

AMENDED

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

**REGULAR MEETING
Wednesday, February 21, 2024
9:30 A.M.**

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone (information below) from any location.

OCERS Zoom Video/Teleconference information	
<p>Join Using Zoom App (Video & Audio)</p> <p>Join Zoom Meeting https://ocers.zoom.us/j/85056379121</p> <p>Meeting ID: 850 5637 9121 Passcode: 665579</p> <p>Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.</p>	<p>Join by Telephone (Audio Only)</p> <p>Dial by your location</p> <p>+1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US +1 301 715 8592 US +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York)</p> <p>Meeting ID: 850 5637 9121 Passcode: 665579</p>
<p>A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</p>	

AGENDA

The Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board of Retirement may take action on any item included in the following agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Board of Retirement may consider matters included on the agenda in any order, and not necessarily in the order listed.

1. CALL MEETING TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. BOARD MEMBER STATEMENT REGARDING PARTICIPATION VIA ZOOM (IF NECESSARY)
(Government Code section 54953(f))
4. PUBLIC COMMENTS

Members of the public who wish to provide comment during the meeting may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. Members of the public who participate in the meeting from the OCERS Boardroom and who wish to provide comment during the meeting may do so from the podium located in the OCERS Boardroom.

When addressing the Committee, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Committee; and (2) any matter appearing on the Consent Agenda.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Board Member requests separate action on a specific item.

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 MEETING MINUTES

Regular Board Meeting Minutes

January 17, 2024

Recommendation: Approve minutes.

DISABILITY/MEMBER BENEFITS AGENDA

9:30 AM

NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO DISCUSS MATTERS RELATING TO THE MEMBER’S APPLICATION OR APPEAL PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.

OPEN SESSION

CONSENT ITEMS

All matters on the Consent Agenda are to be approved by one action unless a Board member requires separate action on a specific item. If separate action is requested, the item will be discussed in closed session during agenda item DA-1.

A. Disability Committee Recommendations:
NONE

B. CEO Recommendations:
NONE

CLOSED SESSION

Government Code section 54957

Adjourn to Closed Session under Government Code section 54957 to consider member disability applications and to discuss member medical records submitted in connection therewith. The applicant may waive confidentiality and request his or her disability application to be considered in Open Session.

DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE DISABILITY/MEMBER BENEFITS CONSENT AGENDA

DA-2: ROBERT SZEWCZYK
Deputy Sheriff II, Orange County Sheriff’s Department (Safety)

Recommendation: Staff recommends the Board approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary and Analysis of the Evidence and Issues, Proposed Findings of Fact and Conclusion of Law dated November 15, 2023 (Recommendation) wherein the Hearing Officer recommended that the Board deny the Applicant (Robert Szweczyk) service-connected disability retirement.

DA-3: MINH TAM THI LUONG

Recommendation: Staff recommends the Board grant Minh Tam Thi Luong’s application for service-connected disability retirement with an effective date of April 26, 2019.

DA-4: EDER PALMA

Recommendation: Staff recommends the Board take action to comply with the Writ of Mandamus issued by the Superior Court. The Writ requires OCERS to: (1) set aside its denial of petitioner Eder Palma’s application for service-connected disability retirement, (2) grant petitioner a service-connected disability retirement and pay his allowance retroactive to the date following the last day he received regular compensation from the County, and (3) file with the court a Return on the Writ demonstrating compliance. These actions must be completed by March 21, 2024.

OPEN SESSION

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

ACTION ITEMS

NOTE: Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Board’s discussion of the item. **Members of the public who wish to provide comment in connection with any matter listed in this agenda may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9, at the time the item is called. Persons attending the meeting in person and wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the Boardroom and deposit it in the Recording Secretary’s box located near the back counter.**

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

A-2 2024 COST OF LIVING ADJUSTMENT

Presentation by Suzanne Jenike, Assistant CEO of External Operations, OCERS; Andy Yeung, and Paul Angelo, Segal

Recommendation: Adjust all applicable benefit allowances by 3% effective April 1, 2024, and bank .5%, in accordance with Government Code section 31870.1, resulting from the 3.48% change to CPI in calendar year 2023.

A-3 SACRS BOARD OF DIRECTORS ELECTIONS 2024-2025

Presentation by Manuel Serpa, Deputy General Counsel, OCERS

Recommendation: Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 10, 2024; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2024.

INFORMATION ITEMS

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

I-1 2023 EMPLOYEE, MANAGER AND INNOVATOR OF THE YEAR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

I-2 OCERS PENSION ADMINISTRATION SYSTEM (V-3): A CONTINUING UPDATE

Presentation by Jenny Sadoski, Director of IT, & Jeff Lamberson, Director of Member Services, OCERS

I-3 VISION 2030- MEMBER SERVICES 2023 AUTOMATION PRESENTATION

Presentation by Jeff Lamberson, Director of Member Services, OCERS

I-4 ACTUARIAL SERVICES KEY PERSONNEL CHANGE

Presentation by Manuel Serpa, General Counsel, OCERS

I-5 OUTCOMES FROM BUILDING COMMITTEE MEETING: DECEMBER 21, 2023

Presentation by Brenda Shott, Assistant CEO, Internal Operations, OCERS

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

Application Notices
Death Notices

February 21, 2024
February 21, 2024

R-2 COMMITTEE MEETING MINUTES

- December 2023- Audit Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2024 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 OVERPAID AND UNDERPAID PLAN BENEFITS – 2023 REPORT

Written Report

R-8 2024 STAR COLA COST POSTING

Written Report

R-9 2023 BUSINESS PLAN – END OF YEAR REPORT

Written Report

R-10 ANNUAL REPORT OF CONTRACTS GREATER THAN \$100,000

Written Report

R-11 2023 POLICY COMPLIANCE REPORT

Written Report

R-12 UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER

Written Report

R-13 REPORT OF ATTENDANCE AT CONFERENCE- DENA GUNSOLLEY- HRO TODAY

Written Report

R-14 GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Written Report

R-15 AMERICAN ADVERTISING AWARDS FOR THE ANNUAL COMPREHENSIVE FINANCIAL REPORTS

Written Report

R-16 SUCCESSFUL COMPLETION OF AN EXTERNAL QUALITY ASSESSMENT
Written Report

R-17 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST
Written Report

R-18 REPORT OF ATTENDANCE AT CONFERENCE- KWAME ADDO- SCCE REGIONAL CONFERENCE
Written Report

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2))
One potential case

Recommendation: Take appropriate action.

CIO COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

BOARD MEMBER COMMENTS

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

NOTICE OF NEXT MEETINGS

PERSONNEL COMMITTEE MEETING
February 29, 2024
1:00 P.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

DISABILITY COMMITTEE MEETING
March 18, 2024
8:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

REGULAR BOARD MEETING

**March 18, 2024
9:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701**

**INVESTMENT COMMITTEE MEETING
March 20, 2024
9:00 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701**

AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS website: <https://www.ocers.org/board-committee-meetings>. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at adminsupport@ocers.org or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

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

**REGULAR MEETING
Wednesday, January 17, 2024
9:30 A.M.**

MINUTES

Chair Tagaloa called the meeting to order at 9:34 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

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

Present via Zoom (under Government Code Section 54953(f)):

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Manuel Serpa, General Counsel; Molly Murphy, CIO; Tracy Bowman, Director of Finance; Cynthia Hockless, Director of Human Resources; Jenny Sadoski, Director of IT; David Kim, Director of Internal Audit; Will Tsao, Director of EPMO; Nicole McIntosh, Director of Disability; David Beeson, Director of Investment; Jeff Lamberson, Director of Member Services; Silviu Ardeleanu, Director of Member Services; Mary-Joy Coburn, Director of Communications; Jim Doezie, Contracts Administrator; Jennifer Reyes, Finance Manager; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Harvey Leiderman and Maytak Chin, ReedSmith

Absent: Shari Freidenrich

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 MEETING MINUTES

Regular Board Meeting Minutes December 11, 2023

Recommendation: Approve minutes.

C-3 AMEND OCERS CONFLICT OF INTEREST CODE TO ADD ONE POSITION AS A FORM 700 FILER

Recommendation: Approve amendments to the OCERS Conflict of Interest Code to designate the Chief Compliance Officer as a position required to file a Form 700.

C-4 OUTCOMES OF THE DISABILITY COMMITTEE MEETING HELD ON DECEMBER 11, 2023

Recommendation: The Disability Committee recommends that the Board adopt the following:

- Revisions to the Administrative Review and Hearing Policy and the Disability Committee Charter.

MOTION by Mr. Packard, **seconded** by Mr. Dewane, to the Consent Agenda.

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA
CONSENT ITEMS

A. Disability Committee Recommendations:

DC-1: SANDRA LEONARD

Technical Systems Specialist, Orange County Health Care Agency (General)

Recommendation: The Disability Committee recommends 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: JASON TIMMINS

Sheriff's Special Officer, Orange County Sheriff's Department (Safety)

Recommendation: The Disability Committee recommends 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.

B. CEO Recommendations:

DC-3: JONATHAN DARUVALA
Sergeant, Orange County Sheriff's Department (Safety)

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

- Grant service connect disability retirement.
- Set the effective date as March 10, 2023.

DC-4: FEDERICO FEDERICO
Sergeant, Orange County Sheriff's Department (Safety)

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

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

DC-5: GUY LEMIEUX
Deputy Sheriff II, Orange County Sheriff's Department (Safety)

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

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

DC-6: MARTHA SORIANO
Collection Officer II, Orange County Probation Department (General)

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

- Grant service connect disability retirement.
- Set the effective date as April 10,2023.

DC-7: BHUPINDER TURNA
Food Service Worker, Orange County Probation Department (General)

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

- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join in the application.

DC-8: ROSE VINIEGRA
Information Processing Technician, Orange County Social Services (General)

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

- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join in the application.

MOTION by Mr. Packard, **seconded** by Mr. Dewane, to approve item, DC-1 through DC-8 on the Disability Consent Agenda.

The motion passed **unanimously**.

DA-2: ROBERT SZEWCZYK

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

Recommendation: Staff recommends the Board approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary and Analysis of the Evidence and Issues, Proposed Findings of Fact and Conclusion of Law dated November 15, 2023 (Recommendation) wherein the Hearing Officer recommended that the Board deny the Applicant (Robert Szewczyk) service-connected disability retirement.

Applicant requests that his application pulled from the agenda for additional time.

ACTION ITEMS

A-2 FIRST QUARTER REVIEW OF OCERS BOARD 2024-2026 STRATEGIC PLAN

Presentation by Steve Delaney, CEO, OCERS

Recommendation:

Approve the staff proposed modifications to the OCERS 2024-2026 Strategic Plan

Or

Provide direction for alternative modifications

MOTION by Mr. Packard, **seconded** by Mr. Hilton, to approve staff proposed modifications to the OCERS 2024-2026 Strategic Plan.

The motion passed **unanimously**.

INFORMATION ITEMS

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

I-1 2023 OCERS INNOVATIONS AND PROCESS IMPROVEMENTS

Presentation by Steve Delaney, Chief Executive Officer, and OCERS Management Team

OCERS Management Team shared about the 2023 innovations and process improvements in Fund Sustainability, Excellent Service and Support, Risk Management, Talent Management, and Effective Governance.

The Board recessed for break at 11:03 a.m.

The Board reconvened from break at 11:16 a.m.

Recording Secretary administered the Roll Call attendance.

I-2 OCERS SIMPLIFICATION- COMPLEX FACTORS CONTAINED IN OCERS COMPENSATION EARNABLE POLICY

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

Ms. Jenike shared potential changes to the FAS calculation process so that we do not build a manual process into the new process. The Board directed staff to start conversations with employers about receiving the necessary additional information.

I-3 TRIENNIAL PERFORMANCE REVIEW OF FIDUCIARY COUNSEL

Presentation by Steve Delaney, Chief Executive Officer, and Manuel Serpa, General Counsel, OCERS

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

Application Notices
 Death Notices

January 17, 2024
 January 17, 2024

R-2 COMMITTEE MEETING MINUTES

- October 2023- Audit Committee Minutes
- October 2023- Building Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2024 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 2023

Written Report

R-9 2023 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-13 UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER

Written Report

R-14 REPORT OF ATTENDANCE AT CONFERENCE- KWAME ADDO- SCCE

Written Report

CIO COMMENTS- First, Ms. Murphy noted the date change from February 28 to March 20 for the first Investment Committee Meeting. As for the returns for 2023, OCERS does not expect official return information until later in the month. Internally, the Investment Division has run estimates that indicate a return of approximately 11.5%, due in large part to performance in November and December, the strongest two months of the year. Looking forward to 2024, Ms. Murphy notes that 75% of the time, an election year tends to be a strong market year. However, there are still concerns about high interest rates, pocket inflation, and the status of the labor market.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- None

COUNSEL COMMENTS- None

BOARD MEMBER COMMENTS- None

The Board recessed for break for lunch at 12:03 p.m.

The Board reconvened from break at 12:56 p.m.

Recording Secretary administered the Roll Call attendance.

The Board adjourned to closed session at 12:56 p.m.

Mr. Packard joined the closed session at 12:59 p.m.

CLOSED SESSION ITEMS

E-1 THREAT TO PUBLIC SERVICES OR FACILITIES (Government Code Section § 54957)

Consultation with OCERS Director of Cyber Security

Recommendation: Take appropriate action.

Mr. Lindholm departed the meeting at 1:46 p.m.

E-2 CONFERENCE REGARDING EXISTING LITIGATION (GOVERNMENT CODE SECTION 54956.9(d)(1))

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January 17, 2024
Regular Board Meeting – Minutes

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Eder Palma v. Board of Retirement, OCERS; Orange County Superior Court, Case No. 30-2022-01280823-CU-WM-CJC

Recommendation: Take appropriate action.

The Board returned from Closed Session at 2:46 p.m.

Recording Secretary did not administer the Roll Call attendance, but noted the attendance of Mr. Hilton, Mr. Prevatt, Mr. Packard, Mr. Vallone, and Chair Tagaloa.

REPORT ON CLOSED SESSION: Mr. Serpa shared that no reportable action was taken on E-1. For E-2, Mr. Serpa shared that the Trustees voted not to appeal the decision by the court. The vote was unanimous with the Trustees in the room (Mr. Lindholm left prior to the vote).

Meeting **ADJOURNED** at 2:49 p.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

Approved by:

Steve Delaney
Secretary to the Board

Adele Tagaloa
Chairperson



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Suzanne Jenike, Assistant CEO, External Operations
SUBJECT: 2024 COST OF LIVING ADJUSTMENT

Recommendation

Adjust all applicable benefit allowances by 3% effective April 1, 2024, and bank .5%, in accordance with Government Code section 31870.1, resulting from the 3.48% change to CPI in calendar year 2023.

Background/Discussion

Per Government Code section 31870.1, the OCERS Board of Retirement is required to annually adjust the benefit allowances relative to the increase or decrease in the Consumer Price Index (CPI). This adjustment, known as a Cost of Living Adjustment (COLA), is effective April 1st of each year. This year, there was an increase in the CPI for year-end 2023 of 3.48%. To determine the change in CPI, Segal compares the Bureau of Labor Statistics' annual average CPI for All Urban Consumers for the Los Angeles-Long Beach-Anaheim area for each of the past two years and derives the percentage change between the two. This is done in accordance with Government Code section 31870.1, which is the COLA section operative in Orange County. That section also states that any increase or decrease in the CPI is to be rounded to the nearest one-half of one percent and provides that a maximum COLA of 3% shall be granted on every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member of the system. For years in which the COLA exceeds 3%, the amount over 3% is banked for future years when the COLA is less than 3%.

For all benefit recipients, who began or will begin receiving benefits on or before April 1, 2024, this adjustment will increase their allowances by 3% with the remaining .5% added to the COLA Bank.

Submitted by:



S. J. – APPROVED

Suzanne Jenike
 Assistant CEO, External Operations



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary
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Via Email

January 19, 2024

Mr. Steve Delaney
Chief Executive Officer
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System (OCERS)
Cost-of-Living Adjustments (COLA) as of April 1, 2024**

Dear Steve:

We have determined the cost-of-living adjustments for the System in accordance with Section 31870.1, as provided in the enclosed exhibit.

Pursuant to Section 31870.1, the cost-of-living factor to be used by the System on April 1, 2024 is determined by comparing the annual average CPI for All Urban Consumers for the Los Angeles-Long Beach-Anaheim Area (with 1982-84 as the base period), as published by the Bureau of Labor Statistics, in each of the past two years. The ratio of the past two annual indices, 321.583 in 2023 and 310.782 in 2022, is 1.0348. The County Law section cited above indicates that the resulting percentage change of 3.48% should be rounded to the nearest one-half percent, which is 3.5%.

Please note the above cost-of-living adjustment calculated using established procedures for OCERS may result in adjustments different from those calculated using alternative procedures by other systems.

The actual cost-of-living adjustment is independent of the date of retirement. The CPI adjustment to be applied on April 1, 2024 is provided in Column (4) of the enclosed exhibit. The COLA bank on April 1, 2024 is provided in Column (5).

Please give us a call if you have any questions. Sincerely,

A handwritten signature in blue ink that reads "Andy Yeung".

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

bts/hy
Enclosure

cc: Suzanne Jenike
Brenda M. Shott, CPA

Exhibit

Orange County Employees Retirement System Cost-of-Living Adjustment (COLA) as of April 1, 2024

All Members

(Section 31870.1 - Maximum Annual COLA of 3.0%)

Retirement Date	April 1, 2023 Accumulated Carry-Over (1)	2024 CPI Change ¹ (2)	2024 CPI Rounded ² (3)	2024 CPI Used ³ (4)	April 1, 2024 Accumulated Carry-Over ⁴ (5)
On or Before 04/01/1972	52.0%	3.48%	3.5%	3.0%	52.5%
04/02/1972 to 04/01/1974	51.5%	3.48%	3.5%	3.0%	52.0%
04/02/1974 to 04/01/1975	51.0%	3.48%	3.5%	3.0%	51.5%
04/02/1975 to 04/01/1976	45.5%	3.48%	3.5%	3.0%	46.0%
04/02/1976 to 04/01/1977	40.0%	3.48%	3.5%	3.0%	40.5%
04/02/1977 to 04/01/1978	36.5%	3.48%	3.5%	3.0%	37.0%
04/02/1978 to 04/01/1979	32.5%	3.48%	3.5%	3.0%	33.0%
04/02/1979 to 04/01/1980	27.5%	3.48%	3.5%	3.0%	28.0%
04/02/1980 to 04/01/1981	20.0%	3.48%	3.5%	3.0%	20.5%
04/02/1981 to 04/01/1982	9.5%	3.48%	3.5%	3.0%	10.0%
04/02/1982 to 04/01/2022	5.5%	3.48%	3.5%	3.0%	6.0%
04/02/2022 to 04/01/2023	4.5%	3.48%	3.5%	3.0%	5.0%
04/02/2023 to 04/01/2024		3.48%	3.5%	3.0%	0.5%

¹ Based on ratio of 2023 annual average CPI to 2022 annual average CPI for the Los Angeles - Long Beach - Anaheim Area.

² Based on CPI change rounded to nearest one-half percent.

³ These are the cost-of-living adjustment factors to be applied on April 1, 2024.

⁴ These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2024.

§31870.1. Determination; maximum annual change of three percent in allowances; limitation on reduction

The board shall before April 1 of each year determine whether there has been an increase or decrease in the cost of living as provided in this section. Notwithstanding Section 31481 or any other provision of this chapter (commencing with Section 31450), every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member, of this system or superseded system who retires or dies or who has retired or died shall, as of April 1st of each year, be increased or decreased by a percentage of the total allowance then being received found by the board to approximate to the nearest one-half of 1 percent, the percentage of annual increase or decrease in the cost of living as of January 1st of each year as shown by the then current Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the area in which the county seat is situated, but such change shall not exceed 3 percent per year; however, the amount of any cost-of-living increase or decrease in any year which is not met by the maximum annual change of 3 percent in allowances shall be accumulated to be met by increases or decreases in allowance in future years; except that no decrease shall reduce the allowance below the amount being received by the member or his beneficiary on the effective date of the allowance or the application of this article, whichever is later.

(Amended by Stats. 1978, Ch. 900, Sec. 11)

History of OCERS' Cost-of-Living Adjustments

OCERS annually adjusts the benefit allowances relative to the increase or decrease in the Consumer Price Index (CPI). This adjustment, known as a Cost-of-Living Adjustment (COLA), is effective April 1st of each year. To determine the change in CPI, OCERS' actuary compares the Bureau of Labor Statistics' annual average CPI for all urban consumers for the Los Angeles-Long Beach-Anaheim area for each of the past two years and derives the percentage change between the two. The increase or decrease in the CPI is rounded to the nearest one-half of one percent. The maximum COLA of 3% shall be granted on every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member of the system.

For years in which the CPI exceeds 3%, the excess amount is banked and drawn from for future years when the CPI is less than 3%.

Date Granted	Actual CPI Rate	CPI Rounded	Max COLA Rate	COLA Granted
4/1/2023	7.45	7.5	3	3
4/1/2022	3.83	4.0	3	3
4/1/2021	1.62	1.5	3	1.5
4/1/2020	3.07	3	3	3
4/1/2019	3.81	4	3	3
4/1/2018	2.79	3	3	3
4/1/2017	1.89	2	3	2
4/1/2016	0.91	1	3	1
4/1/2015	1.35	1.5	3	1.5
4/1/2014	1.08	1	3	1
4/1/2013	2.04	2	3	2
4/1/2012	2.67	2.5	3	2.5
4/1/2011	1.20	1	3	1
4/1/2010	-0.80	-1	3	-1
4/1/2009	3.53	3.5	3	3
4/1/2008	3.30	3.5	3	3
4/1/2007	4.26	4.5	3	3
4/1/2006	4.45	4.5	3	3
4/1/2005	3.31	3.5	3	3
4/1/2004	2.63	2.5	3	2.5
4/1/2003	2.76	3	3	3
4/1/2002	3.32	3.5	3	3
4/1/2001	3.31	3.5	3	3
4/1/2000	2.34	2.5	3	2.5
4/1/1999	1.44	1.5	3	1.5
4/1/1998	1.58	1.5	3	1.5



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: SACRS BOARD OF DIRECTORS ELECTIONS 2024-2025

Recommendation

Identify one or more nominees for the SACRS Board of Directors election to be conducted on May 10, 2024; and direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1, 2024.

Background/Discussion

At the May 10, 2024, SACRS business meeting, SACRS will conduct the election for the SACRS Board of Directors for 2024-2025. The Board of Directors is comprised of the following positions:

- President
- Vice President
- Treasurer
- Secretary
- Two (2) Regular Members
- Immediate Past President

Attached is the timeline for the upcoming election.

As a regular member of SACRS, OCERS may submit nominations for the election of the SACRS Directors. Such nominations are to be submitted to the SACRS Nominating Committee and must be received by the Nominating Committee prior to the first business day after March 1 of each calendar year.

The purpose of this agenda item is for the Board to discuss and identify one or more nominees for the SACRS Board of Directors election to be conducted on May 10, 2024, and to direct staff to submit the nomination(s) to the SACRS Nominating Committee on or before March 1.

In addition, individuals interested in serving on the SACRS Board of Directors may indicate their interest by completing and submitting the attached SACRS Nomination Submission Form, with a letter of intent. The form and the letter of intent must be submitted to the Nominating Committee no later than March 1, 2024.

Prior to March 25, the Nominating Committee will report a final ballot to each regular member County Retirement System. Staff will present the final ballot to the OCERS Board at its April 15, 2024, meeting so that the Board can give direction to the OCERS Voting Delegate on how to vote OCERS' proxy in the SACRS election.

Attachments

- (1) SACRS Board of Directors Election 2024-2025 Information and Timeline
- (2) SACRS Nomination Submission Form

Submitted by:



MDS-Approved

Manuel D. Serpa
General Counsel



October 1, 2023

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Vivian Gray, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2024-2025 - Elections Notice

SACRS BOD 2024-2025 election process will begin January 1, 2024. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2024	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2024	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2024	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 10, 2024	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25. The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of



SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference May 7-10, 2024. Elections will be held during the Annual Business meeting on Friday, May 10, 2024, in Santa Barbara at the Hilton Santa Barbara Beachfront Resort.

If you have any questions, please contact Vivian Gray at vgray@lacera.com.

Thank you for your prompt attention to this timely matter.

Sincerely,

Vivian Gray

Vivian Gray, Trustee, Los Angeles CERA and SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2024-2025**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2024.** Please submit to the Nominating Committee Chair at vgray@lacera.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name:
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: Email Address: Phone:
Name of Retirement System Candidate Currently Serves On	System Name:
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **2023 EMPLOYEE, MANAGER AND INNOVATOR OF THE YEAR**

Presentation

Background/Discussion

At the close of each year the OCERS Senior Executive team seeks nominations from the entire OCERS team to help choose our Employee of the Year, our Manager of the Year, and so important to an agency striving for continuous improvement, our Innovator of the Year.

On February 21 I will share our 2023 winners, as chosen by the OCERS Senior Executive team from among our many nominees.

For **EMPLOYEE OF THE YEAR**, Ms. Zaida Miramontes.

Some highlights from the various nominating memos submitted regarding on Ms. Miramontes:

Not only does Zaida provide essential quality assurance (QA) review ensuring benefit setups and recalculations are accurate, but additionally Zaida is also integral to the Alameda Project and provides her time and assistance as a subject matter expert (SME) for the MXIP training program. Zaida is always available to help troubleshoot or answer any questions team members or contractors may have. She is a wealth of knowledge and always maintains a positive attitude.

