, including a satisfactory termination provision.

The maker of the motion and seconder accepted the amendment to the motion.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

The Board recessed for a break at 10:55 a.m.

The Board reconvened at 11:08 a.m.

A-6 APPROVE MOU WITH THE SANITATION DISTRICT TO PAY OFF ITS CONTINGENT UAAL

Presentation by Brenda Shott, Assistant CEO Internal Operations on MOU with the Orange County Sanitation District regarding payment of its Unfunded Accrued Actuarial Liabilities.

MOTION by Eley, **seconded** by Prevatt, to approve a Memorandum of Understanding (MOU) with the Orange County Sanitation District Regarding Payment of Unfunded Accrued Actuarial Liabilities and authorize the Chief Executive Officer to execute the final form of the MOU so that a payment can be made as of November 1, 2019.

Discussion took place by the Board.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

A-7 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING: NEW OCERS ADMINISTRATIVE PROCEDURE (OAP) FOR EVALUATING POTENTIAL NEW EMPLOYERS

Presentation by Gina Ratto, General Counsel to approve the Governance Committee's recommendation to approve a new OCERS Administrative Procedure (OAP).

MOTION by Eley, **seconded** by Prevatt, to approve the Governance Committee's recommendation that the Board of Retirement adopt a new *OCERS Administrative Procedure (OAP) for Evaluating Potential New Employers* who apply to participate in the OCERS pension plan.

Discussion by the Board took place. Trustee Freidenrich suggested additional requirements be added to the financial analysis that will be undertaken by staff in reviewing a potential new employer. Ms. Ratto committed to adding the additional requirements, and then providing the revised OAP to the Board at a future Board meeting as an information item.

The motion passed **5-1** with Trustee Freidenrich voting Nay. Trustees Ball, Baldwin, and Dewane absent.

**A-8 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
NEW BOARD POLICY: PROTOCOL FOR HANDLING WORKPLACE COMPLAINTS AGAINST MEMBERS
OF THE BOARD AND EXECUTIVE STAFF**

Presentation by Gina Ratto, General Counsel to approve the Governance Committee's recommendation that the Board adopt a new Board Policy on Protocol for Handling Workplace Complaints Against Members of the Board and Executive Staff.

MOTION by Prevatt, **seconded** by Hilton, to approve the Governance Committee's recommendation to approve a new Board Policy on Protocol for Handling Workplace Complaints Against Members of the Board and Executive Staff.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

**A-9 GOVERNANCE COMMITTEE OUTCOMES FROM SEPTEMBER 25, 2019 COMMITTEE MEETING:
REVISIONS TO THE TRAVEL POLICY**

Presentation by Gina Ratto, General Counsel to approve the Governance Committee's recommendation to adopt revisions to the Travel Policy.

MOTION by Prevatt, **seconded** by Hilton, to approve the Governance Committee's recommendation to approve revisions to the Travel Policy.

Discussion took place by the Board.

The motion passed **unanimously** with Trustees Ball, Baldwin, and Dewane absent.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices

October 21, 2019

Death Notices

October 21, 2019

I-2 COMMITTEE MEETING MINUTES

Written Report

- Governance Committee Minutes
- Audit Committee Minutes
- Personnel Committee Minutes

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 THIRD QUARTER 2019 TRAVEL AND TRAINING EXPENSE REPORT

Written Report

I-7 BOARD COMMUNICATION

Written Report

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

Written Report

I-9 GENERAL AND RETIRED BOARD MEMBER ELECTION UPDATE

Written Report

I-10 TRAVEL REPORT PROFESSIONAL IN HUMAN RESOURCES CONFERENCES (PIHRA)

Written Report

I-11 TRAVEL REPORT LINKEDIN TALENT CONNECT CONFERENCES

Written Report

I-12 REPORT OF ACTION TAKEN IN CLOSED SESSION ON AUGUST 19, 2019 PURSUANT TO GOVERNMENT CODE SECTION 54957.1

This item was pulled from the agenda.

CLOSED SESSION ITEMS

The Board **ADJOURNED** to Closed Session at 12:00 p.m. for item E-1.

The Board **reconvened** in Open Session at 12:06p.m. and reported out the following actions taken during closed session on item E-1.

E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED

(GOVERNMENT CODE SECTION 54956.9(d)(1)) OCERS v. Al Mijares, the Orange County Superintendent of Schools, et al., CA Superior Court, Los Angeles County (Case No. 19STCP04023)

Adjourn pursuant to Government Code section 54956.9(d)(1)

There was **no reportable action taken** in closed session.

BOARD MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

Mr. Steve Delaney addressed the Members of the Board to make the Trustees aware that the proposed meeting dates for 2020 that were handed out during the Strategic Planning Workshop will be sent electronically

in order to get feedback and then will be brought back at the November 18, 2019 Regular Board Meeting to be voted on.

COUNSEL COMMENTS

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

The meeting **ADJOURNED** at 12:10 p.m. in memory of the active members, retired members, and surviving spouses who passed away during the past month:

Active Members

Chehregosha, Sherli
Fulton, Robert
Gelber, Lee
Massari, Frederick
Navarro, Ruben
Negron, Olivia
Nguyen, Sang
Richardson, Robert
Salcido, Dionne
Siefert, Steven
Vonada, Bryan
Woolery, Eric

Retired Members

Akhbari, Mohamad
Aye, Phyllis
Bailey, Richard
Bitsie, Luella
Blair, James
Blanton, Velma
Brucken, Ann
Cammon, Carlos
Clarke, Edward
Crippen, Robert
Cripps, Thomas
Detert, Sonja
Deutsch, Joye
Earnest, Johnnie
Elpers, John
Evans, Leon
Fischer, Shirley
Fronning, Marilyn
Gaither, Mary

Godshall, Mary
Haas, Patricia
Hall, Barbara
Handy, Adelaide
Hansen, Michael
Helweg, Darrol
Hinrichs, Beverly
Huntress, Elaine
Jackson, Robert
Jacobs, Nancy
Jones, Byron
Kant, Gerald
Kautz, Roland
Krysinski, Richard
Kunow, Judy
Leckie, Alonzo
Lisenby, Louis
Martin, Raymond P
Matthews, Jacqueline
Mc Intyre, Grace
McKee, Janet
Miller, David E
Mohler, William
Morrow, Willard
Oda, Joseph O.
Parnell, Harriette
Pendergraft, Roy
Rittenhouse, Linda
Ross, Edman
Schnitzler, Marian
Schulte, Thomas
Smith-Varela, Mary
Snyder, Alan
Sowers, Teiko
Stankov, Steve
Stingaciu, Biagio
Taylor, Bruce
Vu, Thuan
Whitney, Vergene
Yin, Stephen
Zarnowski, Arthur

Surviving Spouses

Aldrich, Marguerite
Banigan, Raymond
Bellinfante, Debra
Brett, Anna
Danvers, Charlene
Fitch, Douglas

Moore, Barbara
Nona, Jerry
Rill, Norma
Smith, Robert
Tyson, Raymond
Whaley, Mary
Whitaker, Marsha

Submitted by:

Approved by:


Steve Delaney
Secretary to the Board


Charles E. Packard
Chairman