

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

**REGULAR MEETING  
Tuesday, January 17, 2023  
9:30 A.M.**

**MINUTES**

Chair Dewane called the meeting to order at 9:30 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person: Frank Eley, Chair; Shawn Dewane, Vice Chair; Adele Tagaloa, Charles Packard, Chris Prevatt, Richard Oates, Arthur Hidalgo, Shari Freidenrich, Jeremy Vallone, Wayne Lindholm

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, Chief Investments Officer; Gina Ratto, General Counsel; David Kim, Director of Internal Audit; Tracy Bowman, Director of Finance; Jeff Lamberson, Director of Member Services; Silviu Ardeleanu, Director of Member Services; Matt Eakin, Director of Information Security; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Harvey Leiderman, ReedSmith; Andy Yeung, Segal; Paul Angelo, Segal

Absent:

**OATH OF OFFICE – ADELE TAGALOA, SHAWN DEWANE, ARTHUR HIDALGO, CHARLES PACKARD, ROGER HILTON**

*Administered by Orange County Clerk-Recorder Hugh Nguyen*

**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.

- Enriquez, Consuelo
- Fung, Brian
- Richards, Danny

**ADMINISTRATION**

**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

December 12, 2022

**Recommendation:** Approve minutes.

**C-3 CLASSIFICATION AND COMPENSATION STUDY – COST INCREASE**

**Recommendation:** Approve the total cost of a Classification and Compensation study for the County level job classification for an amount not to exceed \$65,000.

**MOTION** by Mr. Packard, **SECONDED** by Ms. Tagaloa, to approve the Consent Agenda items, C-1 through C-3, except for the pulled C-1 Option 4 application for Mr. Danny Richards.

The motion passed **unanimously**.

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**DISABILITY/MEMBER BENEFITS AGENDA**

**CONSENT ITEMS**

**DC-1: LARRY COSTA**

Deputy Sheriff II, Orange County Sheriff’s Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement, without prejudice, because the member has opted not to join in on the employer filed application.

**DC-2: BILL D. CROW**

Firefighter/Paramedic, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement per Government Code Section 31720.5.
- Set the effective date as February 17, 2022.

**DC-3: ANTHONY DUCHI**

Fire Captain, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 11, 2022.

**DC-4: AUGUSTINE C. ESTRADA**

Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as April 12, 2022.

**DC-5: TRACY J. HARRIS**

Captain, Orange County Sheriff's Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as the day after the last day of regular compensation.

**DC-6: WENDY NORWOOD**

Fire Captain/Paramedic, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 25, 2022.

**DC-7: STEPHEN J. STEWART**

Fire Captain/Paramedic, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 25, 2022.

**DC-8: JONATHON TOMER - PULLED**

Deputy Sheriff II, Orange County Sheriff's Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement, without prejudice, because the member has opted not to join in on the employer filed application.

**DC-9: JULIAN VALENCIA - PULLED**

Deputy Sheriff II, Orange County Sheriff's Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement, without prejudice, because the member has opted not to join in on the employer filed application.

**DC-10: REBECCA VARGAS**

Employment and Eligibility Specialist, Orange County Social Services Agency (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Deny service connected disability retirement, due to insufficient evidence of permanent incapacity.

**MOTION** by Mr. Oates, **SECONDED** by Mr. Lindholm, to approve items, DC-1 through DC-7 and DC-10, with DC-8 and DC-9 pulled on the Disability Consent Agenda.

The motion passed **unanimously**.

**END OF DISABILITY/MEMBER BENEFITS AGENDA**

**ACTION ITEMS**

**A-5 DELEGATING DISABILITY GRANTS TO OCERS CEO**

*Presentation by Steve Delaney, Chief Executive Officer, Suzanne Jenike, Assistant CEO, and Gina Ratto, General Counsel, OCERS*

**Recommendation:** Delegate to the OCERS CEO the responsibility to fully develop Disability Benefit grant recommendations for the OCERS Board's consideration and approval.

Board Chair instructed staff to bring this item back to a future Board Meeting with more details.

**A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2023-01**

*Presentation by Gina Ratto, General Counsel, OCERS*

**Recommendation:** That the Board:

- (1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:
  - i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; **and/or**
  - ii. State or local officials continue to impose or recommend measures to promote social distancing; and
- (2) If the Board so determines, adopt Board of Retirement Resolution 2023-01 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

**MOTION** by Mr. Lindholm, **SECONDED** by Mr. Packard, to adopt Board Resolution 2023-01.

The motion passed **unanimously**.