Zaida demonstrates exceptional attention to detail, producing clear, thorough, and comprehensive documentation. She takes initiative by proactively learning and independently analyzing problems as they arise. Zaida is personable and engaging with team members and fosters positive relationships with the team, making constructive feedback and provides effective training to the Retirement Program Specialists when analyzing the service benefit calculations.

Zaida possesses a rare combination of technical expertise, interpersonal skills, and a genuine passion for helping staff in Member Services. Her contributions have not only elevated the quality of our services, but also had a lasting positive impact on our members' understanding and engagement with the retirement process and the services OCERS provides.

For **MANAGER OF THE YEAR**, Ms. Jennifer Reyes.

Some highlights from the various nominating memos submitted regarding on Ms. Reyes:

Jennifer did an exceptional job this year handling both her regular job duties and her involvement in several of OCERS business initiatives, including the Alameda Project and Master Repository Procedures Project. The Master Repository Procedures Project in particular required a significant amount of time and overlapped with the demands of the annual audit. Jennifer put in an extraordinary effort to meet the deadlines for both these projects and did so with professionalism and an always positive and upbeat attitude.

She has participated in key initiatives throughout her career at OCERS, including the V3 project, outsourcing of check payments for both retirees and vendors, implementation of a new accounting system and Vision 2030.

Jennifer has been with OCERS for 11 years and has developed invaluable institutional knowledge through her consistent dedication to OCERS and its mission to provide secure retirement and disability benefits with the highest standards of excellence. OCERS is lucky to have her.

For **INNOVATOR OF THE YEAR**, Ms. Noemi Zajzon.

Some highlights from the various nominating memos submitted regarding on Ms. Zajzon:

Noemi has demonstrated exceptional innovation, dedication, and skill in driving our RPA (robotic process automation) to new heights.

Her visionary leadership has not only transformed our approach to automation but has also positioned our organization as a trailblazer in the industry.

Under Noemi's guidance, RPA has achieved remarkable milestones, significantly improving efficiency, reducing operational costs, and enhancing the overall productivity of our team. Her innovative strategies and hands-on approach have resulted in the successful implementation of cutting-edge automation solutions, revolutionizing the way we operate.

And what also sets Noemi apart is not just her technical prowess but also her commitment to fostering a collaborative and inclusive team culture. She has inspired her team to think creatively, challenge the status quo, and embrace a culture of continuous improvement.

I will have the privilege of introducing each of our winners to the Board in person on February 21.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **OCERS PENSION ADMINISTRATION SYSTEM (V-3): A CONTINUING UPDATE**

Background/Discussion

In the past three Strategic Planning Workshops, beginning in 2021, we have begun to discuss the future development of a successor Pension Administration System to V3. With the never-ending advancement of technology, and the need for continuous growth in security measures, Pension Administration System upgrades have become a more-or-less once a decade effort.

On December 11, Ms. Jenny Sadoski, OCERS IT Director and I shared an overview of the V3 project – why we moved from PensionGold to V3, the gains we made by making that move, and a recognition of the challenges as much as the opportunities we see that make the discussion of a PAS upgrade a necessary strategic goal.

On January 21, Ms. Jenny Sadoski and Mr. Jeff Lamberson will continue this discussion. While V3 was a positive move forward, there remain certain processes that are barriers to higher efficiency and are opportunities for future improvement via a pension administration system upgrade.

In future presentations, we will discuss what may be possible in the future, especially in the light of greater Artificial Intelligence (AI) capabilities as well as countering the growing strength of bad actors seeking to break into pension systems across the country.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



OCERS Spotlight: Pension Administration System Challenges

February 21, 2024

Steve Delaney

Chief Executive Officer, OCERS



Background

- September 13, 2023: Strategic Workshop meeting briefly touched on the need for a new Pension Administration System (PAS)
- December 12, 2023: Presented the Board with the history of the OCERS PAS



Types of Challenges

- PAS solution and its component software are nearing end of life and are no longer supported
 - Many of the component software applications used as part of our PAS solution are not upgradeable with our current PAS version
 - Components that are upgradeable may break functionality, so we are not always able to apply critical updates, and patches. This increases the risk and vulnerability of our systems.
- Limited support from Vendor for current version
 - Our vendor is focusing their resources and development on their new software platform, so enhancements to our version is limited. And it is more expensive and time consuming to get fixes and enhancements implemented.
- Unable to take advantage of newer technologies and automation tools to improve processes and grow our member service offerings.
 - We can't take advantage of cloud computing, Application Programming Interface (API) integration, intelligent functional workflows, online forms and electronic signatures, etc.
 - We can't improve our processes and service offerings to our members such as integrated voice response (IRV), virtual assistants and self-service options through call center and web portals, real time updates and improved processing times, mobile applications, etc.
 - We are not able to achieve true automation, nor make the leap to Artificial Intelligence (AI) and machine learning.



Countermeasures

- Manual intervention and workarounds
- Manage and mitigate the growing risks we face running on older technologies and inability to use new tools.
- Delay process improvements and customer service enhancements (i.e mobile apps) until newer technology can be implemented to allow for changes in how we work and improving the service and support we offer to our members and employers.



Way Forward

- Address current and past data issues
- Partner with our employers to address current challenges and explore new opportunities
- Determine our future-state requirements
 - Invest in a new PAS Solution with all the functional components needed to offer best in class customer service today, and enable us to grow, automate and evolve as new technologies, tools and techniques become available.





Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **VISION 2030 – MEMBER SERVICES 2023 AUTOMATION PRESENTATION**

Presentation

During the September 2023 Strategic Planning Workshops, I provided an update to our progress of implementing OCERS Vision 2030 goal. I laid out my initial view of how we might tackle the challenges that lay ahead by leveraging technology. David Kim then presented our first Robotic Process Automation (RPA) which assisted our Internal Audit Department with their Initial Final Average Salary Calculation which is performed during the Internal Audit review process.

To continue this discussion and to provide you an update on our progress, today Mr. Lamberson will present the second and third OCERS automations that have been implemented in our Member Services Division at the end of 2023. These automations remove manual work performed by a Member Services supervisor in the initial retirement application assignment process as well as manual steps completed in the final review process which ensures the retirement transaction request was completed as the member requested.

I would like to thank the Members of the Board of Retirement for the support provided as we continue to pursue the successful implementation of the Vision 2030 plan.

The future is now!

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

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VISION 2030
MEMBER SERVICES 2023 AUTOMATION
PRESENTATION

February 21, 2024

by
Jeff Lamberson



Topics for Today's Discussion

1. Retirement Application Assignment BOT 2.1 – Summary

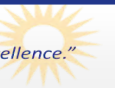
Process Flow

2. Retirement Application Audit BOT 2.2 – Summary

Process Flow

3. What We Achieved Together

*"We provide secure retirement and disability benefits
with the highest standards of excellence."*





Member Services 2023 - Automation Improvements

Retirement Application Assignment BOT 2.1 – Summary

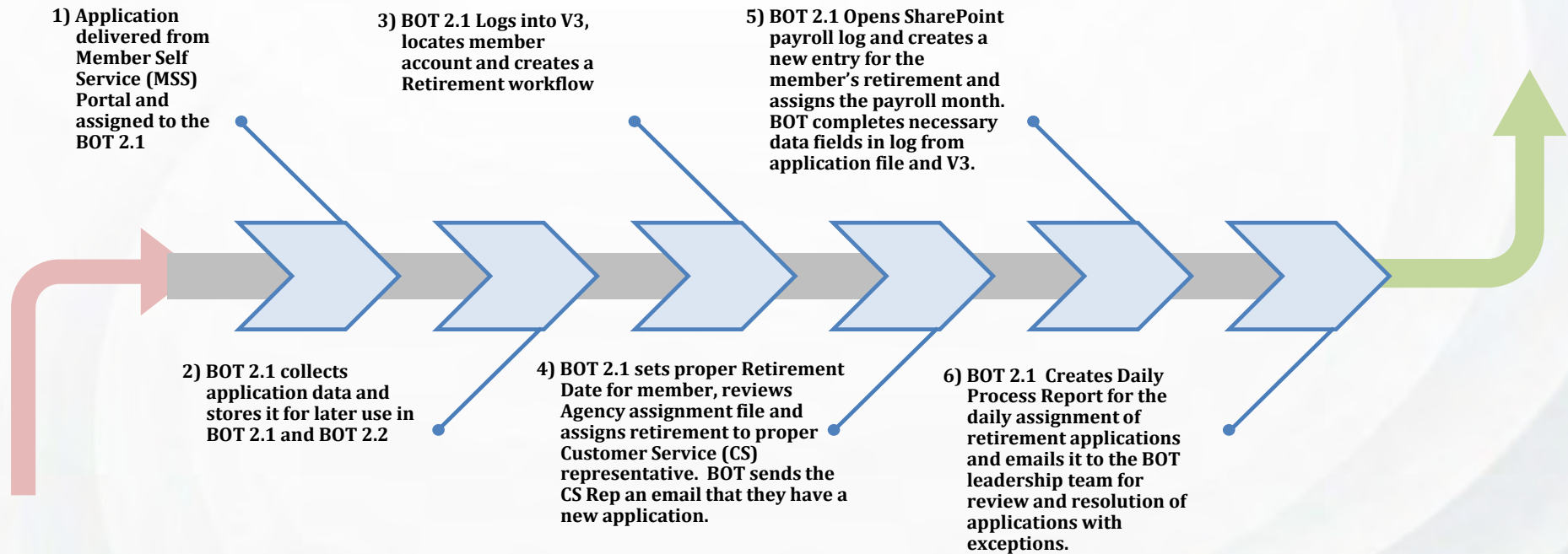
- Member Services worked with Information Technology (IT) and ROBOYO to implement a BOT that reviews a members retirement application when it is received through the Member Self Service (MSS) Portal. The BOT records the information requested in the application to a file, assigns the workflow in V3 to the appropriate Retirement Program Specialist (RPS) team member in Member Services and logs the application into our payroll tracking log in SharePoint.
- This automation is performed every day as electronic applications come in from the Member Self Service (MSS) Portal. It replaces manual work performed by our Call Team Supervisor.
- (Paper applications processed manually due to automation limitations with handwritten forms)
- Each transaction normally took 15 min to perform and now is supported by the BOT. On average we receive 1000 (+/-200) transactions a year.
- 15min x 1000 transactions = 15,000 min/60 min = **250 Full Time hours per year**

*"We provide secure retirement and disability benefits
with the highest standards of excellence."*





Retirement Application Assignment BOT 2.1 Flow



"We provide secure retirement and disability benefits with the highest standards of excellence."

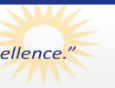


Member Services 2023 - Automation Improvements

Retirement Application Audit BOT 2.2 – Summary

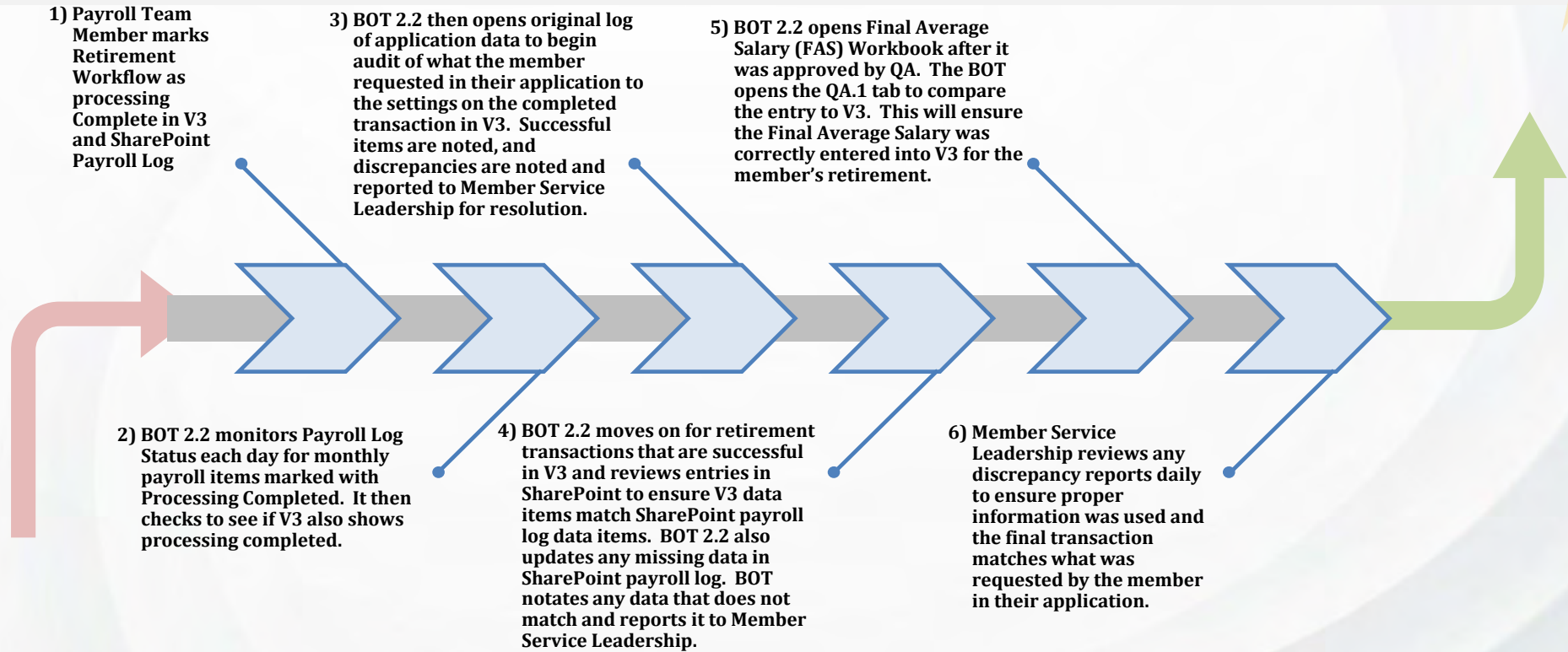
- Member Services also worked with Information Technology (IT) and ROBOYO to implement a BOT that uses the application data recorded in BOT 2.1 on the previous page to then review what was processed in the V3 and SharePoint systems at the time of retirement.
- The BOT then reports back if everything matches what the member requested and if the transaction was processed accurately in the system based on the approved Quality Assurance Final Average Salary (FAS) Spreadsheet.
- (Paper applications processed manually due to automation limitations with handwritten forms)
- Each transaction normally took 30 min to perform and now is supported by the BOT. On average we receive 1000 (+/-200) transactions a year.
- $30\text{min} \times 1000 \text{ transactions} = 30,000 \text{ min}/60 \text{ min} = \mathbf{500 \text{ Full Time hours per year}}$

*"We provide secure retirement and disability benefits
with the highest standards of excellence."*





Retirement Application Audit BOT 2.2 Flow



"We provide secure retirement and disability benefits with the highest standards of excellence."



What We Achieved Together



Increased capacity to support Member Services staff with overnight prep and daily readiness



Increased validation of Final Average Salary amounts used in V3 compared to the approved Quality Assurance workbook, enabling daily instead of monthly confirmations of data entry.



BOT 2.1 will save 250 Full Time Employee hours per year

BOT 2.2 will save 500 Full Time Employee hours per year



NEXT UP. BOT 3.1 will process the Final Average Salary into the V3 System. This will eliminate most of the data entry for team members using BOT 2.2 process solutions.



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: ACTUARIAL SERVICES KEY PERSONNEL CHANGE

Background/Discussion

The Board's Procurement and Contracting Policy identifies certain service providers retained primarily to fulfill an independent audit or advisory role for the Board of Retirement as "Named Service Providers." The Board's consulting actuary is listed as a Named Service Provider. The Segal Company is OCERS' current consulting actuary. OCERS entered into a services agreement with Segal for actuarial services effective January 1, 2023, and ending on December 31, 2025, unless terminated earlier (Agreement).

OCERS has been informed that Paul Angelo will be retiring later this year. Mr. Angelo is listed as one of the "Co-Primary Actuary/Consultant" in Exhibit C of the Agreement. From Exhibit C:

Co-Primary Actuary/Consultants

Paul Angelo, FSA, MAAA, FCA, EA
 Todd Tauzer, FSA, MAAA, FCA, CERA

Supervising Actuary/Consultant

Andy Yeung, ASA, MAAA, FCA, EA

With the retirement of Mr. Angelo, Todd Tauzer will be the Primary Actuary. As Mr. Tauzer is already designated as key personnel, this change does not constitute a replacement of key personnel under the Agreement. Should Segal replace Mr. Tauzer or add another individual as a "co-primary actuary," the change will be subject to OCERS' approval. The key personnel provision of the Agreement is as follows:

2.4.5 Substitution of Key Personnel.

Contractor has represented to OCERS that certain key personnel will perform and coordinate the Services under this Agreement ("Key Personnel"). The Key Personnel assigned to this Agreement are identified in the attached Exhibit "C" ("Key Personnel"). Key Personnel will be available to perform Services under the terms and conditions of this Agreement immediately upon commencement of the term of this Agreement. If one or more of such Key Personnel becomes unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of OCERS. Contractor shall provide OCERS written notification detailing the circumstances of the unavailability of the Key Personnel and designating replacement personnel prior to the effective date of the unavailability of such Key Personnel, to the maximum extent feasible, but no later than five (5) business days after the date of the Key Personnel's unavailability. **OCERS will have the right to approve or disapprove the**

reassignment or substitution of Key Personnel for any reason at OCERS' sole discretion. In the event that OCERS and Contractor cannot agree as to the substitution of Key Personnel, OCERS will be entitled to terminate this Agreement for cause.

We have not been informed of any other changes to Segal's assignments to OCERS but will notify the Board if any are forthcoming. No action is necessary at this time.

Submitted by:



MDS-Approved

Manuel D. Serpa
General Counsel



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Brenda Shott, Assistant CEO of Internal Operations
SUBJECT: **OUTCOMES FROM BUILDING COMMITTEE MEETING: DECEMBER 21, 2023**

Informational only

Background/Discussion

On December 21st, 2023, the Building Committee met to discuss the OCERS Replacement Headquarters Project. Griffin Structures presented the results of OCERS' needs assessment relative to future operations. The report included a recommendation of the space required based upon data collected from OCERS' Directors and Senior Executives on staffing projections and other space needs. A copy of the Space Study-Needs Programming report is included as Attachment 1.

RIOS Architects presented the preliminary yield study for the OCERS replacement headquarters project. The study provided six scenarios of conceptual site plans attempting to accommodate OCERS' space needs while also complying with city zoning and planning requirements (i.e. parking, building height). Attachment 2 is a copy of their report.

Griffin Structures also presented an overall update of the OCERS headquarters project including probable full development costs and the preliminary development schedule. Their report is included as Attachments 3 & 4.

After considerable discussion and deliberation with the consultants, the Building Committee directed staff to proceed with predevelopment planning for the replacement headquarters building with a target of 71,000 square feet including an allowance for a 10% variance and to stay within the parameters allowing for an exemption from a California Environmental Quality Act (CEQA) process. The Committee also directed Staff to utilize both properties (Wellington Ave parcel and the Tustin Ave parcel) as needed to meet the parking requirements without building a parking structure.

Staff informed the Committee that a Request for Qualification was issued for Design Build Entities. Responses are due in January. A short list of qualified firms will be invited to participate in a Request for Proposal procurement process that is scheduled to be released by mid-February, 2024.

Attachments

1. OCERS Replacement HQ Project - Space Study - Needs Programming

2. OCERS Replacement HQ Project - Site Plans Concepts
3. OCERS Replacement HQ Project Update
4. OCERS Replacement HQ Project Preliminary Schedule

Submitted by:



BS - Approved

Brenda Shott, CPA

Assistant CEO, Finance and Internal Operations

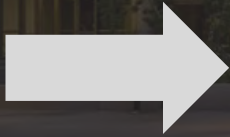




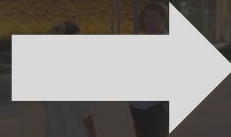
EXCELLENCE IN PROJECT DELIVERY

Agenda

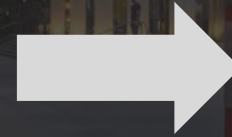
01.
**Workstation
Standards**



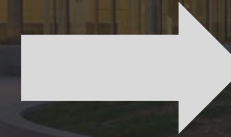
02.
**Program
Projections**



03.
**Shared
Spaces**



04.
Summary





What is a Workstation Standard?



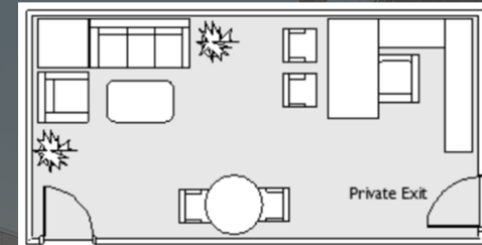
- Purpose is to ensure consistency, efficiency, and flexibility within your facility
- Office vs cubicle vs drop-in/touchdown



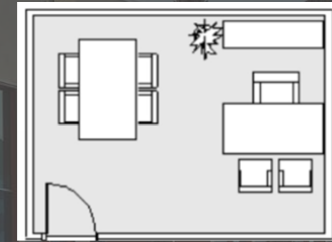
EXCELLENCE IN PROJECT DELIVERY

Private Offices

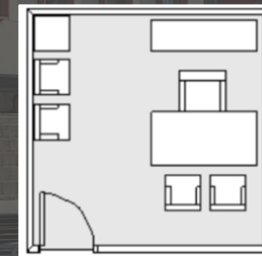
Space Type	Typical Assignment	Description/ Typ. Furnishings
PO-8 (360 SF)	CEO	Executive Desk & Chair, Credenza, 2 Guest chairs at desk plus side seating for 2 or small conference table
PO-6 (240 SF)	Senior Leadership	Like above but larger to accommodate more filing and seating as may be required. Seats up to 4 guests.
PO-4 (180 SF)	Directors	Accommodates an executive desk and chair, 2 guest chairs at desk and side seating for 2 people
PO-2 (120 SF)	Managers/Analysts/ All Others Requiring an Office	Accommodates a U-shaped desk and 1 guest chair with filing system above desk.



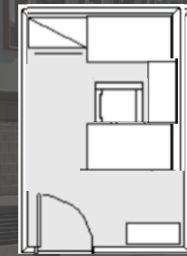
PO-8



PO-6



PO-4



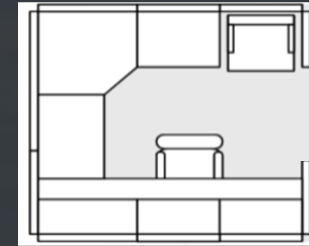
PO-2



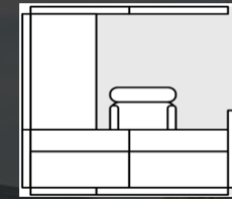
EXCELLENCE IN PROJECT DELIVERY

Cubicles

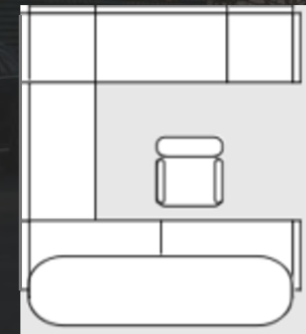
Space Type	Typical Assignment	Description/ Typ. Furnishings
WS 1 (64 SF)	All general staff	Accommodates an 8x8 workstation with a task chair, guest chair, and storage.
WS 2 (36 SF)	Trading desk, editing workstation, or drop-in stations	Accommodates a 6x6 workstation with task chair and storage.
Reception (120 SF)	Receptionist	Reception counter with 10x12 desk, task chair, and storage underneath for receptionist.



