

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

**REGULAR MEETING
Monday, December 16, 2019
9:00 a.m.**

MINUTES

Chair Packard called the meeting to order at 9:00 a.m.

Attendance was as follows:

Present: Charles Packard, Chair; Roger Hilton, Vice Chair; Frank Eley, Russell Baldwin, Shari Freidenrich, Chris Prevatt, Shawn Dewane

Absent: David Ball, Wayne Lindholm, Jeremy Vallone

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Gina Ratto, General Counsel; David Kim, Director of Internal Audit; Megan Cortez, Disability Manager; Manuel Serpa, Staff Attorney; Reginald Tucker, Managing Director of Investments; Anthony Beltran, Visual Technician; and Nichol Forbes; Recording Secretary, Adele Tagaloa, 2020 OCERS Trustee.

Guests: Harvey Leiderman, ReedSmith

Trustee Dewane led the Pledge of Allegiance.

CONSENT AGENDA

MOTION by Hilton, **seconded** by Prevatt, 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.

- None

ADMINISTRATION

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board Meeting Minutes	November 18, 2019
Special Board Meeting Minutes	November 25, 2019

Recommendation: Approve minutes.

C-3 GOVERNANCE COMMITTEE OUTCOMES OF NOVEMBER 7, 2019 - OCERS EMPLOYER POLICIES

Recommendation:

1. Approve the revisions to the ***Declining Employer Payroll Policy***;
2. Approve the revisions to the ***Withdrawing Plan Sponsor Policy*** (including a change in the name of the policy to ***Withdrawing Employer Policy (Continuing Obligation)***); and
3. Approve and adopt a new policy, the ***Withdrawing Employer Policy (Fully Satisfied Obligation)***, for participating employers that wish to withdraw from OCERS and fully pay their UAAL at the time of such withdrawal.

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

DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT AGENDA

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

DC-1: Bradley Broadhead
Sergeant, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board deny service connected disability retirement due to insufficient evidence of permanent incapacity and because it was not timely filed pursuant to Government Code Section 31722. (Safety Member)

DC-2: Belen Cerda
Office Technician, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of October 5, 2017. (General Member)

DC-3: Daniel Escoto

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-4: Kenneth Francisco

Deputy Sheriff II, Orange County Sheriff's Department

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. (Safety Member)

DC-5: Richard Graf

Coach Operator, Orange County Transportation Authority

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-6: Sean Hayes

Deputy Juvenile Correctional Officer II, Orange County Probation Department

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. (Safety Member)

DC-7: Tamyra Jellsey

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 March 30, 2018, the day following the last day of regular compensation as a Deputy Juvenile Correctional Officer II. 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 April 27, 2018, the date of the position change until the day Ms. Jellsey wishes to retire from the new position. (Safety Member)

DC-8: Lisa Olvera

Office Technician, Orange County Social Services Agency

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of May 18, 2012. (General Member)

DC-9: John Richardson
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-10: Benjamin Savill
Defense Investigator III, Orange County Public Defender's Office

Recommendation: The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of January 31, 2017. (General Member)

DC-11: Cynthia Vela
Accounting Specialist, Orange County Probation Department

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, Lindholm and Vallone absent.

ACTION ITEMS

Trustee Vallone arrived at 9:13 a.m.

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

No items were trailed from the Consent Agenda.

OPEN SESSION

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 ELECTION OF OCERS BOARD VICE-CHAIR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

MOTION by Chair Packard, **seconded** by Eley, to elect Trustee Shawn Dewane as the OCERS Vice-Chair for the calendar year 2020.

The motion passed **unanimously** with Trustees Ball and Lindholm absent.

A-3 OCERS EMPLOYEE HANDBOOK OF PERSONNEL POLICIES

Presentation by Steve Delaney, CEO and Brenda Shott, Assistant CEO Finance and Internal Operations, OCERS

Mr. Delaney presented the OCERS Employee Handbook to the Board. The policies included in the handbook apply only to OCERS Direct Employees. The Employee Handbook was reviewed and approved by the Personnel Committee and the Personnel Committee now recommends the Employee Handbook to the Board for its approval.

Trustee Prevatt, as Chair of the Personnel Committee, informed the Board that the policies included in the handbook had been fully vetted with the committee. .

Ms. Shott reviewed some details of the OCERS Employee Handbook with the Board. The purpose of the handbook is to be in compliance with current federal and state laws, be clear and consistent in communication of personnel policies and make sure employees know where they can go for any issues, outline all of the logistics and expectations as well as the consequences for violating the policies. This document is a resource for employees to reference what to expect from leadership and where they can get help with any issues.

Discussion by the Board took place regarding the handbook.

MOTION by Prevatt, **seconded** by Dewane, to approve the OCERS Employee Handbook as recommended by the Personnel Committee.

The motion **passed 7-1**, with Trustee Freidenrich voting “no”, and Trustees Ball and Lindholm absent.

Chair Packard directed that any future material changes to the OCERS Employee Handbook are to be brought to the Personnel Committee and then back to the full Board for approval.

The Board adjourned to Closed Session at 10:38 a.m. for item E-1.

CLOSED SESSION

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

OPEN SESSION

The Board reconvened in Open Session at 11:05 a.m.

There was no reportable action.

