

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

**REGULAR MEETING
Monday, November 18, 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; Frank Eley, Russell Baldwin, Shari Freidenrich, Wayne Lindholm, and Jeremy Vallone

Absent: David Ball, Shawn Dewane, Chris Prevatt

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 and Michele Gehrke, ReedSmith

Vice Chair Hilton led the Pledge of Allegiance.

Trustee Freidenrich arrived at 9:03a.m.

CONSENT AGENDA

MOTION by Hilton, **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) Mark Northart
- (2) Teresa Zuber

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

October 21, 2019

Recommendation: Approve minutes.

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

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

OPEN SESSION

CONSENT AGENDA

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

DC-1: Sheila D. Dailey

Eligibility Technician, Social Services Agency

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

DC-2: C.J. Gillespie

Social Services Supervisor, Orange County Social Services Agency

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

DC-3: Alexandra Le

Legal Research Attorney, Orange County Superior Court

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

DC-4: Scott Watson

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

DC-5: William West

Sergeant, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of June 21, 2019. (Safety Member)

DC-6: Jaina Marie Williams Rodriguez
Eligibility Technician, 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)

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

The Board Meeting adjourned to Closed Session at 9:05 a.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 – YVONNE SHULL

Recommendation: Staff recommends that 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 September 8, 2019 (Recommendations), and reject the Applicant's application for disability retirement filed on February 21, 2019 as not timely filed, because the Applicant has not established that she was continuously incapacitated from the performance of her duties from the time of her discontinuance of service until the time when she filed her application for disability retirement, as required by California Government Code §31722.

OPEN SESSION

The Board Meeting reconvened in Open Session at 9:09 a.m.

Chair Packard reported that for Closed Session Item **DA-2**, on **MOTION** by Baldwin, **seconded** by Lindholm, the Board voted unanimously, with Trustees Ball, Prevatt and Dewayne absent, 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 September 8, 2019 (Recommendations), and reject the Applicant's application for disability retirement filed on February 21, 2019 as not timely filed, because the Applicant has not established that she was continuously incapacitated from the performance of her duties from the time of her discontinuance of service until the time when she filed her application for disability retirement, as required by California Government Code §31722.

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' ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Steve Delaney, Chief Executive Officer

Chair Packard addressed the members of the Board and the Executive team to remind them that this item had been reviewed at the September Strategic Planning Workshop and asked that the Board keep its discussions at high level.

Ms. Brenda Shott presented the OCERS Administrative Budget for Fiscal Year 2020 to the Board with a break-down of all costs and recommendations for changes in personnel and salary adjustments.

Discussion took place by the members of the Board.

MOTION by Hilton, **seconded** by Lindholm, to:

- 1. Adopt the Administrative Budget for Fiscal Year 2020 in the amount of \$27,184,790 which includes:**
 - a. Personnel costs in the amount of \$15,507,410
 - b. Services and supplies in the amount of \$11,077,680
 - c. Capital expenditures in the amount of \$600,000

- 2. Approve the following recommendations from the Personnel Committee:**
 - a. Divide the Administrative Services department into two separate departments; Human Resources and Operations Support Services.
 - b. Approve the 2020 Staffing Plan of 93 budgeted positions and 102 approved classifications, which includes one new position, Senior Manager of Operations Support Services, and the reduction of one position, Staff Assistant; two additional County career ladder positions, one each in the Administrative Services (Human Resources) and Member Services

- departments; and create an additional HR Analyst classification to be used as a promotional opportunity (no additional headcount) in Administrative Services (Human Resources).
- c. Change the title of four positions (as presented).

3. Approve Salary and Range Adjustments

- a. Performance/Salary Adjustments for OCERS' direct employees consisting of a rating scale that includes a base increase of 2.5% for those that meet expectations; a base of 2.5% plus a merit increase of 2.75% for exceeds expectations; and a base of 2.5% plus two merit increases totaling 5.50% (2.75% x 2) for exceptional performance
- b. Adjust all existing OCERS' direct salary ranges by 2.5%
- c. Approve the salary range for the new Senior Manager of Operations Support Services (\$66,962-\$140,321)

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

A-3 FUNSTON GROUP PRESENTATION

Mr. Delaney addressed the Members of the Board and withdrew his request to participate in the beta testing process with Funston Group. He stated once the Funston Group has a final product, he will review it and bring it back before the Board at that time.

This item was pulled from the agenda.