WS 1



WS 2



Reception



EXCELLENCE IN PROJECT DELIVERY

The Office Environment



Modern

Traditional

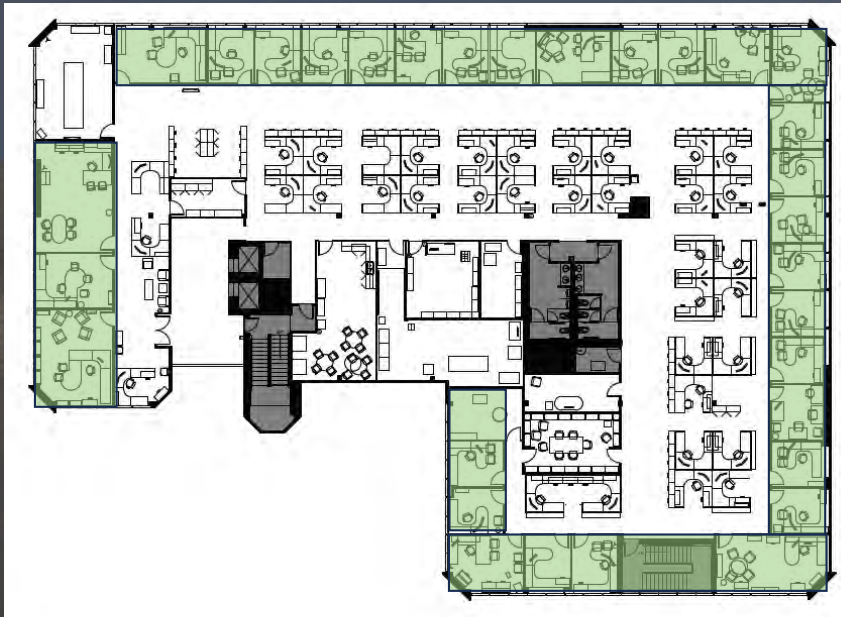
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Workstation Standards

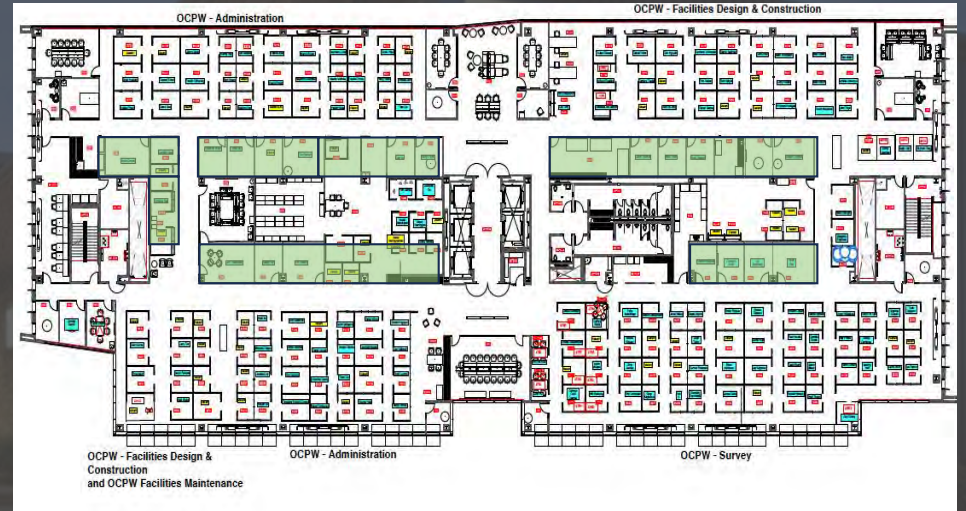


The Office Environment

Current OCERS Floorplan



Current OC Civic Center Floorplan



1

Workstation Standards



Office to Workstation Ratio

Industry Standards

	Traditional Office	Hybrid	Open Office
Private Offices	50-70%	20-40%	10-30%
Cubicles	20-30%	40-60%	60-80%
Remote Work	N/A	10-20%	10-20%



Office to Workstation Ratio

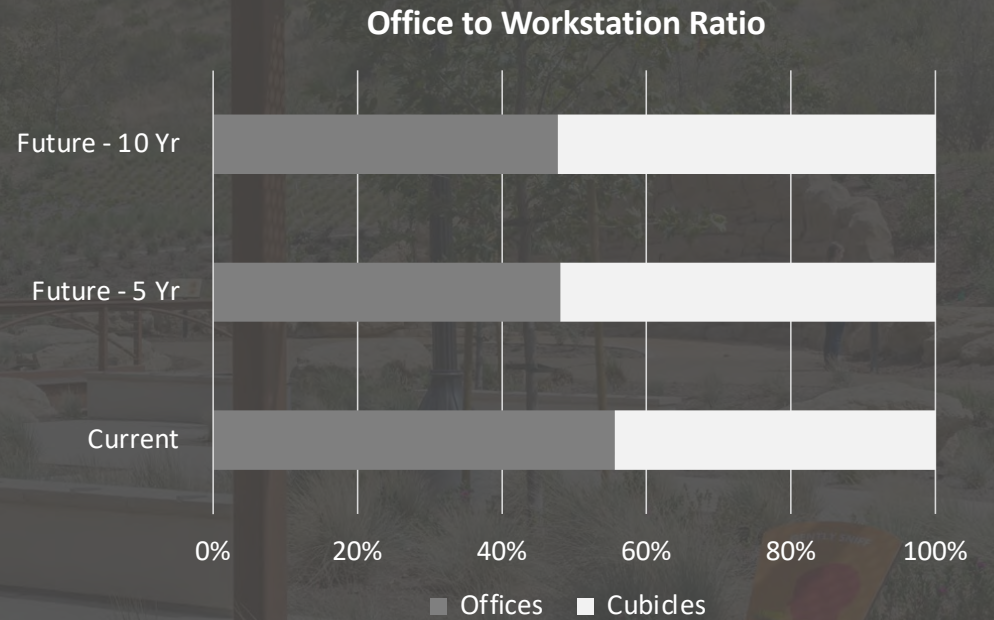
Industry Standards

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Private Offices	50-70%	30-50%	10-30%
Cubicles	30-50%	50-70%	60-80%
Remote Work	N/A	10-20%	10-20%



Office to Workstation Ratio

Scenario	Offices	Cubicles
Future - 10 Yr	48%	52%
Future - 5 Yr	48%	52%
Current	56%	44%



An aerial photograph of a residential neighborhood, showing houses, streets, and trees. The image is dimmed and has a large orange text overlay in the center. The text reads "OCERS Program Projections".

OCERS Program Projections



Space Projections

EXCELLENCE IN PROJECT DELIVERY

line	Facility	Department	Division	Space Ty	Staff/Iter	Notes	Existing SF	Current	Future Need 5-Year	Future Need 10-Year	% Change from Existing to Future 10-Yr	
1	ORANGE COUNTY EMPLOYEE RETIREMENT SYSTEM (OCERS)											
2												
3						OCERS BOARD OF RETIREMENT	2,479	4,621	4,771	4,771	92%	
4												
5						ADMINISTRATION						
6						Chief Executive Office	657	1,220	1,388	1,388	111%	
7						General Counsel	1,217	1,324	1,444	1,804	48%	
8						Internal Audit	676	660	660	660	-2%	
9						Administration Total	2,550	3,204	3,492	3,852	51%	
10												
11						INVESTMENTS	2,101	1,550	2,586	3,786	80%	
12												
13						EXTERNAL OPERATIONS						
14						Executive	296	360	360	360	22%	
15						Disability	774	712	1,100	1,340	73%	
16						Communications	647	566	630	998	54%	
17						Member Services	3,483	2,516	3,676	3,796	9%	
18						Member Services - Member & Employer Relations (MER)	2,449	2,060	2,372	2,372	-3%	
19						External Operation Total	7,649	6,214	8,138	8,866	16%	
20												
21						INTERNAL OPERATIONS						
22						Executive	352	360	360	360	2%	
23						Human Resources	896	952	1,320	1,320	47%	
24						Finance	1,231	882	1,310	1,310	6%	
25						I.T.	1,474	1,800	2,304	2,680	82%	
26						O.S.S.	366	428	492	492	34%	
27						Information Security	397	420	540	660	66%	
28						Internal Operations Total	4,716	4,842	6,326	6,822	45%	
29												
30						SHARED AREAS	9,877	13,091	13,451	14,081	43%	
31												
32						CIRCULATION / NET TO GROSS AREAS	18,006	18,281	21,211	23,131	28%	
33												
34						TOTAL BUILDING GROSS SF	47,378	51,803	59,975	65,309	38%	



Space Projections

EXCELLENCE IN PROJECT DELIVERY

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**OC Civic Center Std =
260 gsf/pp**

**OCERS Existing Std =
350 gsf/pp**

**OCERS 10-Yr Std=
290 gsf/pp**

**(does not include Board Chambers
or Wellness Center)**



Parking Projections

line		Stall Count			
		Existing	Current	Future 5-Year	Future 10-Year
1	PARKING PROJECTIONS				
2					
3	Employee Parking				
4	Employee Projections	198	127	169	191
5	Contractor Drop-In / Seasonal Assistance	incl above	5	9	9
6	Tenant Parking (Current leased space within OCERS HQ)	10	0	0	0
7		208	132	178	200
8	Anticipated Vacancy Factor				
9	Full Time - Vacancy Factor (10%)	incl above	114	152	172
10	Contractor Drop-In / Seasonal Assistance (75%)	incl above	2	3	3
11		208	116	155	175
12	Visitor Parking				
13	Board Meetings (Average Need)	incl abv	30	30	30
14	Aggregate Parking Requirement (Employee w/ Vacancy + Visitor)	208	146	185	205
15					
16					
17	SF Requirements	50,569	51,803	59,975	65,309
18	Code Calculation (3 stalls /1,000 gross sf)	152	156	180	197
19					





Existing & Projected Areas



Shared Areas	Area	
	Existing SF	Future 10 Year SF
Lobby/Reception	680	876
Conference Rooms / Collaboration Areas	1,210	1,560
Training Center	509	600
Interview Rooms	764	1,080
Multipurpose Room	1,024	1,350
Central Breakroom	1,224	1,213
Kitchenette/Water/Coffee Bar	-	360
Central Shared Workroom & Supply	784	900
Wellness Center	-	2,300
Lactation Room	115	300
Restrooms	805	1,440
Storage, Bldg Support, Etc.	2,756	2,102
Total	9,877	14,081



EXCELLENCE IN PROJECT DELIVERY

Summary

Workstation Standards

- Adjusted to provide equitable, flexible workstations across OCERS
- 48% Offices : 52% Cubicles

10-Year Program Projections

- 53% increase in staff projections
- 38% increase in facility SF
- Parking normalized

Shared Space

Increase in amenities offered to employees including many more collaboration areas, central resource areas, and wellness center

Thank you!



Dustin Alamo

dalamo@griffinstructures.com

OCCERS

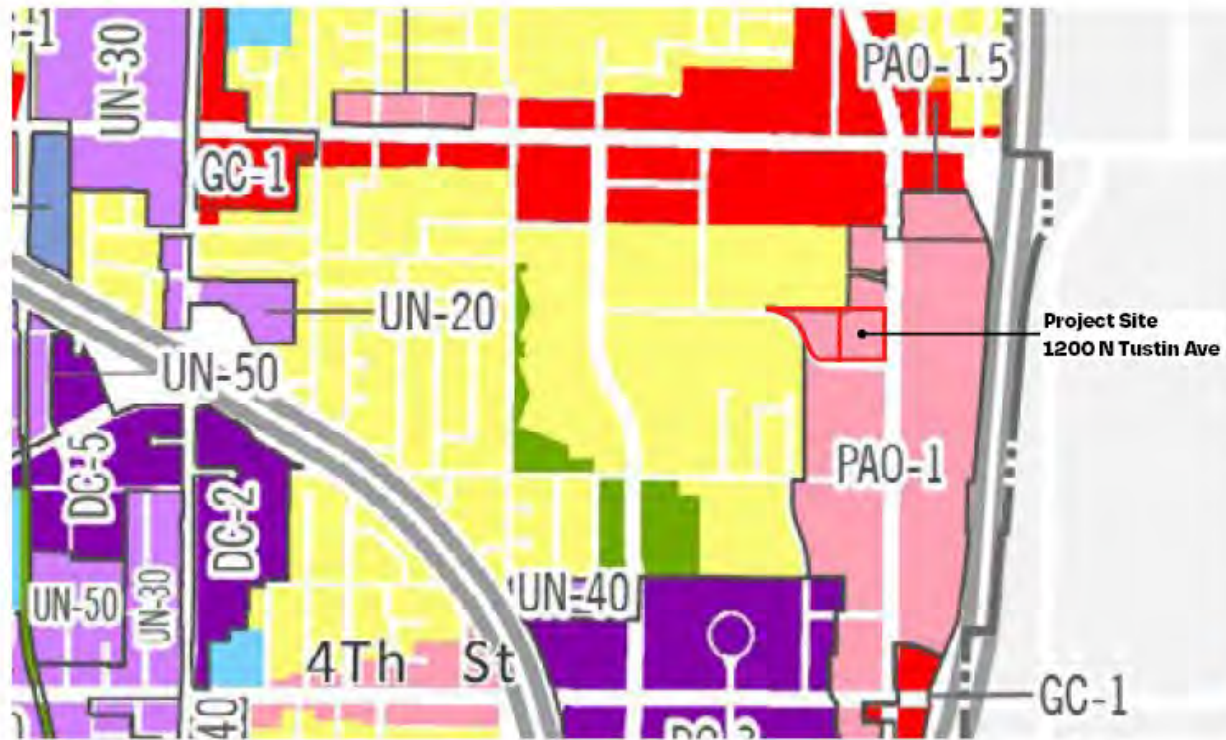
Preliminary Yield Study

Griffin Structures
December 21, 2023



Zoning Analysis

Land Use & Density



Current zoning code (adopted 2022)

- Zoning designation : P (Professional)
- Allowable Density : 1.0 FAR
- Height Limit : 35' (3 stories)

Originally entitled zoning code (1977)

- Zoning designation : P (Professional)
- Allowable Density : 0.5 FAR
- Height Limit : 35' (3 stories)

1200 N Tustin Ave, Santa Ana, CA 92705-3508

Property Information		Planning History	Building Permit History	Occupancy History	Inspection History	Map
Parcel	400-12-02					
Legal Description	P 50.02 P5 27.00 F 1					
Lot	P50.1					
Tract	A001520+					
Block	74					
Corner Street	75th St					
Corner Block	000					
Block Group	1					
Subarea Plan	2402.5					
Zoning	P (Professional)					

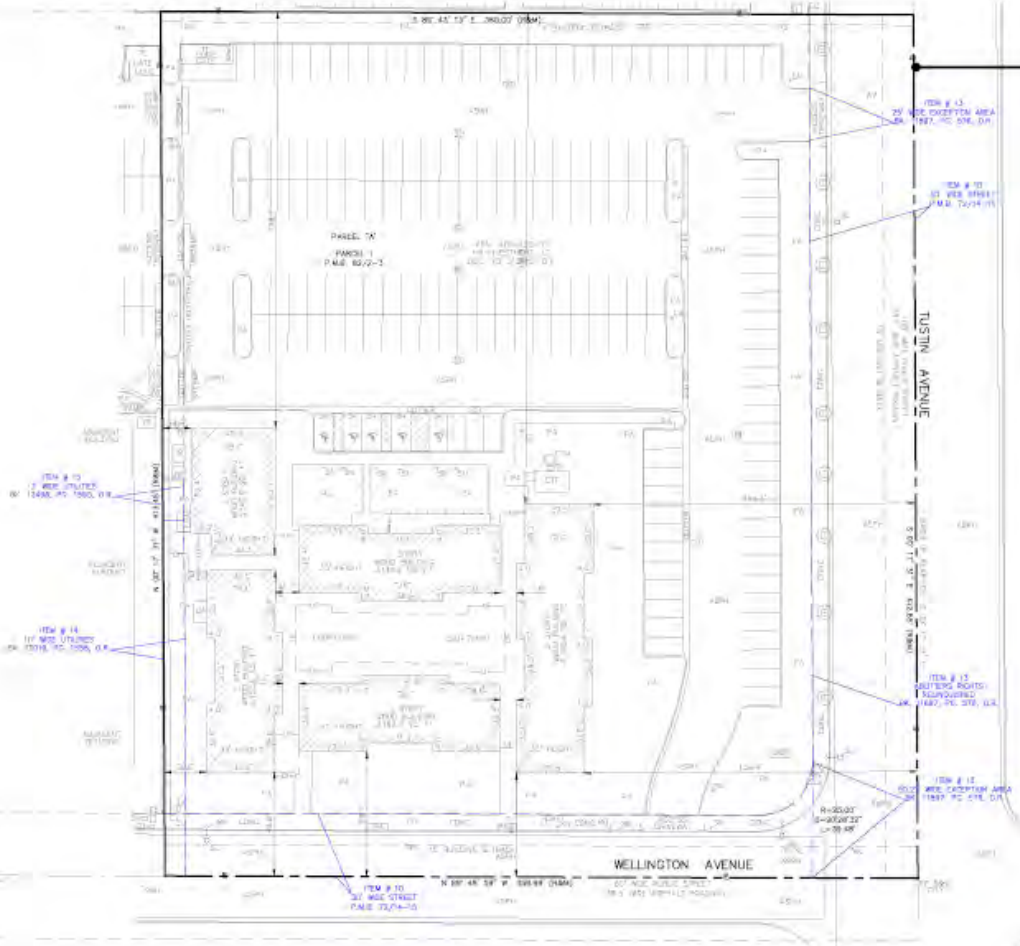
* public parcel data pulled from Santa Ana planning and building dept

Current Zoning Map

- LR-7, Low Density Residential
- INS, Institutional
- FLEX, Industrial/Flex
- LMR-11, Low-Medium Density Residential
- OS, Open Space
- UN, Urban Neighborhood
- MR-15, Medium Density Residential
- PAO, Professional and Administrative Office
- DBPDC, One Broadway Plaza District Center
- CR-30, Corridor Residential
- GC, General Commercial
- DC, District Center
- IND, Industrial

Zoning Analysis

Site & Property Analysis



1200 N Tustin Ave
Total Area : 148,725.45 sq ft

Allowable development under current zoning code (adopted 2022) :

- 148,725.45 sq ft of Office
- 3 stories
- 35' height limit

Allowable development under previously entitled 1977 zoning code :

- 74,362 sq ft of Office
- 3 stories
- 35' height limit

Zoning Analysis

Height Limits & Setbacks



Zoning envelope:

- 35' height limit (3 stories)
- front setback : 15'
- side setback (street) : 15'
- side setback (interior) : 5'
- rear setback : 10'

Zoning Analysis

Potential Scenarios/Complications

Reasons:

- 3 level schemes offer more flexibility in massing and is more realistic with a 80k SF GSF target
- Trying to squeeze 80k SF within 2 levels would result in either:
 - a. a reciprocal covenant for shared parking of 40 stalls from the 2223 E Wellington property
 - b. needing a 3 level parking structure (~120' x 270')

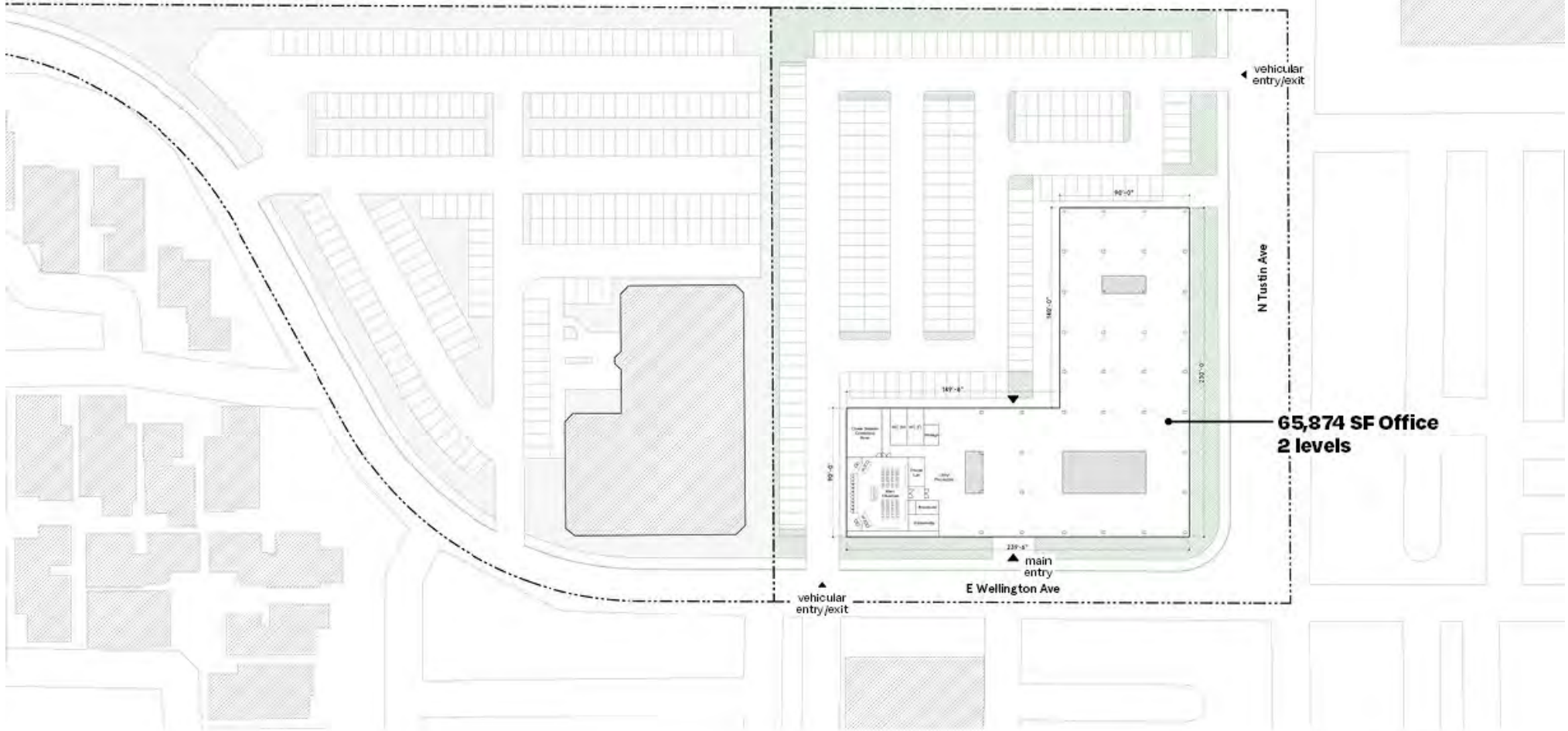
Potential Solutions & Process:

1. Pursue development with recommended 65k SF target for office and maintain development within 2 stories
 - Project will proceed by right, all municipal reviews/approvals would remain administrative, and the project would remain on the fastest track regarding schedule
2. Pursue development with 80K SF target at 3 levels total with a tighter floor to floor
 - Process will be similar to 1, but is not advised due to poor user experience
3. Engage in a process with the city to determine if project could gain a height increase bonus of up to 25%
 - Reach out and schedule a First Look meeting where the developer and the committee will review the initial concept plan
 - Requires a basic site plan, counts, drawings, diagrams to review where project stands with zoning
 - \$400 fee
 - This process is not a formal City Planning and Building review and can be useful in having a senior case planner and the committee make recommendations prior to engaging in the formal site development review process. They will also provide preliminary judgments on whether or not the project could be categorically exempt for any zoning restrictions (eg. height) and if not how intensive and how long the CEQA review and public hearing process could potentially be for the type and magnitude of the project
 - If categorically exempt, project should remain on an administrative review process and be on a fast track for approvals. Proceed to Site Development Review
 - If not exempt, either:
 - a. revert to solutions tracks 1 or 2
 - b. apply for a Minor Exception for the project requesting a 25% increase in height limit. This will trigger a CEQA review along with a formal public hearing/review process and will no longer be purely administrative

Scheme 1

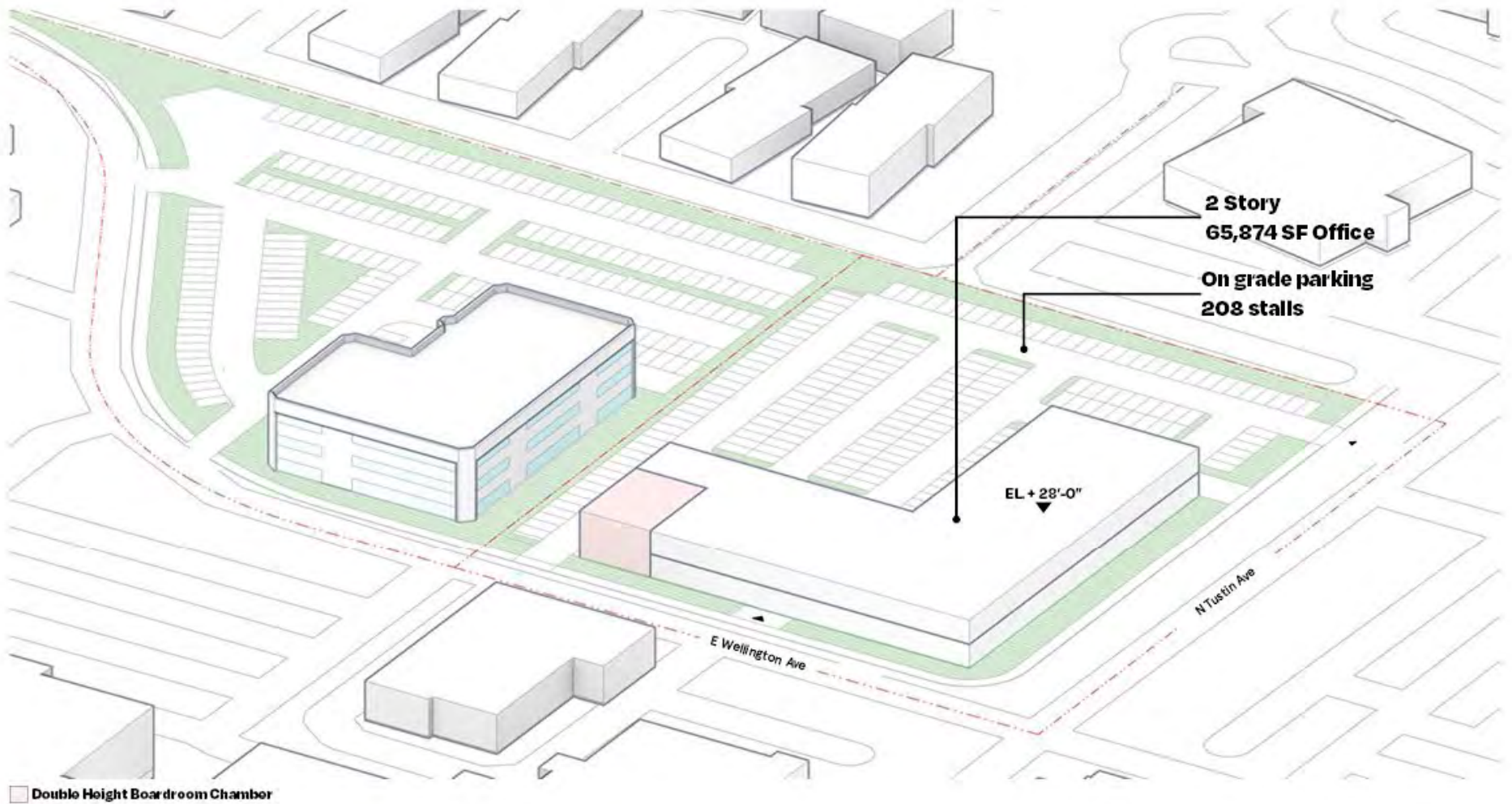
Ground Level Plan

Scale 1/64" = 1' - 0"