A-4 COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

Trustee Hilton stated that based on the evaluation of Mr. Delaney's performance with a rank of "superior", Trustee Hilton recommended a salary increase of 5% broken down as follows:
3% base building
2% in a lump sum

MOTION by Hilton, **seconded** by Dewane, to approve an increase of 5% in the salary for the OCERS Chief Executive Officer, Steve Delaney, broken out as 3% base building (salary adjustment) and 2% in a lump sum (bonus).

Discussion by the Board took place.

The motion passed **unanimously** with Trustees Ball and Lindholm absent.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices
Death Notices

December 16, 2019
December 16, 2019

I-2 COMMITTEE MEETING MINUTES

Written Report

I-3 CEO FUTURE AGENDAS AND 2020 OCERS BOARD WORK PLAN

Written Report

I-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

I-5 BOARD COMMUNICATIONS

Written Report

I-6 2020 OCERS BOARD COMMITTEE ASSIGNMENTS

Written Report

I-7 OCERS TRUSTEE EDUCATION SUMMARY REPORT

Written Report

I-8 GOVERNANCE COMMITTEE REPORT – STATUS OF COMMITTEE’S REVIEW OF CHARTERS AND BOARD POLICIES IN 2019

Written Report

I-9 REPORT OF ACTION TAKEN IN CLOSED SESSION ON AUGUST 19, 2019 PURSUANT TO GOVERNMENT CODE SECTION 54957.1

Presentation by Brenda Shott, Assistant CEO, Finance and Internal Operations

Ms. Shott announced to the Board that on August 19, 2019, the Board met in closed session pursuant to Government Code section 54956.8. All members of the Board were present, except for Trustee David Ball who was excused. The purpose of the closed session was to grant authority to OCERS’ negotiators, Mr. Packard, Board Chair, and Ms. Shott, Assistant CEO, to negotiate the price and terms of payment for the purchase of the property located at 1200 North Tustin Avenue, Santa Ana, CA 92701. Pursuant to Government Code section 54957.1, OCERS now publicly reports that during the closed session on August 19, 2019, the OCERS Board Members present voted unanimously to authorize OCERS’ negotiators to negotiate the purchase of the property at a price not to exceed the amount authorized by the Board. In addition, Ms. Shott reported that an agreement to purchase the property has been executed between OCERS and the seller, effective December 6, 2019, with a purchase price of \$10 million. There is a 60 day due diligent period, followed by a 15 day closing period. Escrow is anticipated to close on or about February 21, 2020.

The Board recessed for a break at 10:28 a.m.

The Board reconvened at 10:38 a.m.

I-10 RETIRED EMPLOYEES ASSOCIATION OF ORANGE COUNTY – ISSUES UPDATE

Presentation by Linda Robinson Co-President, REAOC

Ms. Linda Robinson provided updates on the Retired Employees Association of Orange County (REAOC) as REAOC just celebrated their 50th Anniversary, current membership is almost 6,400.00, 30 new members joined in 2019. They have now have a new chair, Dr. Michael Schumacher, and they have added a Director and an Emeritus Board Member and are currently in search of a Newsletter Editor. REAOC has added education scholarships to relatives of REAOC Members. Ms. Robinson expressed that the primary concerns are Retirement Security and the rapidly growing medical coverage costs.

Discussion took place by the Board.

BOARD MEMBER COMMENTS

Trustee Baldwin and the other Trustees discussed Mr. Baldwin’s tenure on the Board in light of his pending retirement from the OCERS Board of Retirement.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

Mr. Delaney presented Trustee Baldwin with a plaque to thank him for his years of service at OCERS.

Ms. Jenike, Assistant CEO, External Operations, shared the new business plan initiative regarding new member engagement and presented the new OCERS white board video. This white board video is to help engage new members when they join OCERS to inform them about OCERS’ processes and how OCERS is there to serve all of its members.

The Board provided feedback.

In addition, Ms. Jenike informed the Board that OCERS has switched over to a new board portal platform and will be transitioning to the new platform in January 2020. She informed the Board that training will be available for the Board members.

Discussion took place by the Board.

Mr. Delaney reminded the Board of the Board of Supervisor’s meeting that will take place on December 17, 2019 and that Trustees Dewane and Packard are on the agenda for that meeting to be reelected to the Board. In addition, Mr. Arthur Hidalgo has been recommended by Supervisor Bartlett to replace Mr. David Ball on the OCERS Board of Retirement.

COUNSEL COMMENTS

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

The meeting **ADJOURNED** at 11:33 a.m. in memory of the active members, retired members, and surviving spouses who passed away during the past month:

Active Members

Nguyen, Phuong
Torres, Marc

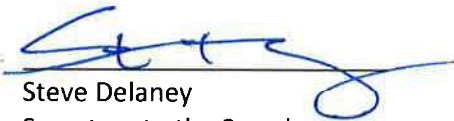
Retired Members

Dufault, Helen
Francis, Howard
Garcia, Maria
Glorioso, Anthony
Lilja, Paula
McGuire, Kenneth
Nguyen, Vinh
Placentia, Teresa
Sullivan, Thomas
West, Claudia
Wingerson, E'lane

Spouses

Baker, Elaine

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Roger Hilton
Chairman