

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

**REGULAR MEETING  
Monday, June 19, 2023  
9:30 A.M.**

**MINUTES**

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

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

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

Present via Zoom (under Government Code Section 54953(f)): None

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; Manuel Serpa, Deputy General Counsel; David Kim, Director of Internal Audit; Tracy Bowman, Director of Finance; Will Tsao, Director of Enterprise Project Management Office; Mary-Joy Coburn, Director of Communications; Anthony, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Harvey Leiderman, ReedSmith, Andy Yeung and Molly Calcagno, Segal

Absent: Shawn Dewane, Chair

*Mr. Vallone arrived at 9:31.*

Ms. Jenike introduced the Board to our new team member, Mary-Joy Coburn, Director of Communications.

**CONSENT AGENDA**

<b>BENEFITS</b>
-----------------

**C-1 OPTION 4 RETIREMENT ELECTION**

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

- Espinoza, Armando
- Andrews, Teresa
- Africano, Timothy
- Frazee, Bruce

**ADMINISTRATION**

**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

May 17, 2023

**Recommendation:** Approve minutes.

**C-3 OUTCOMES FROM THE PERSONNEL COMMITTEE MEETING ON MAY 24, 2023**

**Recommendation:** The Personnel Committee recommends the Board adopt the following:

1. The Personnel Committee Charter with revisions approved by the Committee

**C-4 OUTCOMES FROM THE GOVERNANCE COMMITTEE MEETING ON MAY 31, 2023**

**Recommendation:** The Governance Committee recommends the Board adopt the following:

1. The Planning Policy with revisions approved by the Committee
2. The Quiet Period Policy with no substantive revisions
3. The Budget Approval Policy with no substantive revisions
4. The Communications Policy with revisions approved by the Committee
5. The OCERS Conflict of Interest Code with revisions approved by the Committee
6. The new OCERS Administrative Procedure Re: Reciprocity

**MOTION** by Mr. Packard, **SECONDED** by Mr. Hilton, to approve the Consent Agenda items, C-1, C-2, C-3, and C-4.

The motion passed **unanimously**.

\*\*\*\*\*

**DISABILITY/MEMBER BENEFITS AGENDA**

**CONSENT ITEMS**

**A. Disability Committee Recommendations:**

**DC-1: KHALILUR AZMI**  
Accounting Assistant II, Orange County Social Services Agency (General 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 the employer filed application.

**DC-2: ALDENISE BELCER**  
Office Specialist, Orange County Child Support Services (General Member)

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

- Deny service connected disability retirement due to insufficient evidence of job causation.

**DC-3: JOHN BRYSON**  
Firefighter, Orange County Fire Authority (Safety Member)

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

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

**DC-4: KENNETH BUCHANNAN**  
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 March 24, 2023.

**DC-5: JOHN CHANDLER**  
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 March 10, 2023.

**DC-6: ALBERT HALL**  
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 day after last day of regular compensation.

**DC-7: SHELLY HOWARD**  
Staff Specialist, Orange County Child Support Services (General Member)

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

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

**DC-8: RANDY MORPHEW**  
Deputy Sheriff II, 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 March 11, 2022.

**DC-9: LISA PEDROZA**  
Coach Operator, Orange County Transportation Authority (General Member)

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

- Deny service connected disability retirement based on insufficient evidence of job causation.

**DC-10: JOHN SAHM (DECEASED)**  
Firefighter, Orange County Fire Authority (Safety Member)

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

- Grant service connected disability retirement.
- Set the effective date as September 21, 2022.

**DC-11: JOSEPH SANDOVAL**  
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 February 24, 2023.

**DC-12: VINCENT TRUONG**  
Deputy Sheriff II, 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 September 10, 2021.

**B. CEO Recommendations:**

**DC-13: JERRY BRENEMAN**

Fire Captain, Orange County Fire Authority (Safety Member)

**Recommendation:** Steve Delaney, CEO, recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as September 23, 2022.

**DC-14: EDWARD DEMARCO**

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

**Recommendation:** Steve Delaney, CEO, recommends that the Board:

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

**DC-15: MICHAEL MOFFITT**

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

**Recommendation:** Steve Delaney, CEO, recommends that the Board:

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

**DC-16: MARGIE SHEEHAN**

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

**Recommendation:** Steve Delaney, CEO, recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 24, 2023.

**DC-17: JONATHAN TOMER**

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

**Recommendation:** Steve Delaney, CEO, recommends that the Board:

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

**MOTION** by Mr. Prevatt, **SECONDED** by Mr. Packard, to approve all items, DC-1 to DC-17, on the Disability Consent Agenda.

The motion passed **unanimously**.

**ACTION ITEMS**

**A-2 DECEMBER 31, 2022 ACTUARIAL VALUATION- FINAL APPROVAL**

*Presentation by Segal*

**Recommendation:** Approve the Actuarial Valuation and Review as of December 31, 2022 and adopt contribution rates for Fiscal Year 2024 – 2025 as recommended by Segal Consulting.

**MOTION** by Mr. Lindholm, **SECONDED** by Mr. Packard, to approve the Actuarial Valuation and Review as of December 31, 2022.