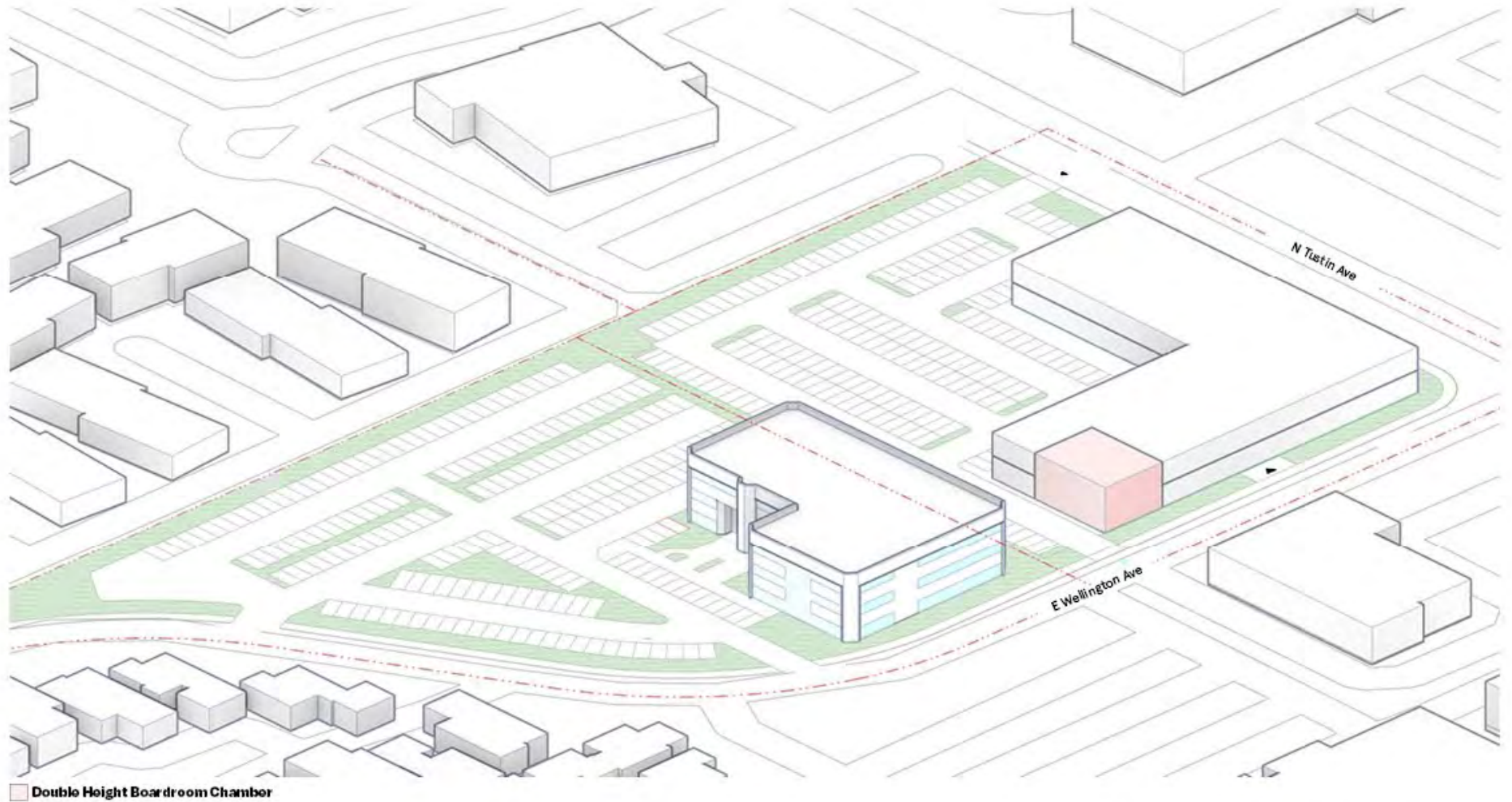
Scheme 1

Massing - View 1



Scheme 1

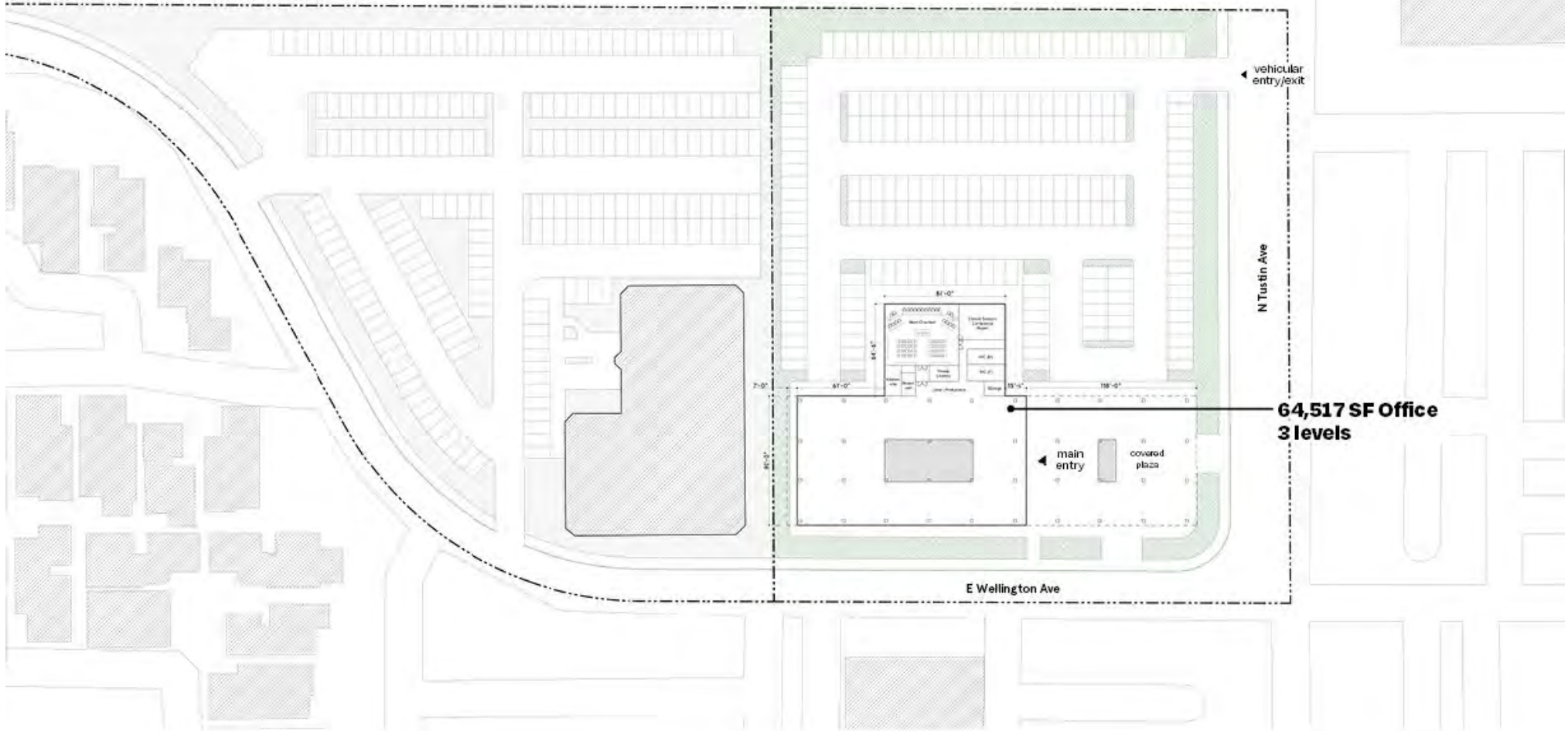
Massing - View 2



Scheme 2

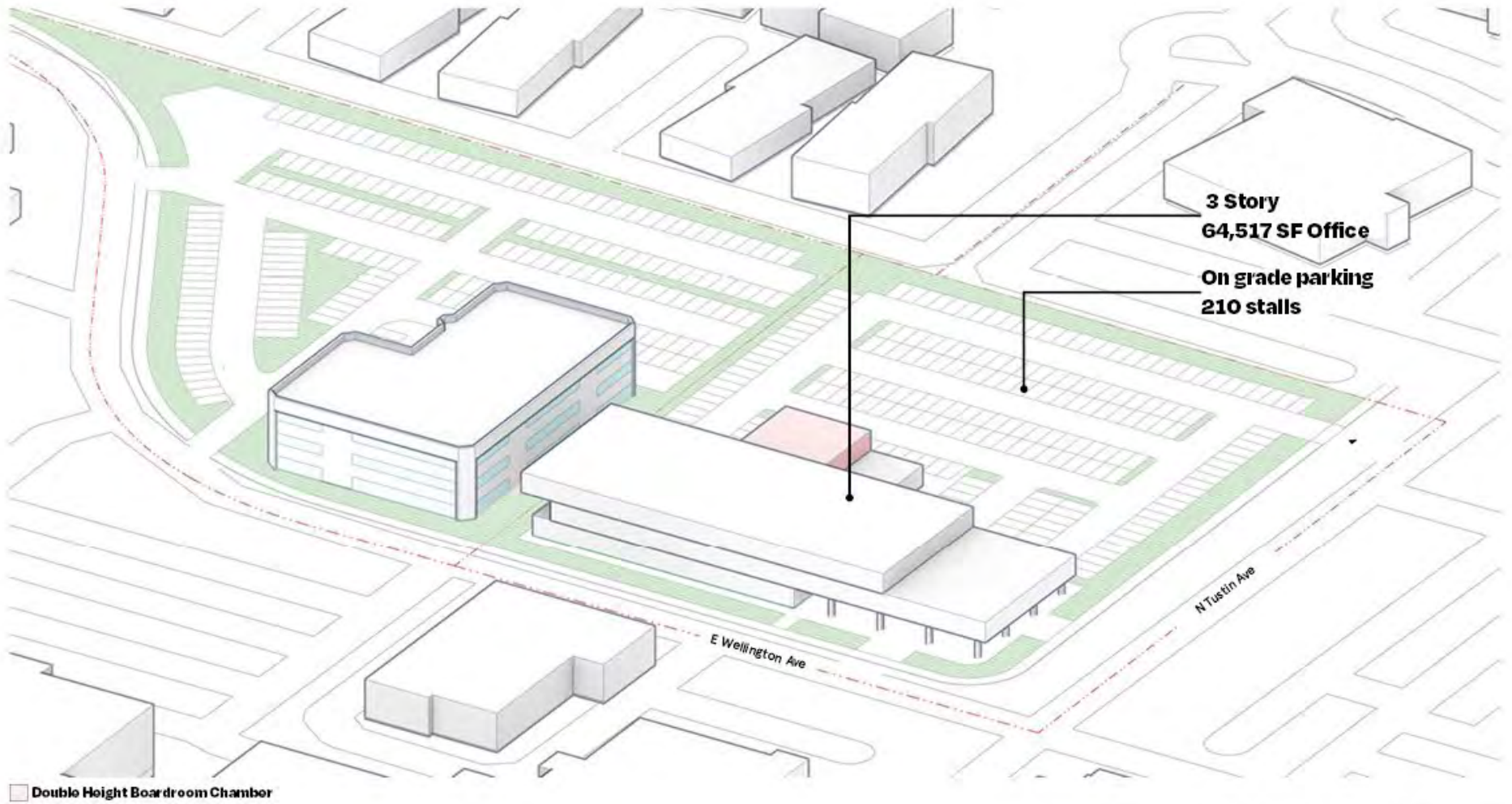
Ground Level Plan

Scale 1/64" = 1' - 0"



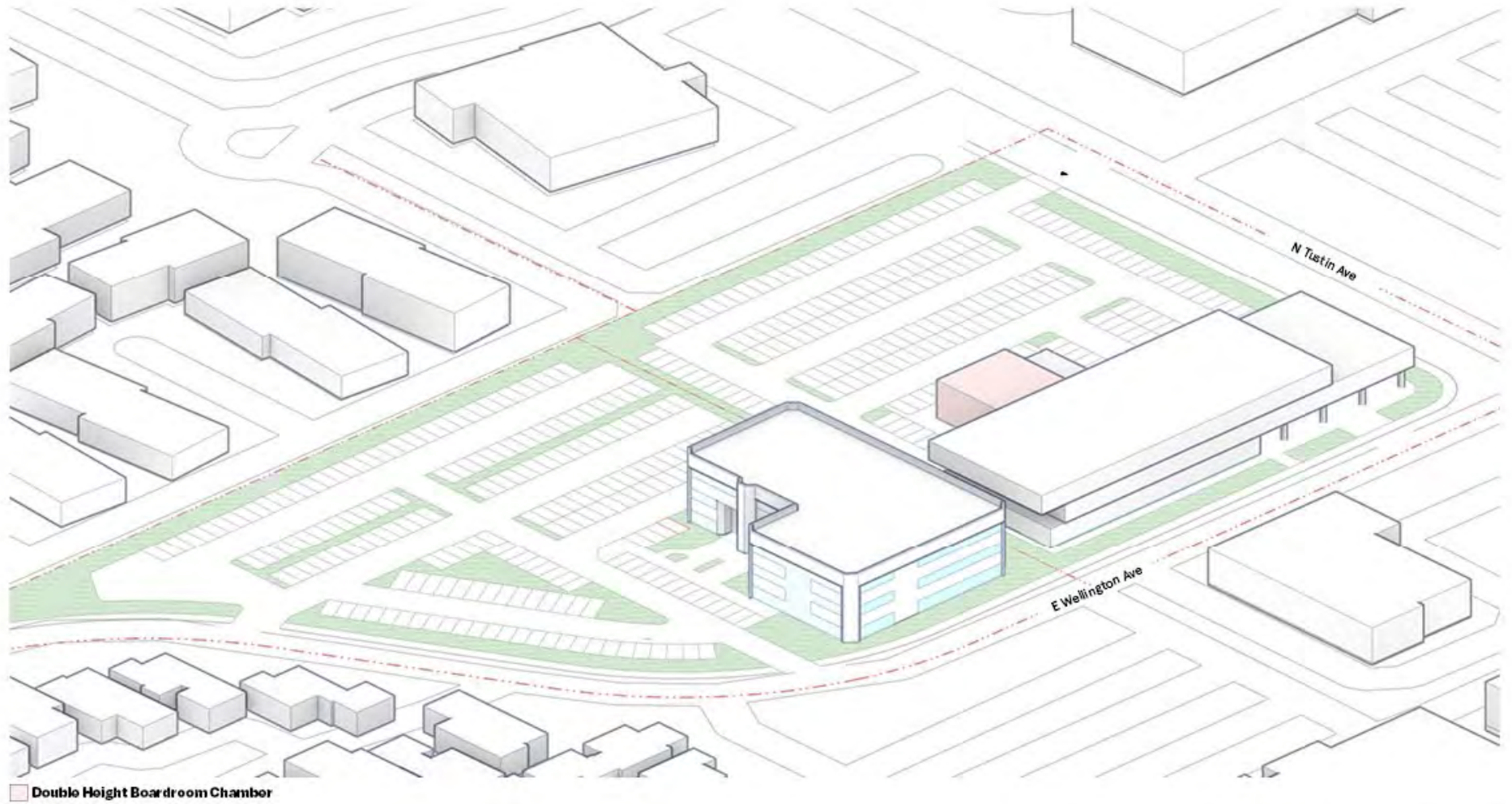
Scheme 2

Massing - View 1



Scheme 2

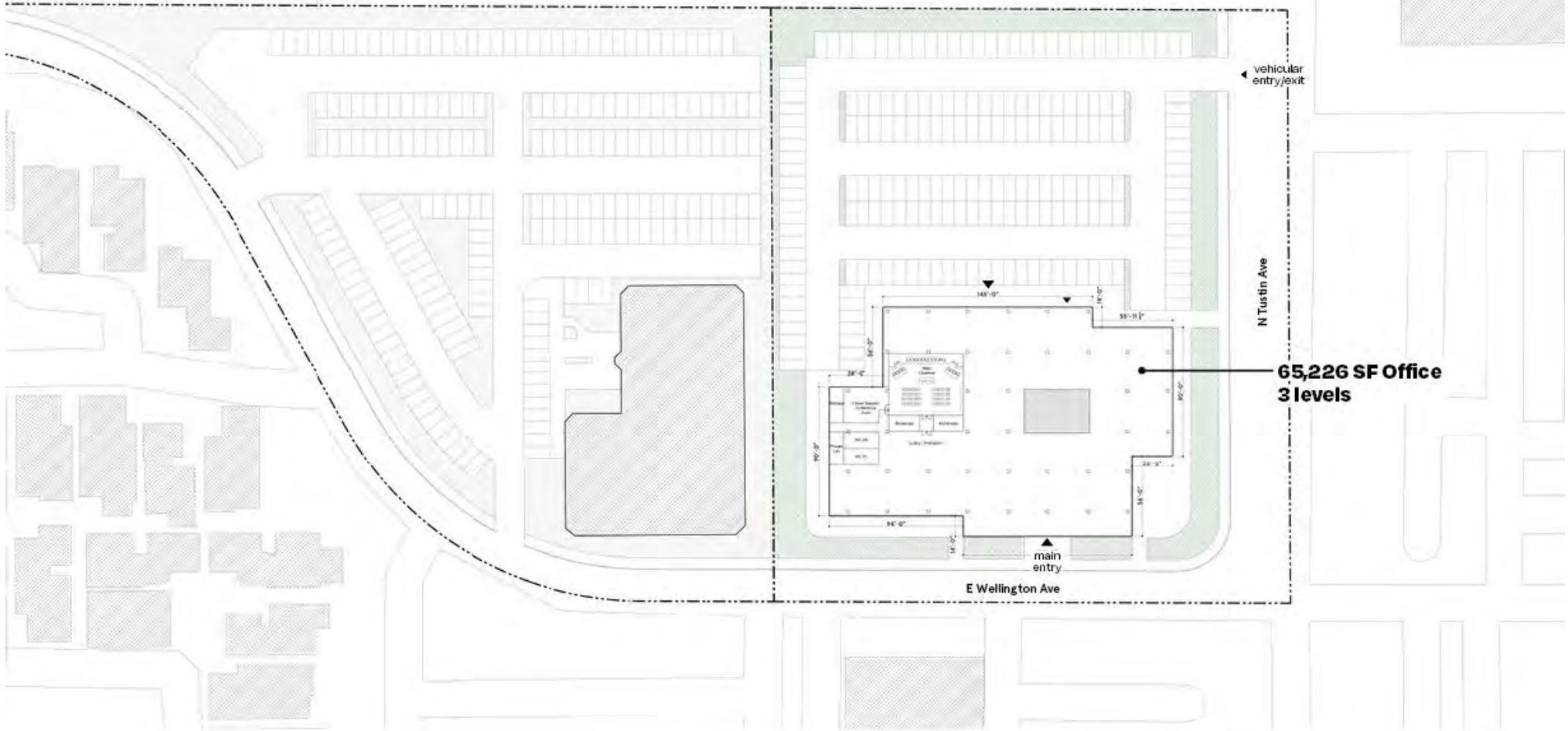
Massing - View 2



Scheme 3

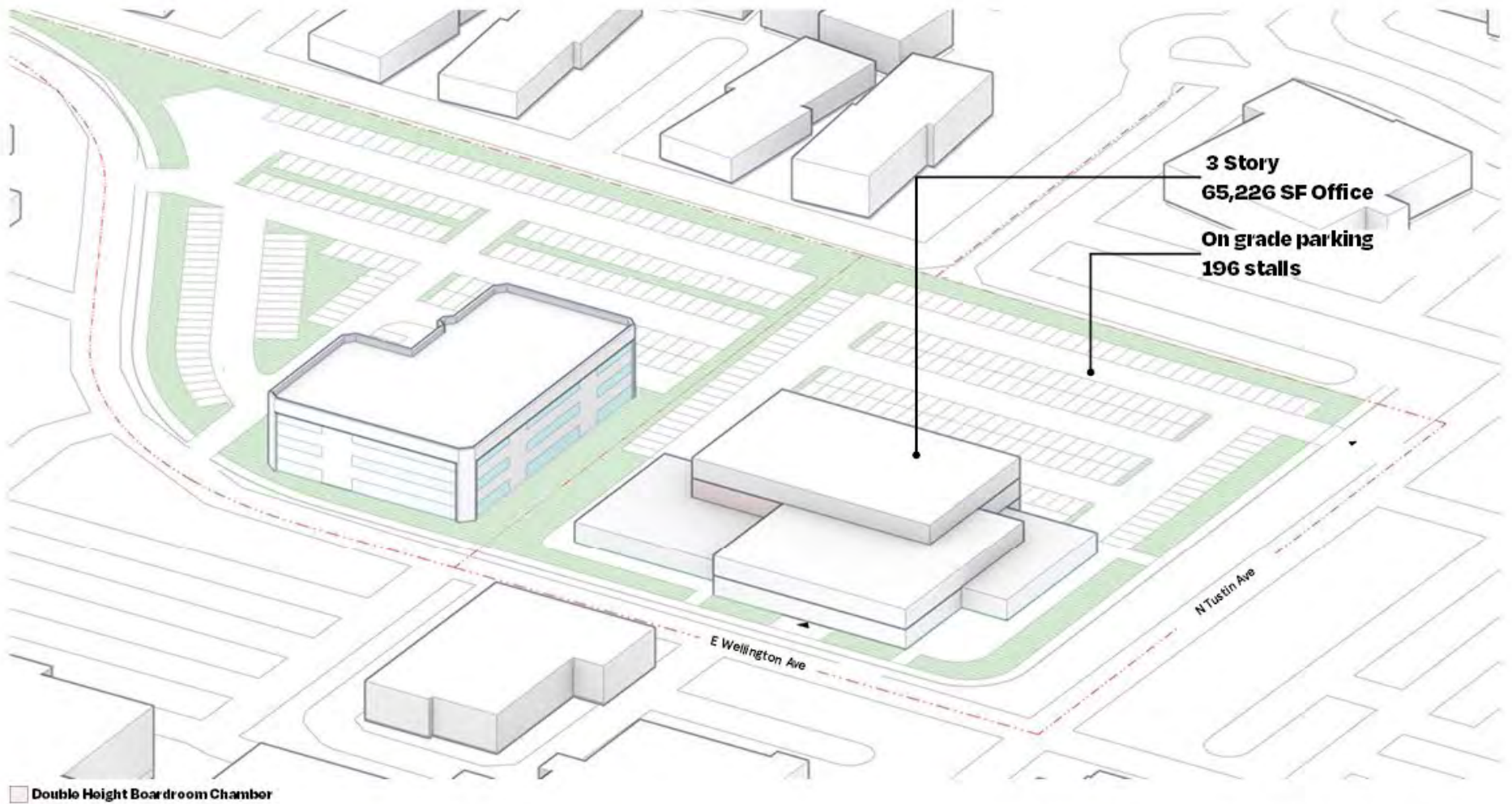
Ground Level Plan

Scale 1/64" = 1' - 0"



