

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

**REGULAR MEETING  
Tuesday, January 19, 2021  
9:30 a.m.**

**MINUTES**

Chair Dewane called the meeting to order at 9:33 a.m.

Cammy Torres administered the Roll Call attendance.

Attendance was as follows:

Present via Zoom video teleconference pursuant to Executive Order N-29-20 issued by Governor Newsom on March 17, 2020:

Shawn Dewane, Chair; Frank Eley, Vice-Chair, Shari Freidenrich, Adele Tagaloa, Charles Packard, Chris Prevatt, Arthur Hidalgo, Jeremy Vallone, Wayne Lindholm; and Roger Hilton

Also Present via Zoom:

Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Gina Ratto, General Counsel; Jenny Sadoski, Director of Information Technology, Anthony Beltran, Visual Technician; Cammy Torres; Recording Secretary

Guests via Zoom:

Harvey Leiderman, ReedSmith

**CONSENT AGENDA**

**MOTION** by Eley, **seconded** by Hilton, to approve recommendations on all of the following items excluding item C-3 on the Consent Agenda:

<b>BENEFITS</b>
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**C-1 OPTION 4 RETIREMENT ELECTION**

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

- Eugene Corral
- Luis De Anda
- Adriana Virgen

**ADMINISTRATION**

**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

December 14, 2020

**Recommendation:** Approve minutes.

**C-3 REQUEST FOR PROPOSAL – FIDUCIARY COUNSEL**

**Recommendation:** Staff requests the Board approve distribution of a Request for Proposal to initiate a search for fiduciary counsel.

Ms. Freidenrich pulled item C-3.

Ms. Freidenrich asked Mr. Delaney about OCERS process to make sure RFPs don't expire and come to the Board late.

Mr. Delaney reported that the OCERS Contract Manager has instituted a modified process to ensure this does not occur again.

Ms. Freidenrich stated that she's concerned about criteria #6 on the RFP, that it's vague and that it could result in a challenge from a bidder. She also asked if the Board will review the draft RFPs. Lastly she asked about the panel interview and who will be on that panel.

Ms. Ratto explained what the OCERS requirements are in regards to criteria #6. She stated that what is added to the criteria is at the OCERS discretion. Furthermore, the current recommendation is for staff to review all proposals and to bring top candidates to the Board and the Board at that time would determine who would sit on the interview panel. Lastly, Ms. Ratto stated that in the past the Board did not approve the actual RFPs as that task was delegated to staff.

**MOTION** by Freidenrich, **seconded** by Prevatt, to approve item C-3 on the Consent Agenda.

The motion passed **unanimously**.

**C-4 TWO-MONTH EXTENSION TO CONTRACT WITH REED SMITH LLP (FIDUCIARY COUNSEL)**

**Recommendation:** Staff recommends the Board approve a two-month extension to OCERS' contract with Reed Smith LLP for fiduciary counsel services.

**C-5 MACIAS, GINI & O'CONNELL LLP (MGO) PERFORMANCE REVIEW AND CONTRACT EXTENSION**

**Recommendation:** Approve an amendment to the MGO contract to exercise the one year optional extension for auditing the financial statements of OCERS for the year ending December 31, 2020. The one year extension has a cost not to exceed \$128,011.

The motion passed **unanimously**.

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**CONSENT ITEMS: DISABILITY/MEMBER BENEFITS AGENDA**

**OPEN SESSION**

**CONSENT ITEMS**

**MOTION** by Hilton, **seconded** by Lindholm, to approve staff’s recommendation on all of the following items on the Disability/Member Benefits Consent Agenda:

**DC-1: JUANITA BRACAMONTES**

Deputy Juvenile Correction Officer II, Orange County Probation Department

**Recommendation:** The Disability Committee recommends that the Board deny service and non-service connected disability retirement due to the member’s failure to cooperate. (Safety Member)

DC-1 was *pulled* at the request of the member.

**DC-2: ERIC BURNELL**

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 December 6, 2019. (Safety Member)

**DC-3: WALTER CARMONA**

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 November 16, 2019. (Safety Member)

**DC-4: REBECCA CONTRERAS**

Supervising Peace Officer 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-4 was *pulled* at the request of the member.

**DC-5: ANGELINA CORTEZ**

Deputy Sheriff I, Orange County Sheriff’s Department

**Recommendation:** The Disability Committee recommends that the Board deny service and non-service connected disability retirement due to the member’s failure to cooperate. (Safety Member)

DC-5 was pulled at the request of the member.

**DC-6: CYNTHIA CURIEL**

Firefighter/Paramedic, Orange County Fire Authority

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of July 23, 2019. (Safety Member)

**DC-7: KATHERINA DEGN**

Investigator, Orange County Sheriff’s Department

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of March 13, 2020. (Safety Member)

**DC-8: ERMA JONES**

Coach Operator, Orange County Transportation Authority

**Recommendation:** The Disability Committee recommends that the Board grant non-service connected disability retirement with an effective date of September 29, 2019. (General Member)

**DC-9: UYEN LUU**

Eligibility Technician , Orange County Social Services Agency

**Recommendation:** The Disability Committee recommends that the Board deny service and non-service connected disability retirement due to the member’s failure to cooperate. (General Member)

**DC-10: JOHN MacPHERSON**

Lieutenant, Orange County Sheriff’s Department

**Recommendation:** The Disability Committee recommends that the Board grant service connected disability retirement with an effective date of August 17, 2018. (Safety Member)

**DC-11: AARON SCHULTE**

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 March 31, 2018. (Safety Member)

The motion passed unanimously.