**A-3 DISCUSSION AND ACTION ON RECOMMENDATIONS REGARDING COUNTY RESOLUTION AFFECTING MEMBERS' RETIREMENT ALLOWANCES SUBJECT TO OCERS' COMPENSATION EARNABLE POLICY**

*Presentation by Steve Delaney, Chief Executive Officer, Gina Ratto, General Counsel, OCERS, and Harvey Leiderman, Fiduciary Counsel, ReedSmith*

**Recommendation:** Staff and the Board’s Fiduciary Counsel recommend that the Board direct Staff to:

- (1) Accept the County’s Resolution as authoritative;
- (2) Confer with their counterparts in County administration, the Sheriffs’ Office and AOCDS to obtain the necessary data to enable OCERS to reexamine whether affected law enforcement retirees and employees may now qualify for the inclusion of some or all of their on-call and canine handler maintenance pay as part of the “compensation earnable” on which their retirement allowances are calculated; and
- (3) Provide to the Board at its meeting on March 20, 2023 Staff’s plan for re-adjusting affected members’ benefits consistent with the Compensation Earnable Policy, and a projected timetable for accomplishing those adjustments.

We note that this recommendation does not require the Board to take any formal action by motion at this time; rather, this direction to Staff will be sufficient.

Board consensus was to allow staff to proceed with all recommendations, adding to strike the term “of some or all” in recommendation (2), and return to the board on March 20, 2023 with more information.

**A-4 SUPERIOR COURT NEW PLAN FORMULA – CONTRIBUTION RATE CHANGE FOR FY2023/2024**  
*Presentation by Suzanne Jenike, Assistant CEO, and Segal*

**Recommendation:** Approve and adopt updated employer and employee contribution rates for the FY2023/2024 based on the December 31, 2021 actuarial valuation applicable to rate group 2 Plan U and T based on Superior Court’s benefit enhancement effective July 1, 2023.

Pulled by staff to give various sponsors the more time to respond.

*The Board recessed for break at 10:30 a.m.*

*The Board reconvened from break at 10:46 a.m.*

*Recording Secretary administered the Roll Call attendance.*

**INFORMATION ITEMS**

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

**Presentations**

**I-1 2022 OCERS INNOVATIONS AND PROCESS IMPROVEMENTS**  
*Presentation by Steve Delaney, Chief Executive Officer, and OCERS Management Team*

OCERS Management Team shared about the 2022 innovations and process improvements in 100% Accuracy, Administrative Improvements, Automation, and Risk Reduction.

**I-2 COVID-19 UPDATE**

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

CEO Delaney shared about the OCERS approach to COVID-19, with staff continuing a hybrid attendance program.

**WRITTEN REPORTS**

The following are written reports that will not be discussed unless a member of the Board requests discussion.

**R-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices

January 17, 2023

Death Notices

January 17, 2023

**R-2 COMMITTEE MEETING MINUTES**

- October 2022- Audit Committee Minutes

**R-3 CEO FUTURE AGENDAS AND 2023 OCERS BOARD WORK PLAN**

Written Report

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

Written Report

**R-5 BOARD COMMUNICATIONS**

Written Report

**R-6 COMMUNICATION POLICY FACT SHEET**

Written Report

**R-7 FORM 700 FILING REQUIREMENTS**

Written Report

**R-8 STATUS OF BOARD EDUCATION HOURS FOR 2022**

Written Report

**R-9 2022 DISABILITY STATISTICS**

Written Report

**R-10 ANNUAL PREVIEW OF “YEAR IN REVIEW”: COMMUNICATION PLAN**

Written Report

**R-11 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT**

Written Report

**R-12 CONTRACT STATUS FOR NAMED SERVICES PROVIDERS**

Written Report

R-4 pulled for discussion by Ms. Freidenrich regarding the re-release of an RFP. Upon clarification by Ms. Shott, the meeting continued.

**CIO COMMENTS-** The market is currently digesting a good amount of economic data this week in addition to the Davos meetings and speeches from Federal Reserve governors. We are starting to see the public markets price in the end of rate hikes and better forward market conditions. Within private markets, it will take another six months or more before we experience all of the marks and new asset prices.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS-** Mr. Delaney thanked the Board for returning to in person attendance.

**COUNSEL COMMENTS-** Counsel reminded the Board that Form 700 will be due April 3<sup>rd</sup>.

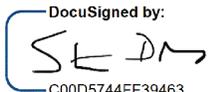
**BOARD MEMBER COMMENTS-** Mr. Oates was thrilled and thanks the staff for their efforts on I-1. Ms. Freidenrich congratulated the newly sworn in board members. Mr. Hilton thanked the Board for welcoming him back to the Board.

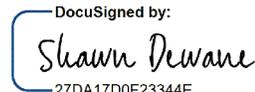
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Meeting **ADJOURNED** at 11:42am in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

Approved by:

DocuSigned by:  
  
C00D5744FF39463...  
Steve Delaney  
Secretary to the Board

DocuSigned by:  
  
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Shawn Dewane  
Chairman