The motion passed **unanimously**.

**INFORMATION ITEMS**

**I-1 ALTERNATIVE ECONOMIC ASSUMPTIONS FOR USE IN 2023 SENSITIVITY ANALYSES**

*Presentation by Andy Yeung and Molly Calcagno, Segal Consulting*

*The Board recessed for break at 11:00 a.m.*

*The Board reconvened from break at 11:13 a.m.*

*Recording Secretary administered the Roll Call attendance.*

**ACTION ITEMS**

**A-3 2022 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORTS**

*Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS*

**Recommendation:** Approve the following recommendations presented to the Audit Committee during a meeting held on June 1, 2023:

1. Approve OCERS' audited financial statements for the year ended December 31, 2022
2. Direct staff to finalize OCERS' 2022 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2022
4. Receive and file Moss Adams LLP's "OCERS' Report to the Audit Committee for the Year Ended December 31, 2022" and their "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards"

**MOTION** by Mr. Prevatt, **SECONDED** by Mr. Packard, to approve staff recommendations.

The motion passed **unanimously**.

**A-4 GASB 68 VALUATION AND AUDIT REPORT**

*Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS*

**Recommendation:** Approve the following recommendations from the Audit Committee during a meeting held on June 1, 2023:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2022.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2022 for distribution to employers.

**MOTION** by Mr. Hidalgo, **SECONDED** by Mr. Lindholm, to approve staff recommendations.

The motion passed **unanimously**.

*Ms. Tagaloo departs the meeting at 11:37am and appoints Mr. Packard to become Acting Board Chair.*

**A-5 CEO PERFORMANCE REVIEW TIME PERIOD ADJUSTMENTS – PERSONNEL COMMITTEE RECOMMENDATIONS**

*Presentation by Steve Delaney, Chief Executive Officer and Cynthia Hockless, Director of Human Resources*

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

1. Change the period for the Chief Executive Officer's (CEO) performance review from an annual January through December time period, to one that coincides with the OCERS Board's annual September review of the Strategic Plan, by moving the performance review period to September through August;
2. Make the change effective with a truncated 2023 performance review period of January 2023 through August 2023;
3. Do NOT change the related salary consideration, with that process remaining as part of the normal October/November budget consideration and approval; and
4. Approve the revisions to the CEO Performance Evaluation Policy as approved by the Personnel Committee at its meeting on May 24, 2023.

With some concerns raised by some trustees regarding the CEO performance review period being tied to the multi-year Strategic Plan rather than the annual Business Plan, Acting Board Chair, Mr. Packard, directs staff to return item A-5 to Personnel Committee for further consideration.

*Adjourn to closed session at 12:06 p.m.*

**CLOSED SESSION ITEMS**

**E-1 CONFERENCE WITH LEGAL COUNSEL REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1))**

Iowa Public Employees' Retirement System, et al. v Bank of America Corporation, et al; US Dist. Court, So. Dist. NY (Case No. 17 Civ. 6221)

Adjourn pursuant to Government Code Section 54956.9(d)(1).

**Recommendation:** Take appropriate action.

**OPEN SESSION**

*Return to open session at 12:42 p.m.*

**REPORT OF ACTIONS TAKEN IN CLOSED SESSION-** No reportable actions were taken regarding E-1.

**WRITTEN REPORTS**

**R-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices

June 19, 2023

Death Notices

June 19, 2023

**R-2 COMMITTEE MEETING MINUTES**

- October 2022- Personnel Committee Minutes
- March 2023- Governance Committee Minutes
- April 2023- 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 LEGISLATIVE UPDATE**

Written Report

**R-7 OCERS 2023 BUSINESS PLAN - MID-YEAR REVIEW**

Written Report

**R-8 SECOND QUARTER REVIEW OF OCERS 2023-2025 STRATEGIC PLAN**

Written Report

**R-9 STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA**

Written Report

**R-10 GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

Written Report

**R-11 UPDATE OF STAFF WORK ON THE ALAMEDA IMPLEMENTATION**

Written Report

**CIO COMMENTS-** CIO Murphy shared about the past five weeks of the market being up may indicate a robust second quarter. Employment rates in the US are stronger than most of the world. She is cautiously optimistic,



but much is to be determined as her eyes are on the upcoming China/US talks. The OCERS portfolio is up 6.8% year to date.

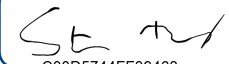
**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS-** CEO updated the Board that OCERS has reached a new landmark amount in monthly payouts. Assistance CEO Shott updated the Board that the Building Committee just closed an RFP and will report back with potential partners once the evaluation committee makes their selections.

**COUNSEL COMMENTS-** None

**BOARD MEMBER COMMENTS**

Meeting **ADJOURNED** at 1:02 pm in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

DocuSigned by:  
  
C00D5744FE39463  
\_\_\_\_\_  
Steve Delaney  
Secretary to the Board

Approved by:

DocuSigned by:  
  
27DA17D0E23344E  
\_\_\_\_\_  
Shawn Dewane  
Chairman