**ACTION ITEMS:**

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

N/A

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**ACTION ITEMS:**

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

N/A

**A-2 PROPOSED LEGISLATION TO AMEND GOVERNMENT CODE SECTION 31522.5 REGARDING BOARD'S AUTHORITY TO APPOINT OCERS PERSONNEL**

*Presentation by Steve Delaney, CEO*

**Recommendation:** The Personnel Committee recommends that the Board approve introduction of a legislative bill to amend Government Code section 31522.5 regarding the Board's authority to appoint OCERS personnel.

Ms. Ratto explained the proposed legislation and stated that first, the amendments would allow for a level of management staff between the Chief Investment Officer (CIO) and the remainder of the employees of the Investment Division; and second, they would clarify the Board's authority to appoint more than one assistant administrator. This proposal was presented to and discussed by the Personnel Committee at its November 18, 2020 meeting. The Committee approved the proposal and now recommends that the Board approve introduction of a legislative bill to amend Government Code section 31522.5 consistent with the aforementioned objectives. Ms. Ratto made clear that this legislation is not adding any new OCERS positions, it simply allows OCERS to more effectively manage the positions already in place.

**MOTION** by Hilton, **seconded** by Tagaloa, to approve introduction of a legislative bill to amend Government Code section 31522.5 regarding the Board's authority to appoint OCERS personnel.

The motion passed **unanimously**.

**A-3 EXTENSION OF EMERGENCY PAID SICK LEAVE**

*Presentation by Cynthia Hockless, Director of Human Resources*

**Recommendation:** Staff recommends that the Board of Retirement approve an extension of Emergency Paid Sick Leave (EPSL) for OCERS Direct employees from January 1, 2021 through June 17, 2021 to include the following:

1. Approve and authorize eligible OCERS Direct employees to use any remaining balances of EPSL granted in 2020 for qualifying Covid-19 related absences; and
2. Grant and authorize eligible OCERS Direct employees to use an additional 40 hours of EPSL for Covid-19 related absences.

Ms. Hockless presented the Extension of Emergency Paid Sick Leave item. OCERS requested that the Board of Retirement approve an extension of Emergency Paid Sick Leave for the 37 OCERS Direct employees mirroring the same extension of EPSL approved by the Orange County Board of Supervisors for County of Orange employees.

**MOTION** by Tagaloa, **seconded** by Hidalgo, to approve an extension of Emergency Paid Sick Leave (EPSL) for OCERS Direct employees from January 1, 2021 through June 17, 2021 to include the following:

1. Approve and authorize eligible OCERS Direct employees to use any remaining balances of EPSL granted in 2020 for qualifying Covid-19 related absences; and
2. Grant and authorize eligible OCERS Direct employees to use an additional 40 hours of EPSL for Covid-19 related absences.

The motion passed **unanimously**.

**A-4 SACRS BOARD OF DIRECTORS ELECTIONS 2021-2022**

*Presentation by Gina M. Ratto, General Counsel*

**Recommendation:** Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 14, 2021; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2021.

Chair Dewane directed staff to move this item to the February 16, 2021 Regular Board Meeting Agenda.

*The Board recessed for break at 10:19 a.m.*

*The Board reconvened from break at 10:30 a.m.*

Cammy Torres administered the Roll Call attendance.

**INFORMATION ITEMS**

Each of the following informational items were presented to the Board for discussion.

**Presentations**

**I-1 PENSION OBLIGATION BONDS – AN OVERVIEW**

*Presentation by Paul Angelo and Todd Tauzer, Segal Consulting*

Mr. Todd Tauzer and Paul Angelo presented an in-depth discussion of the pros and cons of participating employers issuing Pension Obligation Bonds (POBs).

**I-2 OCERS INNOVATIONS/PROCESS IMPROVEMENTS AND EMPLOYEE STAFF AWARDS**

*Presentation by Steve Delaney, Chief Executive Officer, OCERS*

Mr. Delaney introduced the OCERS 2021 Employee, Manager and Innovator of the Year. Then together with the senior executive team presented the annual Innovations and Process Improvement overview report.

2021 Winners:

- Employee of the Year - Jonathea Tallase
- Manager of the Year - Jon Gossard
- Innovator Award Winner - Tarek Turaigi

**I-3 AMENDMENTS TO THE COUNTY EMPLOYEES RETIREMENT LAW (CERL) EFFECTIVE JANUARY 1, 2021**

*Presentation by Gina Ratto, General Counsel, OCERS*

Ms. Ratto presented the Amendments to the County Employees Retirement Law item to the Board. AB 2101 was signed into law in September 2020 and became effective January 1, 2021. She stated that the bill, sponsored by SACRS, was a consolidation of “clean-up” legislation for CalPERS, CalSTRS and the CERL systems. She further discussed the major provisions and other changes that would effect OCERS.