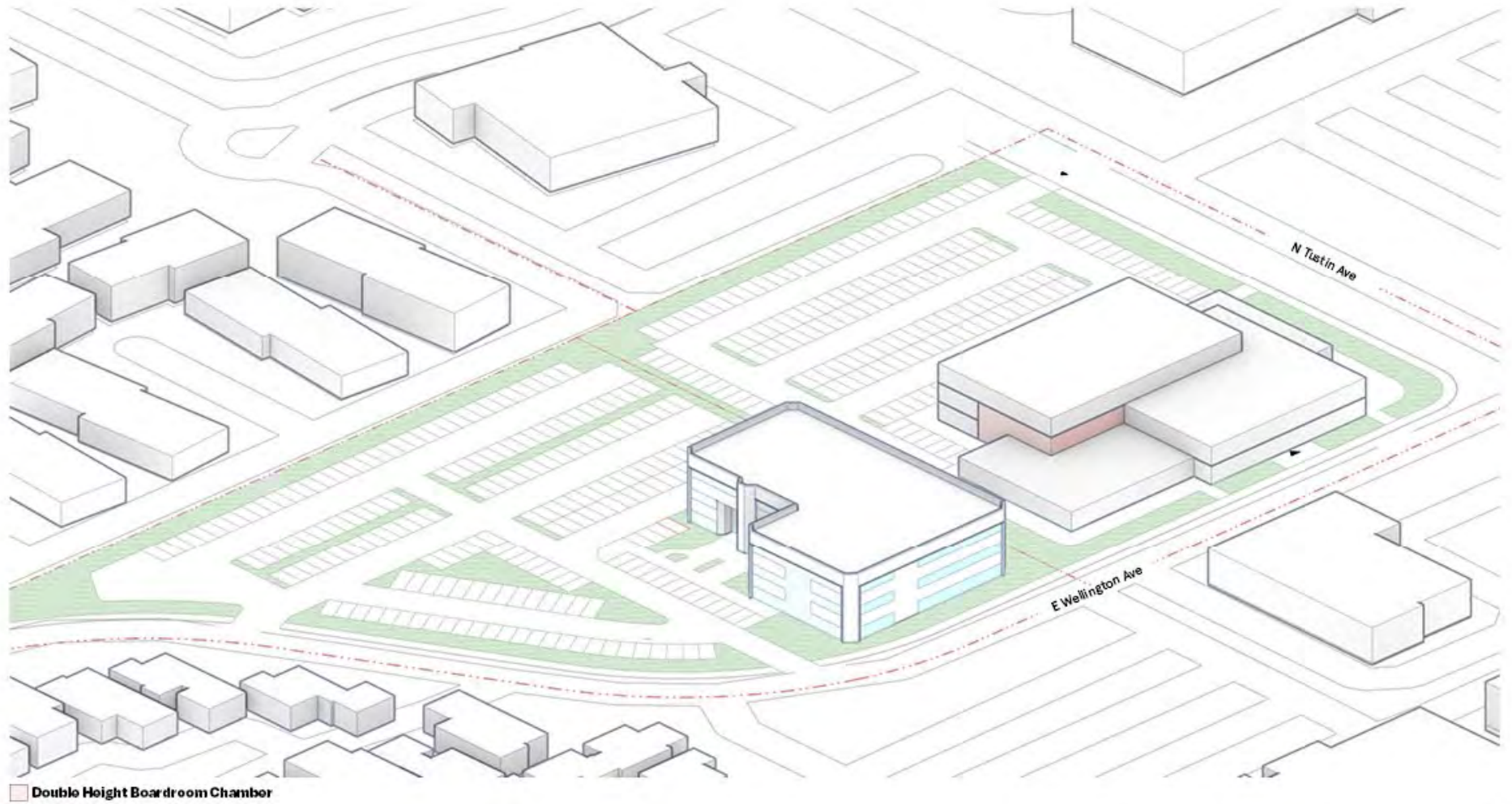
Scheme 3

Massing - View 1



Scheme 3

Massing - View 2



Scheme 4

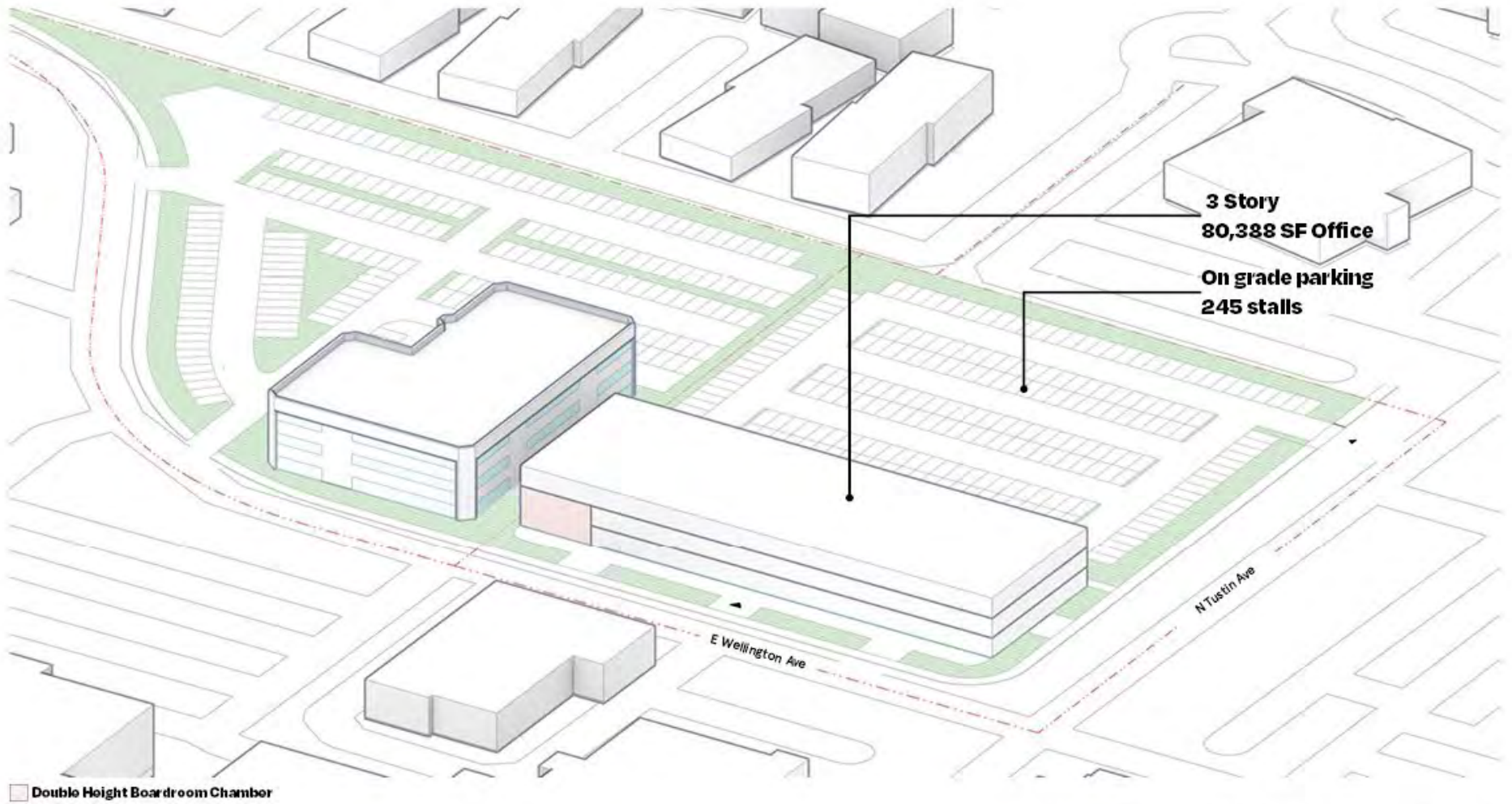
Ground Level Plan

Scale 1/64" = 1' - 0"



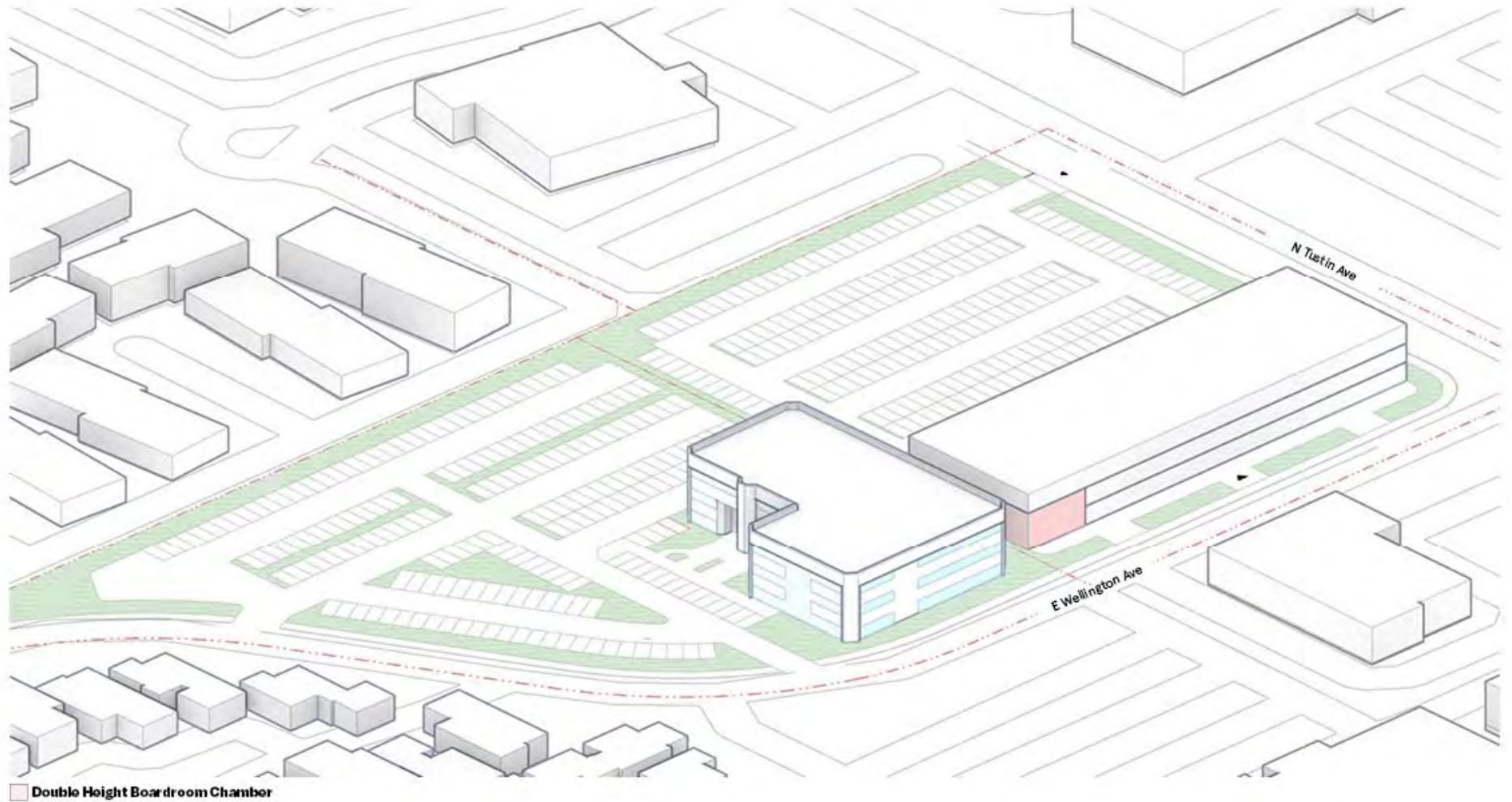
Scheme 4

Massing - View 1



Scheme 4

Massing - View 2



Scheme 5

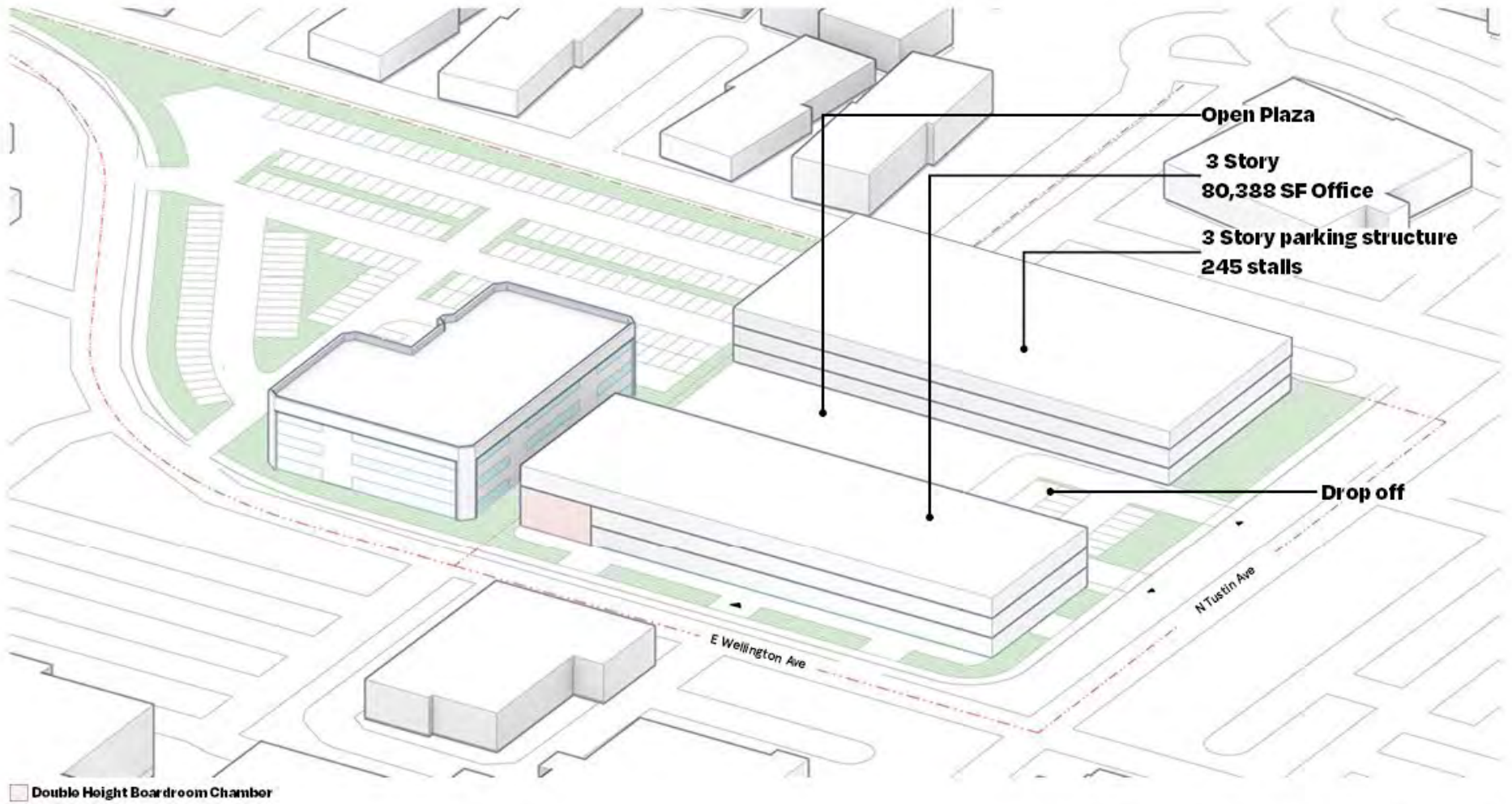
Ground Level Plan

Scale 1/64" = 1' - 0"



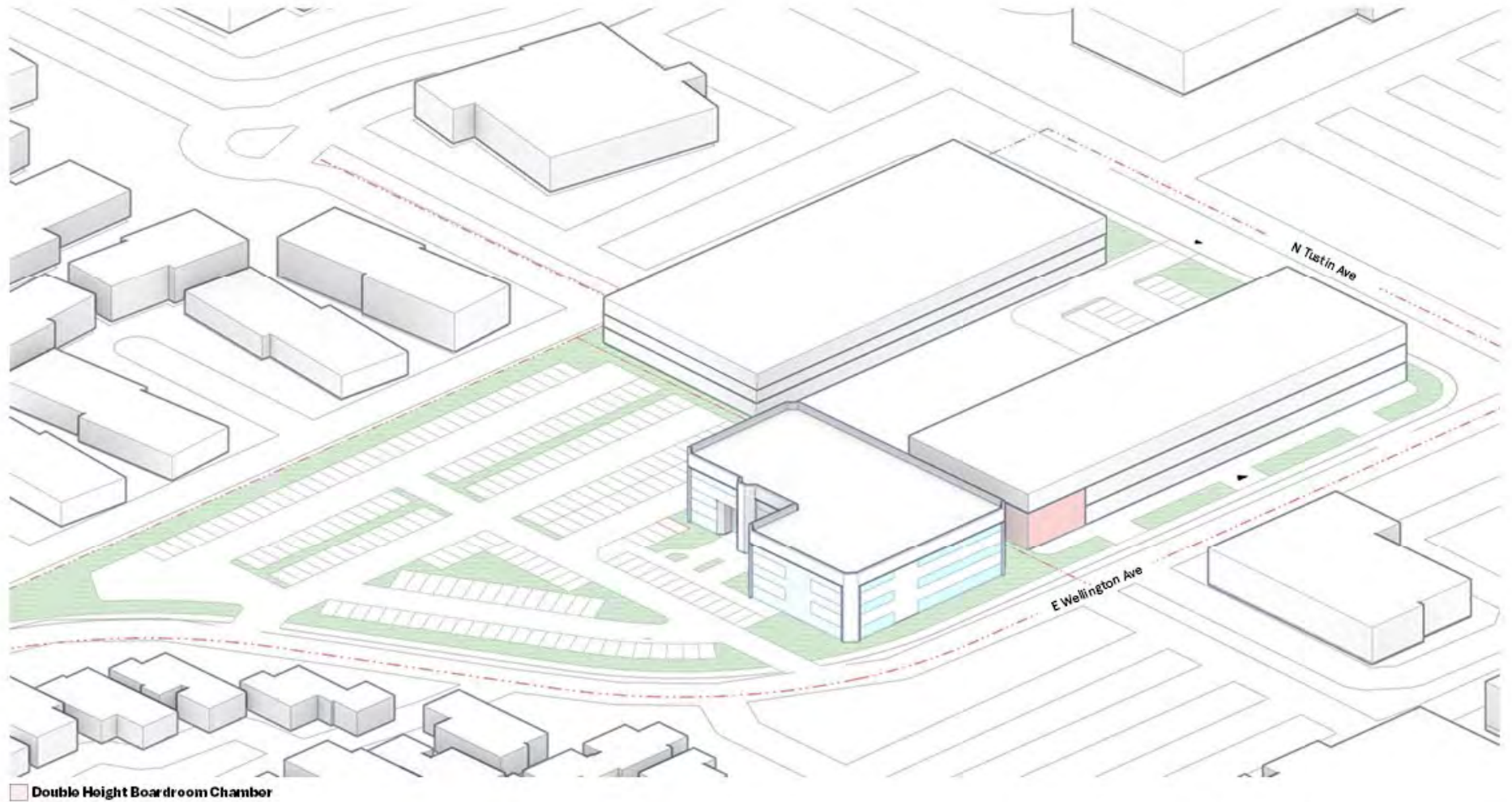
Scheme 5

Massing - View 1



Scheme 5

Massing - View 2



Scheme 6

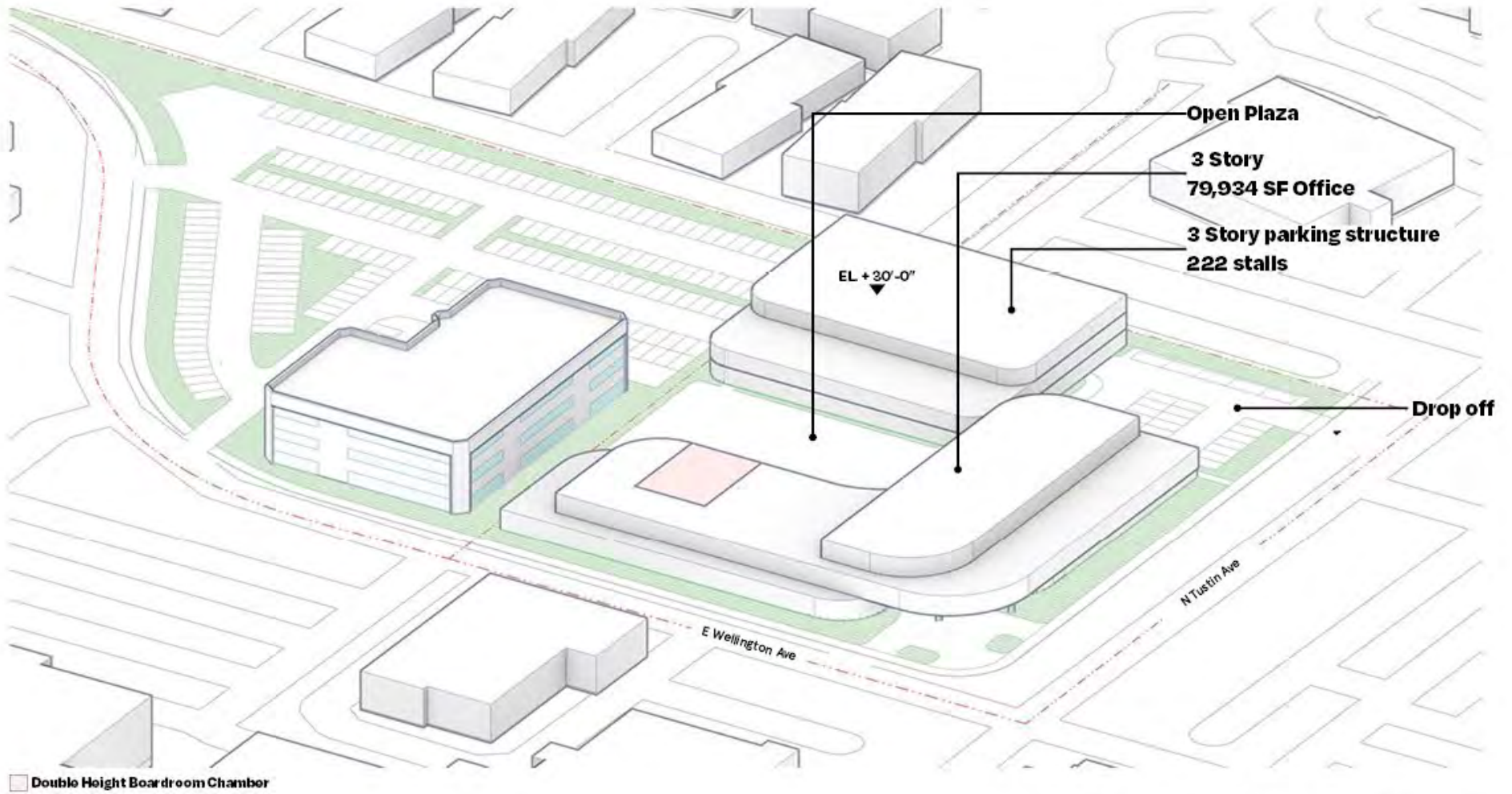
Ground Level Plan

Scale 1/64" = 1' - 0"