A-4 PROPOSED 2020 REGULAR BOARD MEETING SCHEDULE

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Mr. Steve Delaney presented the proposed 2020 Regular Board Meeting schedule to the Board. The dates were reviewed and approved as follows for 2020:

January 21, 2020 at 9:00 a.m.	August 17, 2020 at 9:00 a.m.
February 10, 2020 at 9:00 a.m.	September Strategic Planning Workshop:
March 16, 2020 at 9:00 a.m.	September 9, 2020 and September 10,
April 20, 2020 at 9:00 a.m.	2020 at 9:00a.m.
May 18, 2020 at 9:00 a.m.	October 19, 2020 at 9:00 a.m.
June 15, 2020 at 9:00 a.m.	November 16, 2020 at 9:00 a.m.
July 20, 2020 at 9:00 a.m.	December 14, 2020 at 9:00 a.m.

The following conflicts were noted during discussion:

Trustee Lindholm cannot make the April 20, 2020 Regular Board Meeting

Trustees Lindholm and Hilton cannot make the May 18, 2020 Regular Board Meeting

A-5 COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

This item was pulled from the agenda and will be brought back at the December 16, 2019 Regular Board Meeting.

The Board recessed for a break at 10:13 a.m.
The Board reconvened at 10:31 a.m.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices

November 18, 2019

Death Notices

November 18, 2019

I-2 COMMITTEE MEETING MINUTES

- Audit Committee

June 06, 2019

- Audit Committee

August 24, 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 BOARD COMMUNICATIONS

Written Report

I-6 TRAVEL REPORT – RETIREMENT SYSTEMS OF ALABAMA SITE VISIT

Written Report

I-7 TRAVEL REPORT – IPMA HUMAN RESOURCES PUBLIC PENSION ROUNDTABLE

Written Report

I-8 PUBLIC PENSION COORDINATING COUNCIL (PPCC) STANDARDS AWARD FOR FUNDING AND ADMINISTRATION

Written Report

I-9 THIRD QUARTER 2019 BUDGET TO ACTUALS REPORT

Written Report

I-10 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

Written Report

I-11 PHONE SYSTEM CONTRACT

Written Report

I-12 NEW OCERS ADMINISTRATIVE PROCEDURE (OAP) FOR EVALUATING POTENTIAL NEW EMPLOYERS

Written Report

I-13 PERSONNEL COMMITTEE OUTCOMES FROM OCTOBER 1, 2019 MEETING: SUCCESSION PLANNING
Written Report

I-14 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.

I-15 TRUSTEE EDUCATION: "CROSSING THE LINE: HARASSMENT IN THE WORKPLACE"
Presentation by Michele Gehrke, ReedSmith

Ms. Michele Gehrke of ReedSmith provided a two-hour harassment prevention training as mandated by Government Code section 12950.1 to the Board and the Executive Team.

The Board recessed for lunch at 12:45 p.m.
The Board reconvened at 1:25 p.m.

CLOSED SESSION

The Board **ADJOURNED** to Closed Session at 1:25 p.m. for item E-1.

The Board **reconvened** in Open Session at 2:49 p.m. and reported out the following actions taken during closed session on item E-1.

E-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957

Adjourn to closed session pursuant to Government Code Section 54957

Position to be evaluated: Chief Executive Officer

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 remind them that November is the 75th Anniversary of the vote that established the Orange County Retirement System.

Ms. Suzanne Jenike unveiled the OCERS 75th Anniversary Banner and informed the Board that all employees will be phasing the logo into their email signatures over the next couple of months and it will also be used for all the anniversary events that will take place in 2020.

COUNSEL COMMENTS

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

The meeting **ADJOURNED** at 2:53 p.m. in memory of the active members, retired members, and surviving spouses who passed away during the past month:

Active Members

Domingues-Wilson, Maria
Karr, Daniel

Retired Members

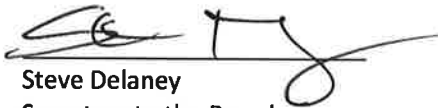
Avise, Donna
Blansett, Norman
Blixt, Dee
Briggs, Alfred
Case, Jo
Clary, Glenn
Dillon, Dale
Dunbar, Worthy
Gonzales, Violet
Hale, Eunice
Henzie, Annita
Hughes, Francine
Ilg, Carl
Jauregui, Maria Luisa
Krattli, Robert
Lozano, Mary
Martin, Claudia
Mendoza, Francisco
Moore, Lawrence
Moorehead, Janet
Newman, Erle
Olson, Wayne
Osborne, Wayne
Paider, Frances
Roberts, Annette
Rogers, Ronald
Stewart, Betty
Stroud, Dorothy
Struthers, David
Thompson, Carol
Whittenbarger, Danny
Wilberg, Robert

Thompson, Carol
Whittenbarger, Danny
Wilberg, Robert

Surviving Spouses

De Sutter, Barbara
Hills, Wilma
Kochman, Arthur
Lewis, Shelley
Shourds, Ruth
Smith, Gertrude

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Charles E. Packard
Chairman