**I-4 UPDATE ON STAFFS PROGRESS IN RESPONSE TO Alameda County Deputy Sheriff’s Assoc. et al., v. Alameda County Employees’ Retirement Assn., et al**

*Presentation by Suzanne Jenike, Assistant CEO of External Operations and Steve Delaney, Chief Executive Officer, OCERS*

Ms. Jenike briefly updated the board on staff’s progress in response to the Alameda County decision. This item will be further discussed at the February board meeting.

**I-5 COVID-19 UPDATE**

*Presentation by Steve Delaney, Chief Executive Officer, OCERS*

Mr. Delaney presented the COVID-19 update for the month of January. He informed the Board that while OCERS staff continue to work remotely until the end of December, in line with current County Health Department advice emphasizing telework wherever possible, that decision is revisited by himself and the Crisis Management Team (CMT) every month. Mr. Delaney further stated that he would be meeting with the CMT the following day, and in light of increasing illnesses he would not be surprised if OCERS remains teleworking at least through to the end February 2021.

**WRITTEN REPORTS**

None of the written reports were pulled for discussion.

**R-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices

January 19, 2021

Death Notices

January 19, 2021

**R-2 COMMITTEE MEETING MINUTES**

- None

**R-3 CEO FUTURE AGENDAS AND 2021 OCERS BOARD WORK PLAN**

Written Report

**R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**

Written Report

**R-5 BOARD COMMUNICATIONS**

Written Report

**R-6 2020 OCERS YEAR IN REVIEW: COMMUNICATION PLAN**

Written Report

**R-7 DISABILITY RETIREMENT STATISTICS – 2020 REPORT**

Written Report

**R-8 2020 FORM 700 DESIGNATED FILERS LIST AND FACT SHEET**

Written Report

**R-9 BOARD COMMUNICATIONS POLICY FACT SHEET**

Written Report

**R-10 FOURTH QUARTER 2020 EDUCATION AND TRAVEL EXPENSE REPORT**

Written Report

**R-11 OCERS TRUSTEE EDUCATION SUMMARY REPORT**

Written Report

**R-12 SAFETY ELECTION UPDATE**

Written Report

**R-13 CONTRACT STATUS FOR NAMED SERVICE PROVIDERS**

Written Report

**R-14 PRIVATE EQUITY CONSULTANT PERFORMANCE REVIEW – AKSIA LLC (AKA: TORREYCOVE)**

Written Report

**R-15 REAL ESTATE CONSULTANT PERFORMANCE REVIEW – THE TOWNSEND GROUP**

Written Report

**BOARD MEMBER COMMENTS**

Mr. Eley congratulated staff on the OCERS v. Al Mijares, et al., CA Superior Court, Los Angeles County case.

Mr. Hilton asked Ms. Murphy if OCERS has a preliminary rate of return number for end of year 2020. Ms. Murphy stated that OCERS doesn't close their investment books for the year until end of work day and will soon share that rate of return number with the Board.

Ms. Freidenrich had questions on the "R" items and asked Mr. Delaney to get back to her at a later time. Regarding item R-7, she asked to see the total number of the disability retirements. Regarding item R-8, she asked if any more OCERS staff need to be added to the Form 700. Lastly, regarding item R-13, she asked that contracts to be received by the Board should be sent in a timely manner in order to avoid extending contracts dates.

Mr. Delaney stated, regarding R-13, that a contract status process has been put in place and OCERS will implement that process.

Mr. Delaney will get back to the Board regarding item R-7.

Regarding item R-8, Ms. Ratto explained that OCERS is up to date and current on the employees that are 700 filers.

Mr. Packard stated that there is a COVID-19 vaccine site available at Disneyland.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

Mr. Delaney thanked OCERS staff attorneys Manuel Serpa and Nichole McIntosh on the OCERS staff training that they conducted.

Mr. Delaney reported on research he had performed at Ms. Freidenrich’s request pertaining to Delegated Authority. A Sacramento Bee article had suggested that the CalPERS Board was considering taking away Delegated Authority from their CIO. Mr. Delaney observed the CalPERS Board meeting in question, and also met virtually with the CalPERS Board Governance Manager. It was confirmed that CalPERS did not make any changes to Delegated Authority. That remains with the CIO. CalPERS did modify their Investment Committee structure to be a committee of the whole Board, an action OCERS similarly took back in 2010.

Mr. Delaney thanked the Board for their support and participation through 2020 as OCERS celebrated its 75th Anniversary.

In honor of the passing of former OCERS Trustee Reed Royalty, Mr. Delaney publicly thanked him for his dedicated service to OCERS members.

**COUNSEL COMMENTS**

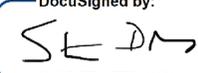
N/A

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Chair Dewane adjourned in memory of the active members, retired members, and surviving spouses who passed away during the past month. The meeting **ADJOURNED** at 12:23 p.m.

Submitted by:

Approved by:

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Steve Delaney  
Secretary to the Board

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Shawn Dewane  
Chairman