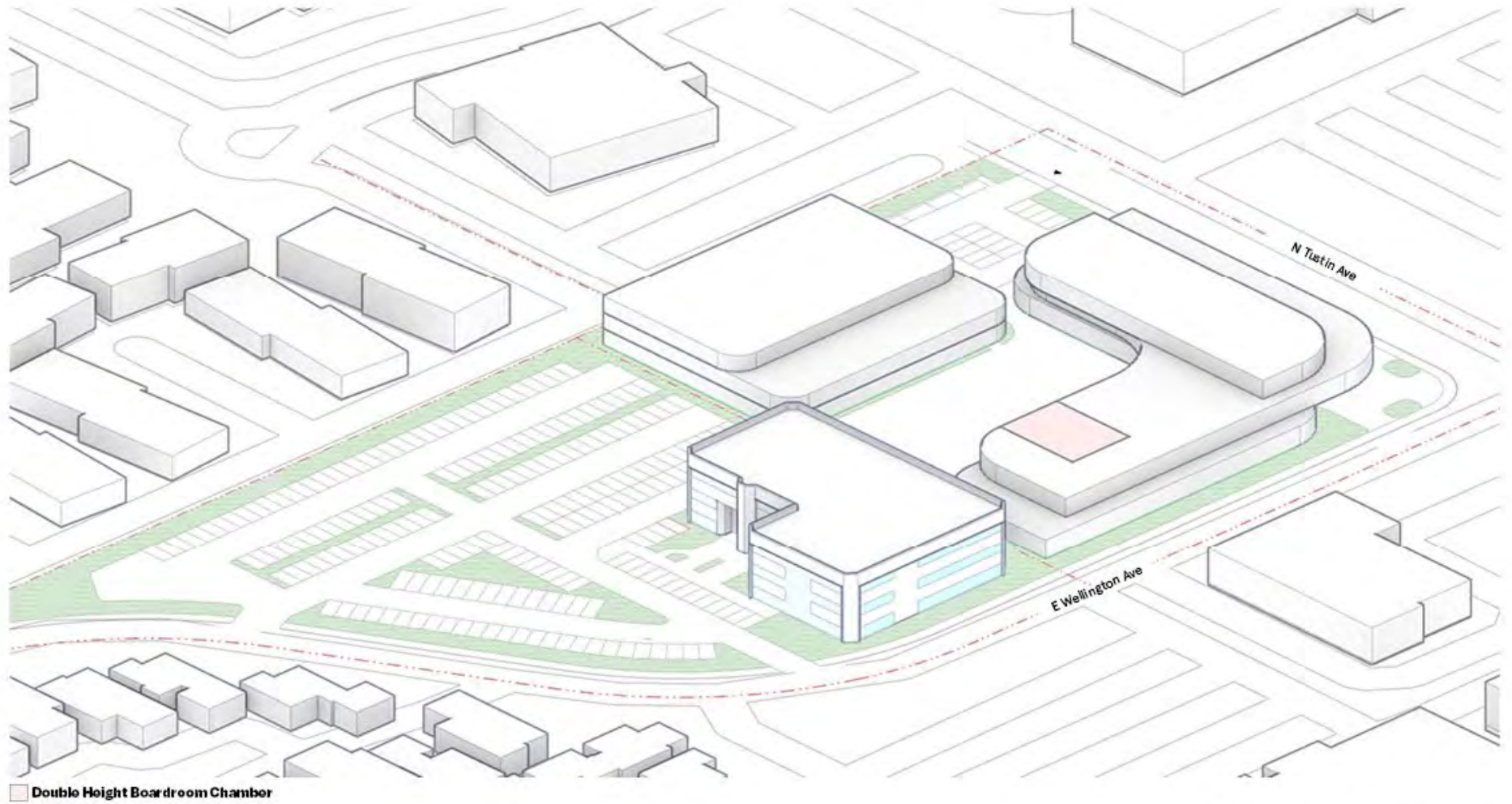
Scheme 6

Massing - View 1



Scheme 6

Massing - View 2



Scheme Comparison

Plans

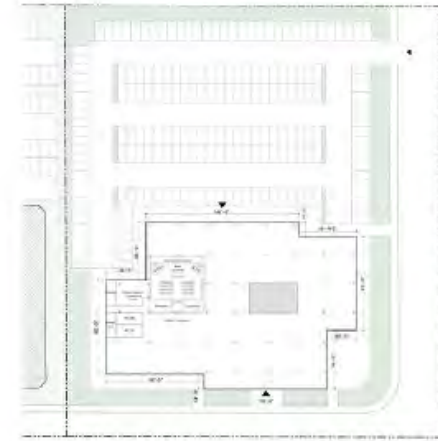
65,000 SF OFFICE SCHEMES



option 1

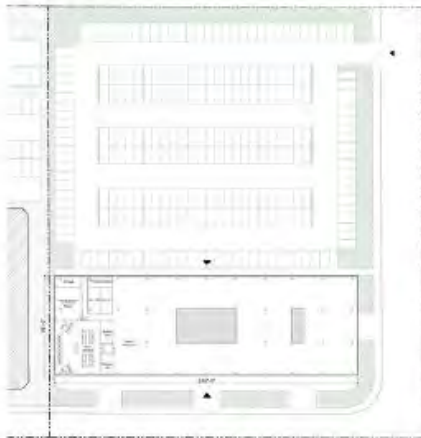


option 2



option 3

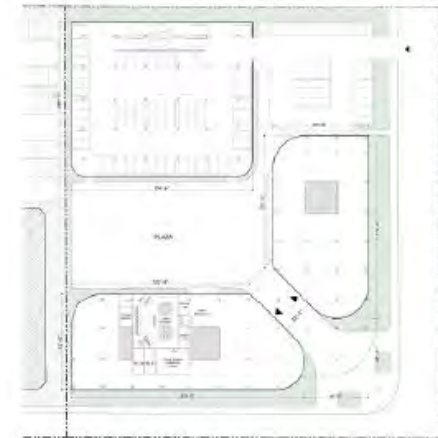
80,000 SF OFFICE SCHEMES



option 4



option 5



option 6

Scheme Comparison

Massing

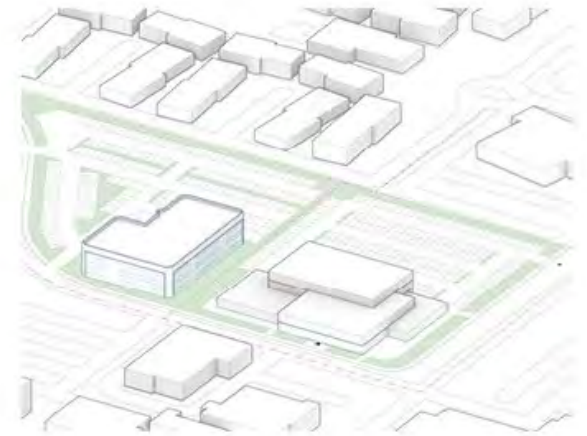
65,000 SF OFFICE SCHEMES



option 1



option 2



option 3

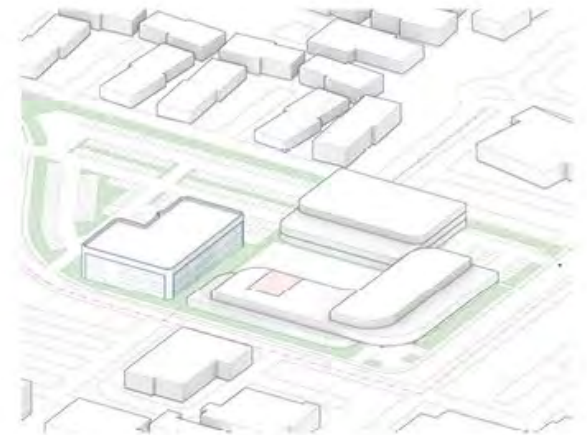
80,000 SF OFFICE SCHEMES



option 4



option 5



option 6



**OPINION OF PROBABLE
FULL DEVELOPMENT COSTS**

Orange County Employees Retirement System (OCERS) New Headquarters Project

December 21, 2023





EXCELLENCE IN PROJECT DELIVERY

Qualifications and Assumptions

- All costs are based on current 2023 market conditions
- Costs are for full project development including direct building costs and indirect costs including design, fees, permits, inspections, and furnishings.
- Costs do not include finance, legal, land, or unknown offsite improvements.
- Costs are for generic rectangular buildings to accommodate stated programs, and don't necessarily cover all the options presented by RIOS
- Costs do not include CEQA processing fees or delays, should that become applicable



EXCELLENCE IN PROJECT DELIVERY

Options Available Utilizing Existing By Right Entitlement

Option 1:

- 65,000 sf Office
 - 2 Stories
 - Surface Parking
- = \$57.5 million

Option 2:

- 65,000 sf Office
 - **15,000 sf Warm Shell Spec TI Space**
 - 2 Stories
 - Surface Parking **utilizing Wellington site**
- = \$64.5 million

Option 3:

- 65,000 sf Office
 - **15,000 sf Warm Shell Spec TI Space**
 - 2 Stories
 - **Structured Parking**
- = \$80 million



EXCELLENCE IN PROJECT DELIVERY

Additional Options Available with Variance on Height Limit

Option 4:

- 65,000 sf Office
 - **3 Stories**
 - Surface Parking
- = \$58.5 million

Option 5:

- 65,000 sf Office
 - **15,000 sf Warm Shell Spec TI Space**
 - **3 Stories**
 - Surface Parking
- = \$65.5 million

Option 6:

- 65,000 sf Office
 - **15,000 sf Warm Shell Spec TI Space**
 - **3 Stories**
 - **Structured Parking**
- = \$81.5 million

Option 7:

- 65,000 sf Office
 - **35,000 sf Warm Shell Spec TI Space**
 - **4 Stories**
 - **Structured Parking**
- = \$98.5 million

Add to any option to make the boardroom a separate one-story wing = \$14 million



Retirement Board Meeting

February 21, 2024

Application Notices

MEMBER NAME	AGENCY/EMPLOYER	RETIREMENT DATE
ARNOLD, JANICE	Superior Court	12/15/2023
ARNOLD, MICHAEL	Auditor Controller	12/14/2023
ARSOVSKI, SLAVCO	Sheriff's Dept	12/8/2023
AVALOS, MARISELA	Social Services Agency	12/15/2023
BROWN, JEAN	Probation	12/2/2023
CALDWELL, MITCHELL	Sheriff's Dept	12/15/2023
CHAVEZ-VALLE, EMMA	Health Care Agency	12/15/2023
CHUI, ALLEN	OCTA	12/3/2023
COBBS, DAWN	Social Services Agency	12/8/2023
DANTIC, MARIZABEL	Superior Court	12/15/2023
DOUGLASS HAMBERRY, CHERYL	Social Services Agency	12/15/2023
EASON, MARKAY	Probation	12/15/2023
GEORGE, BRETT	Fire Authority (OCFA)	12/15/2023
GUNASIRI, KUMUDINI	Probation	12/1/2023
GUZMAN, ANDREW	Fire Authority (OCFA)	11/17/2023
HARRIS, LISA	County Executive Office (CEO)	12/22/2023
HO, TANYA	OCERS	12/30/2023
HOFFMAN, MELEAH	Social Services Agency	12/15/2023
KATAKIA, MEENA	OCTA	12/20/2023
KENNELLY, GERARD	District Attorney	12/15/2023
MASTRUD, SANDRA	Social Services Agency	12/1/2023
MC COY, SANDRA	OC Community Resources	12/1/2023
MORALES, PETER	Fire Authority (OCFA)	11/1/2023
MUNOZ, JAIME	Social Services Agency	12/15/2023
NAGLE, RICK	OC Public Works	12/15/2023
PENALOSA, ALMA	Fire Authority (OCFA)	12/9/2023
PETTIBONE, HARRY	District Attorney	12/15/2023
RAMIREZ, ELIZABETH	OC Community Resources	12/15/2023
REIFF, SANDRA	Sheriff's Dept	12/12/2023



Retirement Board Meeting

February 21, 2024

Application Notices

RIVERA, MIHAELA	District Attorney	12/29/2023
ROSALES, ANA	Probation	12/14/2023
ROWE, KATHLEEN	Social Services Agency	10/27/2023
SALINAS, JOHN	John Wayne Airport	12/2/2023
SAMVATIAN, SOHEIL	Health Care Agency	12/15/2023
SHELTON, JEFFREY	Fire Authority (OCFA)	12/1/2023
TANG, PETER	OCTA	12/2/2023
TREANOR, ADAM	Sheriff's Dept	12/1/2023
VASQUEZ, ARMANDO	OCTA	11/30/2023
VU, VICTORIA	Health Care Agency	11/17/2023
WOODLAND, DAVID	Social Services Agency	12/1/2023



Retirement Board Meeting

February 21, 2024

Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
THACH, KOSAL	Superior Court

RETIRED MEMBERS	AGENCY/EMPLOYER
CAMACHO REYNAGA, JUAN	OC Public Works
COOK, PAUL	OC Public Works
DAVIDSON, ROBERT	Fire Authority (OCFA)
DELFIN, BENITO	OCTA
DONIA, LILLIAN	District Attorney
EBBERTS, DARCY	County Clerk/Recorder
FERROLA, KATHERINE	Auditor Controller
FRANKLIN, CARMEN	Health Care Agency
FREZ, CASIANO	OCTA
HALL, SUSAN	Public Defender
HENDY, ROY	Sanitation District
HUSTON, JAMES	Health Care Agency
JACOBSON, LLOYD	Auditor Controller
JOHNSON, GEORGE	Sheriff's Dept
LOPEZ, JESSE	Health Care Agency
MARANGON, MARY	Health Care Agency
METZ, ALLAN	OC Public Works
MUNCY, EDWARD	OCTA
ROGERS, ANN	Sheriff's Dept
SANDERS, GARRY	OCTA
SAUL, RONALD	Health Care Agency
SCHUMACHER, DIANE	County Executive Office (CEO)
STECKLER, MARSHA	Child Support Services
VAN KAMPEN, THERESA	Treasurer - Tax Collector
VINIEGRA, ROSA	Social Services Agency
WYNN, MARY	Sanitation District

SURVIVING SPOUSES	
BURK, BETTY	
DOWNING, RICHARD	
HALL, SHARON	
HARRIS, GEORGE	
HARTUNG, KERRAN	
HOOK, GERALDINE	
LAM, LANH	
SMITH, SYDNEY	
THOMSIC, MARY	

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

**AUDIT COMMITTEE MEETING
Tuesday, December 12, 2023
1:00 P.M.**

MINUTES

OPEN SESSION

Chair Oates called the meeting to order at 1:05 p.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Richard Oates, Chair; Charles Packard, Vice Chair; Adele Tagaloo, Board Member; Shari Freidenrich, Ex-Officio Member

Also Present: Steve Delaney, Chief Executive Officer; Manuel Serpa, General Counsel; Cynthia Hockless, Director of Human Resources; David Kim, Director of Internal Audit; Mark Adviento, Senior Internal Auditor; Jenny Davey, Internal Auditor; Esther Hong, Internal Auditor; Marielle Horst, Recording Secretary; Javier Lara, Audio Visual Technician; Amanda Evenson, Executive Secretary

PUBLIC COMMENT

None.

CONSENT AGENDA

C-1 APPROVE AUDIT COMMITTEE MEETING MINUTES

Audit Committee Meeting Minutes

October 11, 2023

MOTION by Mr. Packard, **seconded** by Ms. Tagaloo, to approve the Minutes.

The motion passed **unanimously**.

ACTION ITEMS

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

Orange County Employees Retirement System
December 12, 2023
Audit Committee Meeting

None.

Ms. Freidenrich arrived at 1:09 p.m.

CLOSED SESSION ITEMS

The Committee adjourned to closed session at 1:10 p.m.

E-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (GOVERNMENT CODE §54957(b))

Title: Director of Internal Audit

Adjourn pursuant to Government Code section 54957(b) to evaluate the performance of the Director of Internal Audit

Recommendation: Take appropriate action

The Committee reconvened to open session at 2:43 p.m.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

No reportable action was taken during Closed Session.

WRITTEN REPORTS

R-1 STATUS UPDATE OF 2023 AUDIT PLAN

Written Report

COMMITTEE MEMBER COMMENTS

Ms. Tagaloa thanked Chair Oates for serving as Audit Committee Chair. Ms. Freidenrich wished everyone happy holidays. Chair Oates commented that it had been a pleasure to serve as Committee Chair and to watch the Internal Audit team grow and flourish.

STAFF COMMENTS

Mr. Kim gave his thanks to Chair Oates.

CHIEF EXECUTIVE OFFICER

Mr. Delaney wished everyone happy holidays and thanked Chair Oates for his service.

COUNSEL COMMENTS

None.

ADJOURNMENT

Chair Oates adjourned the meeting at 2:46 p.m.

Orange County Employees Retirement System
December 12, 2023
Audit Committee Meeting

Submitted by:

Submitted by:

Approved by:

David Kim
Committee Liaison

Steve Delaney
Secretary to the Board

Charles Packard
Chair



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORKPLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

MARCH

- STAR COLA Final Approval
- Semi Annual Business Continuity Disaster Recovery Updates
- Quarterly Unaudited Financial Statements
- Quarterly Budget vs Actual Report

APRIL

- Ethics Training
- Quarterly 2024-2026 Strategic Plan Review
- SACRS Board of Directors Election
- Quarterly Travel and Training Expense Report
- CIO Comments

MAY

- Preliminary December 31, 2023 Valuation
- Review of OCERS Multiple Plans
- Quarterly Unaudited Financial Statements
- Quarterly Budget vs Actual Report

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2024 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
System Oversight	Receive Quality of Member Services Report (I)	STAR COLA Posting (I)	Approve 2024 STAR COLA (A)	SACRS Board of Directors Election (A)	Preliminary December 31, 2023 Valuation (I)	Mid-Year Review of 2024 Business Plan Progress (I)	Approve Early Payment Rates for Fiscal Year 2024-26 (A)	Review 2nd Quarter Budget to Actuals Financial Report (I)	Strategic Planning Workshop (I)	Adopt 2025 Board Meeting Calendar (A)	Review 3rd Quarter Budget to Actuals Financial Report (I)	
	Receive OCERS Innovation Report (I)	Approve 2024 COLA (A)	Quarterly Budget vs Actual Report (I)	Quarterly Travel and Training Expense Report (I)	Quarterly Unaudited Financial Statements (I)	Approve December 31, 2023 Actuarial Valuation & Funded Status of OCERS (A)	Quarterly Travel and Training Expense Report (I)	Receive OCERS by the Numbers (I)	Annual OCERS Employer Review (I)	Approve 2025-2027 Strategic Plan (A)	Approve 2025 Administrative (Operating) Budget (A)	
	Annual Disability Statistics Report (I)	Annual Overpaid And Underpaid Plan Benefits Report (I)	Quarterly Unaudited Financial Statements (I)	Quarterly 2024-2026 Strategic Plan Review (A)	Quarterly Budget vs Actual Report (I)	Approve 2023 Comprehensive Annual Financial Report (A)	Quarterly 2024-2026 Strategic Plan Review (A)	Receive Evolution of the UAAL (I)	State of OCERS (I)	Approve 2025 Business Plan (A)	Annual CEO Performance Review and Compensation (A)	
	Quarterly Travel and Training Expense Report (I)	Annual Report of Contracts >\$100,000 (I)						Quarterly Unaudited Financial Statements (I)	Annual 2024-2026 Strategic Plan Review (A)	Employer & Employee Pension Cost Comparison (I)	Quarterly Unaudited Financial Statements (I)	
	Quarterly 2024-2026 Strategic Plan Review (A)							Employer Employee Contribution Matrix (I)	Propose 2025 Board Meeting Calendar (I)	SACRS Business Meeting Direction (A)		
								Receive Quality of Member Services Report (I)	Quarterly Travel and Training Expense Report (I)			
Board Governance												Adopt Annual Work Plan for 2025 (A)
												Vice-Chair Election (A)
												Receive 2025 Board Committee Appointments (A)
Regulation / Policies	Communication Policy Fact Sheet (I)											
Compliance	Status of Board Education Hours for 2023 (I)	Annual Policy Compliance Report (I)	Semi Annual Business Continuity Disaster Recovery Updates (I)	Form 700 Due (A)		Receive Financial Audit (I)				Semi Annual Business Continuity Disaster Recovery Updates (I)		
	Annual Information Security Summary (closed session) (I)											

(A) = Action (I) = Information



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Jim Doezie, Contracts, Risk and Performance Administrator
SUBJECT: QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report Background/Discussion

1. **Quiet Period Policy Guidelines**

The following guidelines established by the Quiet Period Policy, section 3.c, will govern a search process for any contract to be awarded by OCERS:

“...Board Members and OCERS staff shall not knowingly communicate with any party financially interested in any prospective contract with OCERS regarding the contract, the services to be provided under the contract or the selection process;”

2. **Quiet Period Guidelines**

In addition, the following language is included in all distributed Requests for Proposals (RFP):

“From the date of issuance of this RFP until the selection of one or more respondents is completed and announced, respondents are not permitted to communicate with any OCERS staff member or Board Members regarding this procurement, except through the Point of Contact named herein. Respondents violating the communications prohibition may be disqualified at OCERS’ discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.”

Distributed RFP’s

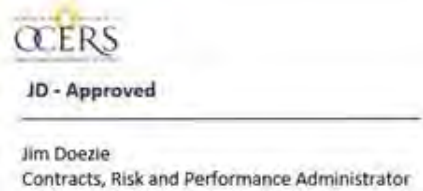
The RFP and RFQ’s noted below are subject to the quiet period until such time as a contract is finalized.

- An RFP for Obituary Verification Services was distributed late June 2023. The current vendor contract will be expiring it’s six-year term in November, so this RFP is to review and select a vendor for the needed services. Three proposals were received, and a final vendor was selected. We are currently negotiating a contract.
- An RFP was distributed in September 2023 for a Pension Administration Project Oversight Consultant. The need for this consultant is to help guide OCERS into selecting and implementing a new Pension Administration System. Four proposals were received that are currently being evaluated.
- An RFP for SharePoint Migration Services was distributed in November 2023. These services are needed to help OCERS migrate/upgrade our current SharePoint (OCERS internal Intranet) solution. Seven Proposals were received. Evaluations continuing based on possible project scope changes.
- An RFQ for OCERS Replacement Headquarters Project was distributed in December 2023. This Request For Qualifications for Designer/Builder Entity (DBE) services will result in the submittal of Qualifications from teams interested in the DBE work. Finalists will be invited to participate in an upcoming RFP process. Six SOQ’s were received that are being evaluated.



Memorandum

Submitted by:





Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: BOARD COMMUNICATIONS

Written Report

Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

News Links

The following news and informational item was provided by the CEO for distribution to the entire Board:

From Steve Delaney:

- NASRA News Clips

Other Items: (See Attached)

- Monthly summary of OCERS staff activities and updates, starting with an overview of key customer service metrics, for the month of DECEMBER 2023.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



OCERS Activities and Update Report

December 2023

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS' team activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for DECEMBER 2023.

MEMBER SERVICES MONTHLY METRICS

Retirement Applications Received				Customer Service Statistics					
Month	2021	2022	2023	Unplanned Recalculations	Member Satisfaction Approval Rate	Calls Received via Call Center	Calls Direct to Extension	Calls Received by Operator	Total Calls (monthly)
January	117	346	244	1	98%	1,648	3,348	849	5,845
February	91	151	152	0	98%	1,430	3,212	929	5,571
March	51	120	135	0	98%	1,763	5,223	992	7,978
April	39	47	54	0	98%	1,439	4,121	446	6,006
May	52	65	60	1	98%	1,602	4,305	647	6,554
June	49	73	45	1	98%	1,344	3,402	482	5,228
July	64	54	28	3	98%	796	1,948	254	2,998
August	59	58	45	0	98%	1,887	3,442	561	5,890
September	70	42	46	1	98%	1,415	2,200	589	4,204
October	67	70	54	0	98%	1,614	2,872	651	5,137
November	95	78	50	0	98%	1,567	3,522	728	5,817
December	93	86	39	2	98%	1,340	4,044	583	5,967
Grand Total	847	1190	952	9	98%	17,845	41,639	7,711	67,195

MEMBER SURVEY RESPONSES

"I am very happy with the customer service I have received from OCERS. I have found all the staff from reception to the supervisor to be helpful, understanding, and consistent about calling back when they say they will."

December 2023

"I am so grateful that you have this customer service representative as a member of your team. We seldom get member service staff who SERVE. Not so with this representative. I had a challenging task to complete this morning for a federal agency about my retirement. I was frustrated, unfamiliar and a little bit angry when I phoned OCERS trying to figure out how I could acquire this information off the MyOCERS portal. But this representative answered my call. Her sweet, calming nature instantly reassured me that "we" could figure the issue out. Her professionalism, knowledgeable, and competent handling of the situation provided the information I needed in minutes! I was amazed. Furthermore, she went on to explain OCERS handling of my pension in ways NO ONE has in 17.25 years. She helped me learn how to print and provide this information for my meeting in no time. I



OCERS Activities and Update Report December 2023

can't begin to express my gratitude for this representative's help. I hope you will extend a smile and pat on the back to her for her great work."

November 2023

"I am reaching out as I have had the pleasure of working with your customer support representative who has been assisting me with my recent Service Credit Purchase request. This representative has been very patient in assisting me with my many questions pertaining to purchase requests."

October 2023

"All the representative I have spoken with at OCERS have been awesome, very informative!"

ACTIVITIES

COMBINING GENERAL AND SAFETY ELECTION ACTIVITIES (BUT NOT COMBINING THE VOTE)

During public comments at the end of the December 11 meeting of the OCERS Board of Retirement, OCERS staff shared with the Board a planned change to the timing of the General and Safety trustee elections, to allow for greater efficiency and possible cost-savings.

A summary of what was shared is included here as documentation:

OCERS would normally conduct two separate elections in 2024 – one for General Members another for Safety and an Alternate Safety Member. Traditionally, these elections have been held on separate dates. While this approach has served us well, Trustees Tagaloa and Prevatt suggested a more consolidated approach would be easier for the Registrar of Voters to oversee, being more efficient, and likely less costly.

On November 13, 2023, a meeting was held with representatives from the Orange County Employees Association (OCEA), the Association of Orange County Deputy Sheriffs (AOCDS), and Orange County Professional Firefighters Association (OCPFA) officials to review and discuss the change. During the discussion, it was observed that a combined process timeline brings the General Member election approximately five months earlier than our traditional date. With this alteration, the General Member election is scheduled for June, and the incoming incumbent will assume the seat the following January. No further significant adjustments were identified.

The OCERS Legal team thoroughly reviewed the existing Election policy and confirmed that this change falls within established policy guidelines.

After thorough discussions with multiple stakeholders, a decision was reached to consolidate the two election schedules into a unified calendar. The proposed change garnered unanimous agreement and support.



OCERS Activities and Update Report

December 2023

The elections for General and Safety Members will now take place on June 18, 2024, and allow for synchronized planning and execution.

OCERS has confirmed with the Registrar of Voters (ROV) that this change can be accommodated. OCERS plans to send an official notice to the ROV in mid-December to initiate the revised election process.

UPDATES

OCERS HEADQUARTERS BUILDING

Mr. Tse reports:

- Project staff, the Building Committee (BC) Chairman, and the City of Santa Ana Planning Department met to discuss and clarify city development entitlement/permitting processes.
- December 21, 2023 BC Meeting outcomes
 1. Upon the Needs Programming Presentation, the BC directed staff to develop the project with a 71,000 SF target.
 2. The BC provided staff with the flexibility to size the building with up to an additional 10% total square footage to take advantage of functionality/efficiency opportunities as they occur during floor plans final design.
 3. Concept site plan options were presented by the Project Team. The site plan architect is further tasked to develop a couple of additional options to capture the maximum building square footage and surface parking that will all fit within the Tustin parcel's existing boundaries without triggering CEQA (California Environmental Quality Act) requirements.
 4. The Assistant CEO of Finance & Internal Operations was assigned by the BC as OCERS' negotiator on the Tustin Building's unexpired tenant leases.
- Issued the RFQ (Request For Qualifications) for Designer/Builder Entity services via PlanetBids for open/competitive solicitation. SOQs are due by COE 1/19/2024.
- The Project Team is preparing the RFP (Request For Proposals) for Designer/Builder Entity services for issuance after the RFQ respondents have been short-listed.

CALAPRS ADMINISTRATIVE TRAINING – Envisioning an AI Future

On December 7 I had the privilege of leading a CALAPRS sponsored discussion with 27 CERL managers regarding the future of AI technology as it applies to public pension plans, especially as seen through OCERS recent experience. The presentation is attached.

I had great interaction with nearly every participant as noted in a thank you letter from the CALAPRS instructor:

“I think you accomplished two tracks with your presentation. You gave insight into what OCERS is doing in anticipation of AI having a major role in the pension business. You also enlighten the



OCERS Activities and Update Report December 2023

audience on what they might expect in the near future as AI affects their day-to-day business. Their questions to you were from their systems' perspective. This tells me that they were analyzing your presentation and figuring out how this new information might be used in their own pension systems.”

For me, it was a very fulfilling engagement.

COMMUNICATIONS

Ms. Coburn reports:

The Communications Department has been actively developing two newsletters: one dedicated to showcasing internal updates and the other undergoing a transformation to enhance external news for our members. These newsletters are scheduled for distribution in January 2024. Our efforts also extend to organizing pre-retirement seminars and facilitating the return of in-person guest speakers, such as County Retiree Medical & Empower, to provide direct assistance and address member inquiries.

We are also arranging in-person seminars with employers to engage with members at their workplaces, ensuring convenience and personalized interaction with our Retirement Program Specialists. Lastly, we are scheduling meetings with fellow member communicators to explore various mediums to effectively connect with our membership and identify potential channels for outreach.

DIGITAL OUTREACH

myOCERS Social Media Chart

Platform	Number of Subscribers
LinkedIn	631 ↑ 25 since November 2023)
Twitter (X)	603 ↑ 2 since November 2023)
Instagram	132 (no change)
Facebook	202 (↑ 8 since November 2023)



OCERS Activities and Update Report December 2023

OCERS Website

For the period between December 1st and December 31st, the agency website had 15,266 views.



OCERS COUNTY EMPLOYEES to OCERS DIRECT

Ms. Hockless provides an update regarding our work with OCEA on a possible move of OCERS County of Orange employees to OCERS Direct status:

OCERS has a Business Plan initiative under the Talent Management pillar to: **Pursue moving the workforce to be 100% employed by OCERS as a single agency.** OCERS hired Koff & Associates to lead the efforts of a Classification and Compensation study of the county-level positions (in partnership with the County of Orange). We have made considerable strides in this initiative. Koff & Associates have received and reviewed Position Description Questionnaires (PDQs) from our county-level employees. These detailed documents have been instrumental in capturing the nuances of current job duties within our organization.

Koff & Associates' Analysts have meticulously reviewed the PDQs and engaged in insightful discussions with team members and select department Directors. Their input has been invaluable in understanding the intricacies of various positions and their respective duties.

Our next step is scheduled for early January when Koff & Associates will present a verbal update to our Senior Executive team. This session will encompass their findings and recommendations, including



OCERS Activities and Update Report

December 2023

discussions of possible revisions to job descriptions and the benchmarking of positions against the OCERS selected peer group.

MEMBER SERVICES

Mr. Ardeleanu reports:

The Customer Service team participated in several events during the month of December 2023.

The Seminars and REOC Luncheon were well attended, with members fully engaged and asking lots of great retirement-related questions.

- 12.6.2023- REOC Christmas Luncheon – Christine Guerrero and Gema Garcia
- 12.13.2023 – OCERS in-person Pre-Retirement seminar – Kamron Nahavandi
- 12.27.2023- OCERS in-person Pre-Retirement seminar -David Viramontes

INVESTMENTS

Ms. Walander-Sarkin reports:

As of November 30, 2023, the portfolio year-to-date is up 8.5% net of fees, while the one-year return is up 6.2%. The fund value now stands at \$21.7 billion. The OCERS Investments Team closed on three re-up private equity funds, one new private equity fund, and one new private income fund during December. The OCERS Investments Team developed the 2024 Investment Committee work plan during the month. OCERS' Investments Team also welcomed two new Investment Analysts, Ahmed Henane and Emilia Lipovac, during the month of December. Finally, the Global Custody Service RFP concluded in December as the contract with State Street Bank and Trust was finalized.



As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the FEBRAURY 21, 2024 meeting of the OCERS Board of Retirement.

2011



**VISION 2030 – Envisioning an AI
future for Public Pensions as
seen through the OCERS Prism**

CALAPRS Advanced Course
Thursday, December 7, 2023

by

Steve Delaney, OCERS, CEO

2011



Vision 2030
Strategic Planning Workshop

Wednesday, September 14, 2022

by

Steve Delaney, CEO



Vision 2030- Why We Started This Journey

In SEPTEMBER 2021 We Discussed:

OCERS then faced Two Large Challenges

- Alameda Recalculation - Immediate
 - 2,500 accounts to be recalculated with all ensuing documentation and management of benefit payback
- 100% Benefit Accuracy – Immediate and long term
 - Internal Audit had found OCERS was running a 6%-8% error rate
 - Core benefit reflecting base salary was generally correct, errors tended to be related to additional salary items that had to be included as outlined in Memorandums of Understanding

OCERS also faced these Constraints

- Extreme plan complications
- External data access
- Desk manuals needing update
- V3 Constraints



Vision 2030 – Technology to the Rescue



I Recommended We Focus on Technology

- Artificial Intelligence (AI) driven data maintenance
 - Member data held in OCERS data folders
- AI driven benefit calculation
 - No need for manual rechecking of work, nor additional manual QA layer
 - OCERS team members focus on analytics and strategic initiatives
- Natural Language/Machine Learning will provide for immediate customer service questions
 - OCERS team members focus on direct customer service with our members caring for more complex higher value interactions
 - Allows AI phone assistant to serve members 24 hrs a day in natural human voice





Vision 2030 – AI Technology to the Rescue

What is Artificial Intelligence?

AI is a set of technologies used to help machines understand how humans think. Once these machines understand the human mindset, they are able to complete tasks in place of humans.

What is Robotic Process Automation?

RPA is an automation technology that implements, and manages robots. These robots mimic humans and can complete routine tasks without needing human touch.

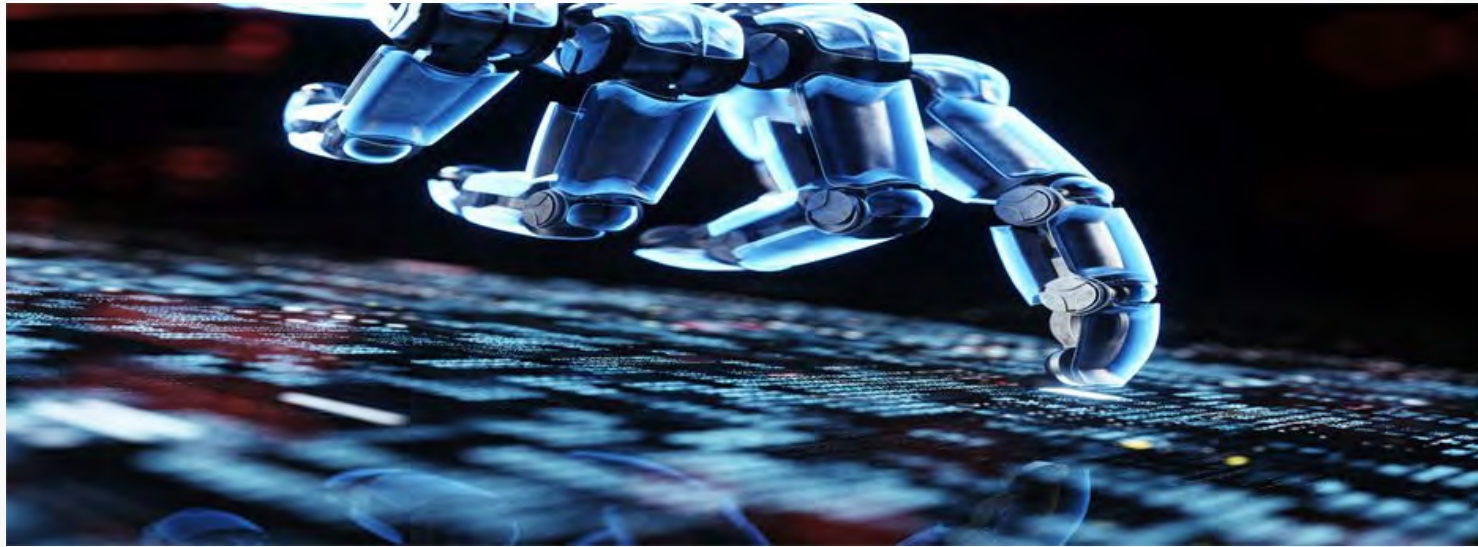
What is Machine Learning?

ML is all about data and algorithms. Instead of spending time inputting rules for ML, this technology uses real-time data to predict the next step in the process. It will create a model of the typical workflow pattern and begin to improve the algorithm based on common relationships and historical data.



Vision 2030 – The Ultimate Goal

An Artificially Intelligent Pension Administration System that by 2030 will calculate all OCERS pension benefits accurately without any human intervention required.





Vision 2030 – The Initial Timeline (2021)

Vision 2030 Timeline

2021

- Data Options
- Continue Outreach

2023

- Test RPA Bots

2027

- New PAS
- AI Growth Capabilities

2030

- OCERS Jenny

“Dave, this conversation can serve no purpose anymore. Good bye.”

2022

- Consultant
- PAS RFP
- Master Repository

2024

- Test RPA Bots

2028

- AI Test Process



Why something had to be done!

AI REVOLUTION

- The Neil Sahota video link <https://neilsahota.com/>





So what is AI and how is society already using it?



A screenshot of a presentation slide. The slide features the OCERS logo on the left and the title "How AI is Changing the World of Investment Management?" in large blue text on the right. Below the title, it says "Presented By David Beeson". The slide is shown within a software interface with a menu bar (File, Home, Insert, Draw, Design, Transitions, Animations, Slide Show, Record, Review, View, Help, ACROBAT) and a video player control bar at the bottom showing a timestamp of 2:04:59 / 5:14:45.



The OCERS Journey begins in 2022...



- We form an AI ad hoc in-house committee
- I take a key Berkeley course “AI For the CEO Who Knows Nothing About Technology”
- I reach out to **NASRA**, and we learn no USA public pension system is taking the lead
- I discover the **CANADIAN MODEL** – which moved from administrative AI to investment AI
- I discover the **DUTCH MODEL** – which has stayed with the administrative AI model
- We learn about the various shades of AI – Robotic Process Automation, Machine Learning, Cognitive Automation
- We determine that our first step must be Robotic Process Automation





WHAT IS ROBOTIC PROCESS AUTOMATION?



(Click photo for the link)



The Tennessee Model

I receive a note:
Just FYI.

Tennessee launches new round of statewide automation projects

A statewide automation initiative in Tennessee that officials estimate is already saving as many as 75,000 hours of annual work is launching a new round of projects expected to cut even more inefficiencies.

<https://statescoop.com/tennessee-launches-new-round-of-statewide-automation-projects/>

HEAR ABOUT TENNESSEE:

<https://www.youtube.com/watch?v=XUILE19fPik>





The OCERS Model



Thinking ahead to practical RPA applications

1. Legal redacting personally identifiable information
2. Legal determining if thousands of pages of medical record supports disability claim
3. Disability trying to coordinate thousands of medical records to support that case
4. Investments and the use of investment analysts





The ChatGPT Revolution



A screenshot of the official website for the Office of Governor Gavin Newsom. The top navigation bar is dark blue with white icons for home, Facebook, Instagram, TikTok, Twitter, and YouTube. Below this is a white header with the state seal of California on the left, the text "Office of Governor GAVIN NEWSOM", and navigation links for "Home", "About", "Newsroom", and "Appointments". The main content area features a large headline: "Governor Newsom Signs Executive Order to Prepare California for the Progress of Artificial Intelligence", with a sub-headline "Published: Sep 06, 2023".





The ChatGPT Revolution- Cont.



- A new wave of generative AI tools released just this year has taken the world by storm
- The AI Multi-EMPLOYER Monthly Zoom Call
 - OCERS
 - LACERA
 - LACERS
 - CALOPTIMA
 - CALSTRS
 - CALPERS
 - HAWAII PERS
 - CANADA PUBLIC SERVICES
 - Orange County Transportation Authority
 - Orange County Superior Courts
 - National Conference on Public Employee Retirement Systems

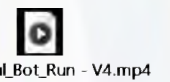




Bots are boring...and that's just what we want!



And look how far we have come in a short time!



1) Prepare Benefits Calculation Workbook

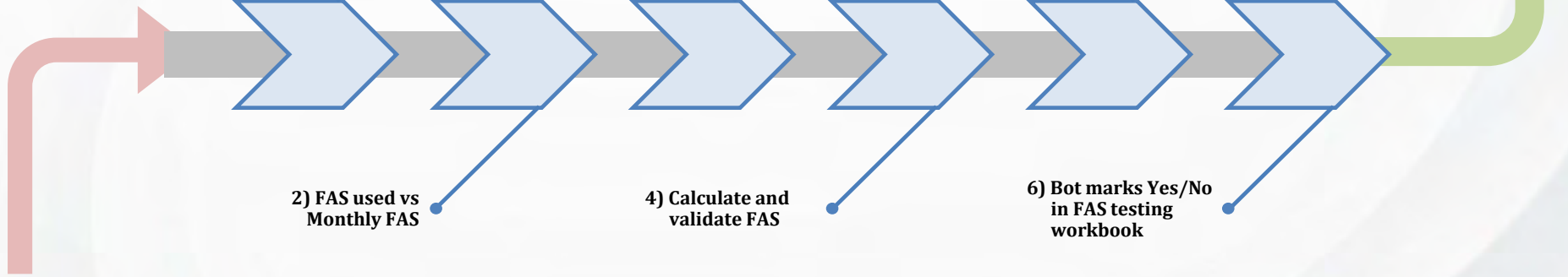
3) Export Salary View data from V3

5) Allowed hours for salary measuring _ Sum of earnable hours

2) FAS used vs Monthly FAS

4) Calculate and validate FAS

6) Bot marks Yes/No in FAS testing workbook



Consider operations before automation



FAS calculation before.mp4





WHAT OCERS IS WORKING ON NOW

WHAT WE WANT TO WORK ON in 2024- I have identified those that we've previously "shortlisted" in red, the ones we already pulled forward into 2023 are in green.

1. **MSS Retirement Application Assignment and Logging (Member Services) - Shortlisted**
2. **Payroll Reconciliation and Approval (Member Services) - Shortlisted**
3. **30 Year Stop Report (Member Services) - Shortlisted**
4. **FAS Review - PTO (Internal Audit) - Shortlisted**
5. **FAS Review - Base FAS (Internal Audit) - In Process**
6. **Applicant Tracking (Human Resources) - Shortlisted**
7. **Actuarial Validation (Information Technology) - Shortlisted**
8. **IT/Infosec Weekly Sync-Up Report (Information Security) - Shortlisted**
9. Account Payable Invoice Input (Finance)
10. Review Investment Emails Sent to OCERS Investment Reporting Group Email (Finance)
11. Downloaded Mail Processing (Operational Support Services)
12. Monthly Board Reports (Member Services)
13. Member Affidavit Testing (Internal Audit)
14. Pension Spiking Review (Internal Audit)
15. Draft Audit Report (Internal Audit)
16. Member Completeness Test (Internal Audit)
17. Contribution Testing (Internal Audit)
18. Pay Item Summary Test (Internal Audit)
19. Preparation of Administrative Record (Legal)
20. Interview Scheduling (Human Resources)
21. Application Screening (Human Resources)
22. Performance Evaluations (Human Resources)
23. Background Checks (Human Resources)
24. Employee Data Management (Human Resources)
25. Training Administration (Human Resources)
26. Email On-Boarding (Human Resources)
27. Emergency Contact List (Human Resources)
28. Regression Testing (Information Technology)
29. Reviewing And Logging Invoices (Investments)
30. Annual Fee Report (Investments)
31. Compliance Auditing/Reporting (Information Security)
32. Threat Feed Investigation (Information Security)



What OCERS wants to be working on

List of Other Potential Intelligent Automation Projects (non-RPA Projects)

From the list of ideas currently documented in Hive under the AI Ad-Hoc Committee

- If we need to identify “other” (non-RPA) automations that Roboyo might be able to assist with before next week’s meeting, I’ve listed the 11 potential “other” Intelligent Automation opportunities we’ve previously identified (those listed in Hive)
 - I’ve highlighted those in red where Roboyo has identified they have capabilities in these areas (at least according to their website – if we talk to the Sales folks they’ll likely say they can do most of these things)
- | | |
|---|--|
| 1. Electronic Forms and Electronic Signatures (Member Services) | 7. Data Lake Implementation (Information Technology) |
| 2. Microsoft AI Document Intelligence - formerly Azure Forms Recognizer (Information Technology) | 8. Microsoft CoPilot Implementation (Information Technology) |
| 3. Automated Redaction of PII (Legal) | 9. Automation Tools to improve Disability Case searches (Disabilities) |
| 4. Language Models Similar to OC Superior Courts (???) | 10. ChatGPT Options within OCERS (All) |
| 5. AI Chatbot (Virtual Assistant) on OCERS Website (Member Services) – this is something Roboyo says they implement, but I don’t know if they would be the best partner for this | 11. Call Center Automated Operator (Member Services) – this is something Roboyo says they implement, but I don’t know if they would be the best partner for this, and they likely would not use our existing DialPad software/services for this |
| 6. Automated Drafting of Procedure Documents (Information Technology) | |



Helping Your Staff See the Future

AI will change our pension world. Are we ready? The human equation...

“No computer can do the complicated work performed by the brains of my team” – An OCERS manager in our early days

We have 2-hour training sessions explaining AI for the entire staff.

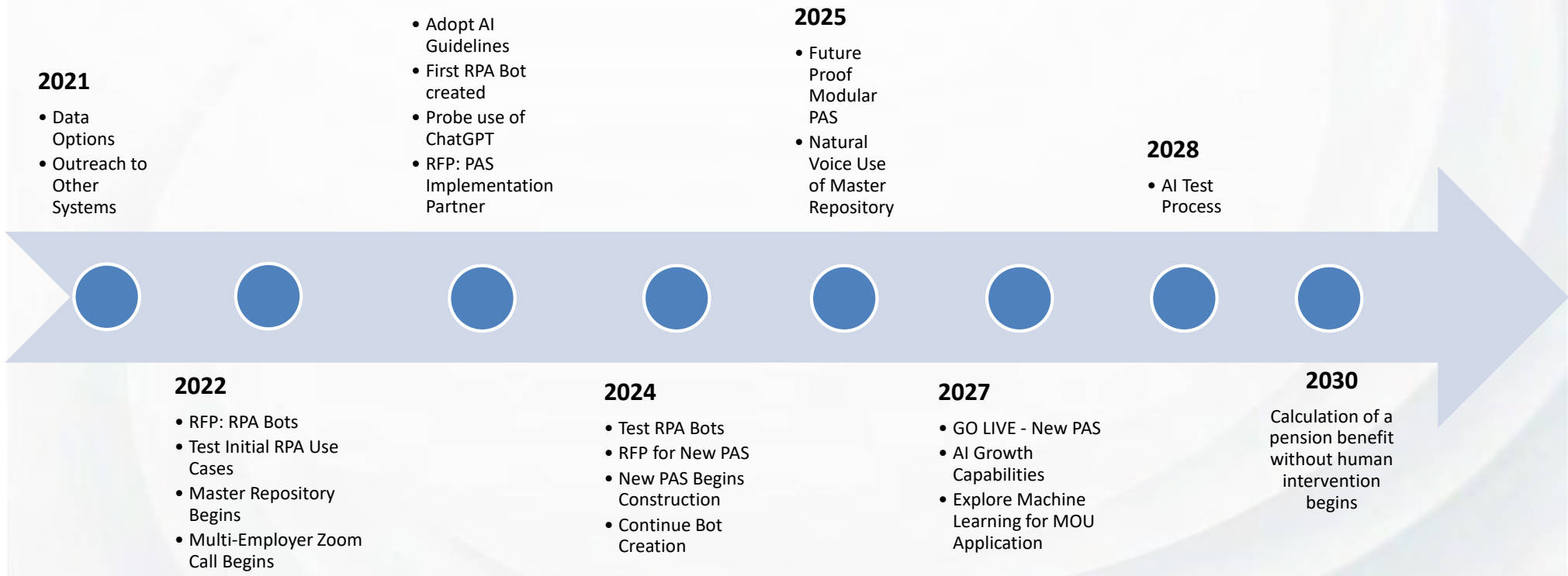
I begin one on one meetings with every OCERS team member

Its all about accuracy and efficiency, not eliminating staff, allowing team members to focus on what they love – Customer Service”



Vision 2030 (As of September 2023)

Vision 2030 Timeline





Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: LEGISLATIVE UPDATE

Written Report

State Legislative Update

The California Legislature reconvened on January 3, 2024, for the second year of the 2023 – 24 Legislative Session. The last day to introduce new bills was February 16th.

As of the preparation of this update, our staff is only monitoring one bill. A summary of the bill is provided below.

New or updated information since the last report to the Board is indicated in bold text.

SACRS Sponsored Bills

None to report.

Bills That Would Amend the CERL or Other Laws (PEPRA, the Brown Act, etc.) That Apply to OCERS

AB 817 (Pacheco, Wilson)

The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Existing law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions). Existing law imposes different requirements for notice, agenda, and public participation, as prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and

require the legislative body to specific means by which the public may remotely hear and visually observe the meeting.

This bill, until January 1, 2026, would authorize a subsidiary body, defined as a legislative body that serves exclusively in an advisory capacity and that is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/16/23. Re-referred to Com. on L. GOV. on 03/20/23. In committee: Hearing postponed by committee on 04/25/23. **From committee: Amend, and do pass as amended on 01/16/24. Read second time and amended. Ordered returned to second reading on 01/17/24. Read second time. Ordered to third reading 01/18/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 01/25/24.)**

Other Bills of Interest

None to report.

Bills that Apply to CalPERS and/or CalSTRS Only

None to report.

Divestment Proposals (CalPERS and CalSTRS Only)

None to report.

Attachments:

2024 Tentative Legislative Calendar

Submitted by:



Manuel D. Serpa
General Counsel

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/22

DEADLINES

JANUARY						
S	M	T	W	TH	F	S
	<u>1</u>	2	<u>3</u>	4	5	6
7	8	9	<u>10</u>	11	<u>12</u>	13
14	<u>15</u>	16	17	18	<u>19</u>	20
21	22	23	24	25	26	27
28	29	30	<u>31</u>			

- [Jan. 1](#) Statutes take effect (Art. IV, Sec. 8(c)).
- [Jan. 3](#) **Legislature Reconvenes** (J.R. 51(a)(4)).
- [Jan. 10](#) Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- [Jan. 12](#) Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the **odd-numbered year** (J.R. 61(b)(1)).
- [Jan. 15](#) Martin Luther King, Jr. Day.
- [Jan. 19](#) Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year (J.R. 61(b)(2)).

Last day to **submit bill requests** to the Office of Legislative Counsel.
- [Jan. 31](#) Last day for each house to **pass bills introduced** in that house in the odd-numbered year (J.R. 61(b)(3), (Art. IV, Sec. 10(c)).

FEBRUARY						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	<u>16</u>	17
18	<u>19</u>	20	21	22	23	24
25	26	27	28	29		

- [Feb. 16](#) Last day for bills to be **introduced** (J.R. 61(b)(4), (J.R. 54(a)).
- [Feb. 19](#) Presidents' Day.

MARCH						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	<u>21</u>	22	23
24	25	26	27	28	<u>29</u>	30
31						

- [Mar. 21](#) **Spring Recess** begins upon adjournment of this day's session (J.R. 51(b)(1)).
- [Mar. 29](#) Cesar Chavez Day observed.

APRIL						
S	M	T	W	TH	F	S
	<u>1</u>	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	<u>26</u>	27
28	29	30				

- [Apr. 1](#) Legislature Reconvenes from **Spring Recess** (J.R. 51(b)(1)).
- [Apr. 26](#) Last day for **policy committees** to hear and report to **fiscal committees** **fiscal bills** introduced in their house (J.R. 61(b)(5)).

MAY						
S	M	T	W	TH	F	S
			1	2	<u>3</u>	4
5	6	7	8	9	<u>10</u>	11
12	13	14	15	16	<u>17</u>	18
19	<u>20</u>	21	22	23	<u>24</u>	25
26	<u>27</u>	<u>28</u>	29	30	31	

- [May 3](#) Last day for **policy committees** to hear and report to the floor **non-fiscal** bills introduced in their house (J.R. 61(b)(6)).
- [May 10](#) Last day for **policy committees** to meet prior to May 28 (J.R. 61(b)(7)).
- [May 17](#) Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61(b)(8)).

Last day for **fiscal committees** to meet prior to May 28 (J.R. 61(b)(9)).
- [May 20-24](#) **Floor Session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61 (b)(10)).
- [May 24](#) Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).
- [May 27](#) Memorial Day.
- [May 28](#) Committee meetings may resume (J.R. 61(b)(12)).

*Holiday schedule subject to Senate Rules committee approval

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/22

JUNE						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

June 15 Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(e)(3)).

June 27 Last day for a legislative measure to qualify for the Nov. 5 General Election ballot (Elections Code Sec. 9040).

JULY						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

July 3 Last day for **policy committees** to meet and report bills (J.R. 61(b)(13)).

Summer Recess begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).

July 4 Independence Day.

AUGUST						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Aug. 5 Legislature Reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 16 Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(14)).

Aug. 19-31 **Floor Session only.** No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(b)(15)).

Aug. 23 Last day to **amend** on the floor (J.R. 61(b)(16)).

Aug. 31 Last day for **each house to pass bills.** (Art. IV, Sec. 10(c), (J.R. 61(b)(17)).

Final Recess begins upon adjournment (J.R. 51(b)(3)).

*Holiday schedule subject to Senate Rules committee approval

IMPORTANT DATES OCCURRING DURING FINAL STUDY RECESS

2024

Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor’s possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).

Nov. 5 General Election

Nov. 30 Adjournment *Sine Die* at midnight (Art. IV, Sec. 3(a)).

Dec. 2 12 Noon convening of the 2025-26 Regular Session (Art. IV, Sec. 3(a)).

2025

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Jeff Lamberson, Director of Member Services
SUBJECT: **OVERPAID AND UNDERPAID PLAN BENEFITS – 2023 REPORT**

Written Report

Background/Discussion

In accordance with the Board of Retirement Overpaid and Underpaid Plan Benefits Policy adopted by the Board on May 16, 2016, this memorandum serves as the annual report covering the calendar year 2023. In 2024, we will be reviewing our Overpaid and Underpaid benefits policy to determine if we can find a resolution to late reporting of member and beneficiary deaths through our collection practices.

Benefit Overpayments/Underpayments:

Benefit overpayments and repayments are tracked in the V3 pension software system. The Benefit Recoupment report in V3 displays all overpayments created in the system, the current balance, and the last recoupment payment date and amount. By using this report, OCERS monitors the status of overpayments, and to identify accounts that need additional action. Underpayments are less common, and those that occur, are paid to members in the form of one-time benefit adjustments upon discovery.

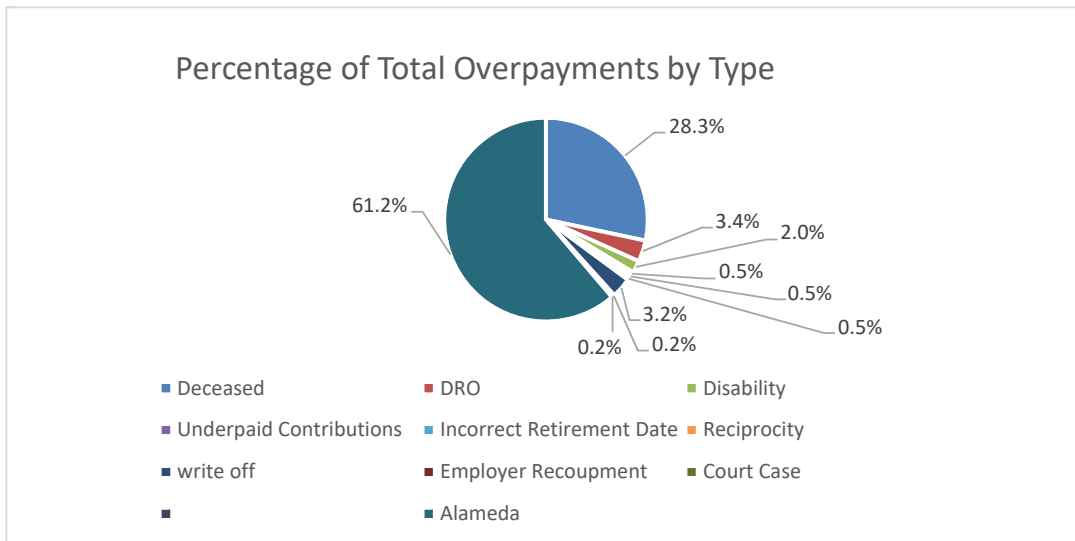
In 2023, among the over 20,000 monthly payees at OCERS, 410 benefit overpayments occurred. Of this number, 251 were attributable to the Alameda project recalculations. Of the remaining 159 accounts, we have fully recovered 100 Non-Alameda overpayments; and there are 11 additional overpayment accounts in the active repayment process via monthly benefit deductions. Efforts seeking repayment arrangements are underway for 35 accounts (22 deceased payees and 13 retired/DRO/Disabled payees). 13 accounts with overpayments under \$75 were written off.

In 2023, 61% of the number of overpayments are attributable to the Alameda decision up from 23% in 2022. The most significant number of non-Alameda benefit overpayments remains the late reporting of payee deaths at 73%. The next largest group at 9% were the result of Court ordered benefit changes with the remaining 18% of overpayments were a result of a variety of account activities: Disability recalculations, updated payroll information received post-retirement, or other changes. Approximately 71% of all Non-Alameda overpayments in 2023 have been fully recouped. All Alameda overpayments are on active recoupment from the member or are to be covered by the Employer per direction from the board.

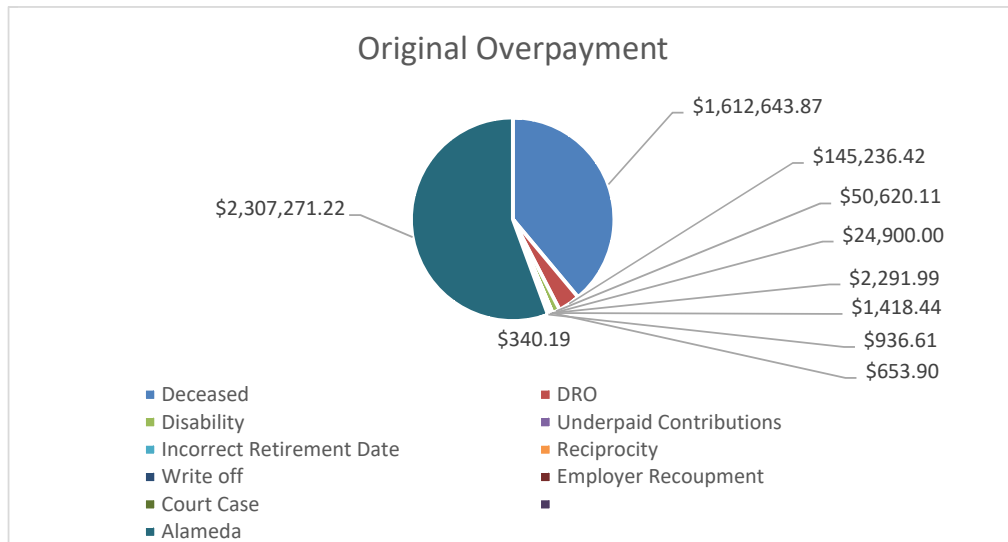
Submitted by:



Benefit Status	Percentage of Total Overpayments by Type
Deceased	28.3%
DRO	3.4%
Disability	2.0%
Underpaid Contributions	0.5%
Incorrect Retirement Date	0.5%
Reciprocity	0.5%
write off	3.2%
Employer Recoupment	0.2%
Court Case	0.2%
Alameda	61.2%
	100%



Benefit Status	Original Overpayment	Payments	Remaining Balance
Deceased	\$ 1,612,643.87	\$ (939,681.61)	\$ 497,407.34
DRO	\$ 145,236.42	\$ (14,340.05)	\$ 122,703.63
Disability	\$ 50,620.11	\$ (4,848.00)	\$ 45,772.11
Underpaid Contributions	\$ 653.90	\$ (246.42)	\$ 407.48
Incorrect Retirement Date	\$ 1,418.44	\$ -	\$ 963.02
Reciprocity	\$ 2,291.99	\$ (23.20)	\$ 2,268.79
Write off	\$ 340.19	\$ (340.19)	\$ -
Employer Recoupment	\$ 24,900.00	\$ (24,900.00)	\$ -
Court Case	\$ 936.61	\$ (936.61)	\$ -
Alameda	\$ 2,307,271.22	\$ (787,330.15)	\$ 1,519,941.07
Total	\$ 4,146,312.75	\$(1,772,646.23)	\$ 2,189,463.44





Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Suzanne Jenike, Assistant CEO, External Operations
SUBJECT: 2024 STAR COLA COST POSTING

Written Report

Background/Discussion

In accordance with Government Code section 7507, a public meeting will occur on March 18, 2024, to consider the STAR COLA ad hoc adjustment to applicable retirement allowances.

STAR COLA stands for Supplemental Targeted Adjustment for Retirees, Cost of Living Adjustment. The purpose is to restore purchasing power for retirees who have lost more than 20% of their purchasing power since retirement, as measured by the accumulation in a retired member's COLA bank. The STAR COLA brings those individuals back to 80% of purchasing power. It applies to those retirees or their beneficiaries who began receiving a benefit on or before April 1, 1981, and is granted in accordance with Government Code section 31874.3(c).

Before the Board votes on whether to grant the STAR COLA, the costs must be posted at a separate public meeting, in accordance with Government Code Section 7507. As such, this item is providing the required notice that on March 18, 2024, the Board will consider the granting of the STAR COLA. The total cost is projected to be \$398,323 and applies to 132 payees.

- County of Orange \$396,134 -129 payees
- UCI \$1,139 - 1 payee
- Sanitation District \$1,050- 2 payees

As in the past, the Board will provide each employer with STAR COLA recipients the opportunity to pay their share of the cost in a lump sum, over a period of 12 months or add it to the unfunded liability for that employer.

Submitted by:



S. J. – APPROVED

Suzanne Jenike
 Assistant CEO, External Operations



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary
T 415.263.8283
ayeung@segalco.com

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com

Via Email

February 14, 2024

Mr. Steve J. Delaney
Chief Executive Officer
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System (OCERS)
Supplemental Targeted Adjusted for Retirees Cost-of-Living Adjustment
(STAR COLA) Payment Projections as of April 1, 2024**

Dear Steve:

As requested by the System, we have projected the cost of continuing the STAR COLA benefit over the next ten years from April 1, 2024.

Background

The Retirement Board grants a STAR COLA benefit to maintain a minimum of 80% of a retiree's or beneficiary's purchasing power. The STAR COLA benefit is calculated by first taking the balance in a member's COLA bank that is in excess of 20% and multiplying that times the member's benefit.

The 1937 Act allows the Board either to advance fund the STAR COLA benefit subject to the availability of excess earnings above 1% of OCERS' assets or to grant this benefit on an annual basis. We understand that the Board's current practice has been to grant this benefit on an annual basis.

Results and Analysis

On April 1, 2024, only those members who retired on or before April 1, 1981 have COLA banks in excess of 20% and hence are eligible to receive the STAR COLA.

The attached Exhibit 1 shows a ten-year projection of the STAR COLA benefits, expressed as a percentage of the benefit payable effective April 1 of the next ten years. In Exhibit 2, we show the annual benefit payment based on who is eligible for the STAR COLA benefit as of April 1, 2024 (i.e., members who retired on or before April 1, 1981) and those who may become eligible after April 1, 2024. In Exhibit 3, we have included a schedule that provides the breakdown of the anticipated STAR COLA benefits from April 1, 2024 to March 31, 2025 based on members who retired from each employer.

Mr. Steve J. Delaney
February 14, 2024
Page 2

Our projections are based on the following assumptions provided below.

1. The existing 80% purchasing power cap will remain unchanged.
2. In adjusting the purchasing power banks after April 1, 2024, we have used the assumed retiree COLA assumption of 2.75% previously adopted by the Board for the upcoming December 31, 2023 valuation. As OCERS provides a maximum annual COLA of 3.0%, the COLA banks will decrease in the future under the 2.75%¹ retiree COLA assumption (see attached Exhibit 1) and thus no other additional members will be expected to become eligible.² We assume that future STAR COLA benefits, adjusted to reflect inflation for the prior calendar year, will be paid commencing April 1 of the subsequent year.
3. Our projections were based on the latest membership data used in the valuation as of December 31, 2022, but updated through mid-January 2024 to exclude those members who have passed away and to include the associated beneficiary records, if applicable, since the prior valuation. For conservatism, we assumed no deaths would have occurred among retirees and beneficiaries from mid-January 2024 to April 1, 2024. Effective April 1, 2024, we applied the life expectancies previously adopted by the Board for the upcoming December 31, 2023 valuation in projecting members who will be entitled to payments in the ten-year period.
4. The projections are based on proprietary actuarial modeling software. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

¹ It should be noted that 2.75% is assumed to be the average annual COLA during the next ten years. In practice, actual COLAs are granted annually in increments of 0.5% according to the 1937 Act.

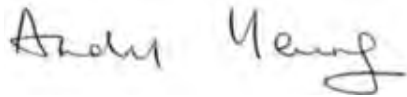
² It should be noted that in determining the liabilities for those retirees with COLA banks in the funding valuation, we have been assuming that a COLA of 3.00% would be paid on each April 1 following the date of the valuation until their COLA banks are depleted.

Mr. Steve J. Delaney
February 14, 2024
Page 3

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I'm a member of the American Academy of Actuaries and I meet the Qualification Standard of the American Academy of Actuaries to render the actuarial opinion herein. Please give us a call if you have any questions.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

JY/bbf
Enclosures

cc: Suzanne Jenike
Brenda Shott

Exhibit 1

Ten-Year Projection of STAR COLA Benefits
(Expressed as a Percent of the Benefit Payable Effective April 1 of the Year Indicated)

Date of Retirement	April 1, 2024	April 1, 2025	April 1, 2026	April 1, 2027	April 1, 2028	April 1, 2029	April 1, 2030	April 1, 2031	April 1, 2032	April 1, 2033
On or Before 04/01/1972	32.50%	32.25%	32.00%	31.75%	31.50%	31.25%	31.00%	30.75%	30.50%	30.25%
04/02/1972 to 04/01/1974	32.00%	31.75%	31.50%	31.25%	31.00%	30.75%	30.50%	30.25%	30.00%	29.75%
04/02/1974 to 04/01/1975	31.50%	31.25%	31.00%	30.75%	30.50%	30.25%	30.00%	29.75%	29.50%	29.25%
04/02/1975 to 04/01/1976	26.00%	25.75%	25.50%	25.25%	25.00%	24.75%	24.50%	24.25%	24.00%	23.75%
04/02/1976 to 04/01/1977	20.50%	20.25%	20.00%	19.75%	19.50%	19.25%	19.00%	18.75%	18.50%	18.25%
04/02/1977 to 04/01/1978	17.00%	16.75%	16.50%	16.25%	16.00%	15.75%	15.50%	15.25%	15.00%	14.75%
04/02/1978 to 04/01/1979	13.00%	12.75%	12.50%	12.25%	12.00%	11.75%	11.50%	11.25%	11.00%	10.75%
04/02/1979 to 04/01/1980	8.00%	7.75%	7.50%	7.25%	7.00%	6.75%	6.50%	6.25%	6.00%	5.75%
04/02/1980 to 04/01/1981	0.50%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Based on the ten-year projection, members who retired after April 1, 1981 are not eligible for STAR COLA.



Exhibit 2

Projected Benefit Payments

The expected benefit payments for the current and new STAR COLA recipients for the next ten years, commencing April 1, 2024, are provided in the following table:

	(1) Eligible for STAR COLA as of April 1, 2024	(2) Not Yet Eligible for STAR COLA as of April 1, 2024	(1) + (2)
1. April 1, 2024 - March 31, 2025	\$398,323	\$0	\$398,323
2. April 1, 2025 - March 31, 2026	368,472	0	368,472
3. April 1, 2026 - March 31, 2027	338,761	0	338,761
4. April 1, 2027 - March 31, 2028	310,571	0	310,571
5. April 1, 2028 - March 31, 2029	283,534	0	283,534
6. April 1, 2029 - March 31, 2030	257,868	0	257,868
7. April 1, 2030 - March 31, 2031	233,665	0	233,665
8. April 1, 2031 - March 31, 2032	210,954	0	210,954
9. April 1, 2032 - March 31, 2033	189,728	0	189,728
10. April 1, 2033 - March 31, 2034	169,949	0	169,949
Total Benefit Payments	\$2,761,825	\$0	\$2,761,825
Discounted Benefit Payments¹	\$2,108,401	\$0	\$2,108,401

¹ At 7.00% annual investment return assumption.

Exhibit 3

Projected Benefit Payments by Employer

The expected benefit payments for the current STAR COLA recipients from April 1, 2024 to March 31, 2025 broken down by employer, are provided in the following table:

	Orange County	U.C.I. (Bi-weekly)	Sanitation District	Total
April 1, 2024 - March 31, 2025	\$396,134	\$1,139	\$1,050	\$398,323
Number of Recipients	129	1	2	132

§31874.3. Determination; application of excess to allowances; effect on subsequent increases

(a)(1) Whenever the percentage of annual increase in the cost of living as of January 1 of each year as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers exceeds the maximum benefit increase provided in Section 31870, 31870.1, 31870.2, or 31870.3, whichever is applicable, the board of retirement may provide that all or part of the excess percentage increase shall be applied to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3. The board shall determine the amount of the excess to be applied, which amount shall not exceed an amount that can be paid from earnings of the retirement fund that are in excess of the total interest credited to contributions and reserves plus 1 percent of the total assets of the retirement fund.

(2) The supplemental increases in excess of the increases applied to the retirement allowances, optional death allowances, or annual death allowances pursuant to Section 31870, 31870.1, 31870.2, or 31870.3 shall not become a part of the retirement allowances, optional death allowances, or annual death allowances to be increased by subsequent increases under Section 31870, 31870.1, 31870.2, or 31870.3.

(3) This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section 31870, 31870.1, 31870.2, or 31870.3 applicable in that county.

(b)(1) The board of retirement may, instead of taking action pursuant to subdivision

(a), provide supplemental cost-of-living increases, effective on a date to be determined by the board, to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3; provided however, that only those members shall be eligible for this increase whose accumulations established by Section 31870, 31870.1, 31870.2, or 31870.3 shall equal or exceed 20 percent as of January 1 of the year in which the board of retirement adopts an increase under this subdivision.

(2) The supplemental increases to the retirement allowances, optional death allowances or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3 shall not become a part of the retirement allowances, optional death allowances or annual death allowances to be increased by subsequent increases under Section 31870, 31870.1, 31870.2, or 31870.3.

(3) This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section 31870, 31870.1, 31870.2, or 31870.3 applicable in that county.

(c)(1) The board of retirement may, instead of taking action pursuant to subdivision (a) or (b), provide supplemental cost-of-living increases, on a prefunded basis and effective on a date to be determined by the board, to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3; provided however, only those members shall be eligible for this increase whose accumulations established by Section 31870, 31870.1, 31870.2, or 31870.3 equal or exceed 20 percent as of January 1 of the year in which the board of retirement takes action pursuant to this subdivision.

(2) The supplemental increases to the retirement allowances, optional death allowances, or annual death allowances increased in Section 31870, 31870.1, 31870.2, or 31870.3 shall become a part of the retirement allowances, optional death allowances, or annual death allowances and shall serve to reduce the accumulations established by Section 31870, 31870.1, 31870.2, or 31870.3, as applicable, by the same percentage as the payment that is made pursuant to this Section.

(3) Before the board of retirement provides benefits pursuant to this subdivision, the costs of the benefits shall be determined by a qualified actuary and the board of retirement shall, with the advice of the actuary, provide for the full funding of the benefits utilizing funds in the reserve against deficiencies established pursuant to Section 31592.2, using surplus earnings that exceed 1 percent of the total assets of the retirement system.

(4) This subdivision shall be operative in any county that has elected by a majority vote of the board of supervisors to make either Section 31870, 31870.1, 31870.2, or 31870.3 applicable in that county.

(d) Upon adoption by any county providing benefits pursuant to this section, of Article 5.5 commencing with Section 31610) of this chapter, the board of retirement shall, instead, pay those benefits from the Supplemental Retiree Benefit Reserve established pursuant to Section 31618.

(Amended (as amended by Stats. 1983, Ch. 147, Sec. 2) by Stats. 1983, Ch. 886, Sec. 11)

(Amended by Stats. 2000, Ch. 317 (AB 2176), Sec. 4)

CA Govt Code § 7507 (2017)

(a) For the purpose of this section:

(1) "Actuary" means an actuary as defined in Section 7504.

(2) "Future annual costs" includes, but is not limited to, annual dollar changes, or the total dollar changes involved when available, as well as normal cost and any change in accrued liability.

(b) (1) Except as provided in paragraph (2), the Legislature and local legislative bodies, including community college district governing boards, when considering changes in retirement benefits or other postemployment benefits, shall secure the services of an actuary to provide a statement of the actuarial impact upon future annual costs, including normal cost and any additional accrued liability, before authorizing changes in public retirement plan benefits or other postemployment benefits.

(2) The requirements of this subdivision do not apply to:

(A) An annual increase in a premium that does not exceed 3 percent under a contract of insurance.

(B) A change in postemployment benefits, other than pension benefits, mandated by the state or federal government or made by an insurance carrier in connection with the renewal of a contract of insurance.

(c) (1) (A) With regard to local legislative bodies, including community college district governing boards, the future costs of changes in retirement benefits or other postemployment benefits, as determined by the actuary, shall be made public at a public meeting at least two weeks prior to the adoption of any changes in public retirement plan benefits or other postemployment benefits. If the future costs of the changes exceed one-half of 1 percent of the future annual costs, as defined in paragraph (2) of subdivision (a), of the existing benefits for the legislative body, an actuary shall be present to provide information as needed at the public meeting at which the adoption of a benefit change shall be considered. The adoption of any benefit to which this section applies shall not be placed on a consent calendar.

(B) The requirements of this paragraph do not apply to:

(i) An annual increase in a premium that does not exceed 3 percent under a contract of insurance.

(ii) A change in postemployment benefits, other than pension benefits, mandated by the state or federal government or made by an insurance carrier in connection with the renewal of a contract of insurance.

(2) With regard to the Legislature, the future costs as determined by the actuary shall be made public at the policy and fiscal committee hearings to consider the adoption of any changes in public retirement plan benefits or other postemployment benefits. The adoption of any benefit to which this section applies shall not be placed on a consent calendar.

(d) Upon the adoption of any benefit change to which this section applies, the person with the responsibilities of a chief executive officer in an entity providing the benefit, however that person is denominated, shall acknowledge in writing that he or she understands the current and future cost of the benefit as determined by the actuary. For the adoption of benefit changes by the state, this person shall be the Director of Human Resources.

(e) The requirements of this section do not apply to a school district or a county office of education, which shall instead comply with requirements regarding public notice of, and future cost determination for, benefit changes that have been enacted to regulate these entities. These requirements include, but are not limited to, those enacted by Chapter 1213 of the Statutes of 1991 and by Chapter 52 of the Statutes of 2004.

(Amended by Stats. 2016, Ch. 415, Sec. 4. (AB 2375) Effective January 1, 2017.)



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **2023 BUSINESS PLAN – END OF YEAR REPORT**

Presentation

Per Board policy, attached is an annual report outlining outcomes of the past year's (2023) Business Plan.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System
2223 E. Wellington Avenue | Santa Ana | 92701

2023 BUSINESS PLAN



MISSION, VISION AND VALUES

MISSION STATEMENT:

We provide secure retirement and disability benefits with the highest standards of excellence.

VISION STATEMENT:

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

VALUES:

- **O**pen and Transparent
- **C**ommitment to Superior Service
- **E**ngaged and Dedicated Workforce
- **R**eliable and Accurate
- **S**ecure and Sustainable

2023-2025 STRATEGIC GOALS

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management
- Effective Governance

FUND SUSTAINABILITY

GOAL: STRENGTHEN THE LONG-TERM STABILITY OF THE PENSION FUND

Business Plan Initiatives

Objective A: Mitigate the Risk of Significant Investment Loss

Executive Lead – Molly Murphy

1. Issue an RFP for a Risk System - **DEFERRED to regular work 2025**
2. Issue an RFP for Custodian Services - **COMPLETED**

Objective B: Prudent Use and Security of Resources

Executive Lead – Molly Murphy

1. Asset Allocation Study - **COMPLETED**

EXCELLENT SERVICE AND SUPPORT

GOAL: ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND EMPLOYERS

Business Plan Initiatives

Objective A: Provide Accurate and Timely Benefits

Executive Lead – Suzanne Jenike & Jeff Lamberson

1. 100% Accuracy
 - a. Investigate opportunities for process automation - **2023 Tasks COMPLETED and ONGOING**
 - b. Determine County payroll system data requirements for automation and improved accuracy in benefit calculations - **ONGOING**
2. Enhance Member Service team member training and job tools
 - a. Create training videos for Member Services processes (\$10,000) - **2023 Tasks COMPLETED and ONGOING**
 - b. Create a formal Retirement Program Specialist (RPS) training program - **COMPLETED**
 - c. Improve the “Frequently Asked Questions” knowledge base - **Focused on alternative solution due to system limitations**
3. Create a dedicated Call Center
 - a. Assign existing staff to the Call Center team - **COMPLETED**
 - b. Set up physical space for the Call Center team (\$20,000) - **DELETED - Not needed at this time**

Objective B: Provide Education to our Members and Employers

Executive Lead – Suzanne Jenike

1. Enhance Member and Employer experience

- a. Make all member and employer forms electronic - **DEFERRED to 2024**
- b. Update/revisit older videos on the website - **DEFERRED to 2024 due to new Director of Communications**
- c. Investigate using digital signatures for member forms (\$10,000) - **DEFERRED to 2024**

Objective C: Continuously Improve Business Processes and Procedures to be Efficient and Effective

Executive Leads – Steve Delaney, Brenda Shott, Suzanne Jenike, Jeff Lamberson, Jenny Sadoski

- 1. Begin preparation work for the next generation Pension Administration System
 - a. Develop a master repository for procedures and business process documents (\$450,000) - **IN PROCESS and ONGOING**
 - b. Issue an RFP for a consultant/implementation partner (\$200,000) - **COMPLETED though not yet hired**
 - c. Implement V3 data validation and clean-up procedures - **IN PROCESS and ONGOING**
- 2. Continue the investigation and implementation of Robotic Process Automation/Machine Learning/Artificial Intelligence Initiatives
 - a. Electronic Content and Document Management System (250,000) - **Phase 1 COMPLETE**
 - b. Futurist Roadmap - **DEFERRED to 2024**
 - c. Continue implementing RPA use cases (\$600,000) - **2023 Tasks COMPLETED and ONGOING**
 - d. Add an Automation Developer to the IT Team (full year - \$233,000) - **IN PROCESS**
 - e. Add a Testing Coordinator to the IT Team (full year - \$247,000) - **COMPLETED**
- 3. Continue the implementation of a helpdesk solution for internal use (\$35,000) - **COMPLETED**
 - a. Add a dedicated Help Desk Technologist to the IT Team (full year - \$122,000) - **COMPLETED**

RISK MANAGEMENT

GOAL: CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Business Plan Initiatives

Objective A: Enhance Governance of Technology Risks

Executive Leads – Matt Eakin & Jenny Sadoski

1. Continue to develop and enhance information security policies (year three - \$3,000) - **IN PROGRESS and ONGOING**
2. Develop and enhance information technology policies (year two) - **IN PROGRESS and ONGOING**
3. Enhance Information Security operations by adding an Information Security Analyst to the team (2nd qtr - \$132,000) - **COMPLETED**
4. Increase Information Security Program maturity - **2023 Tasks COMPLETED and ONGOING to regular work**

Objective B: Continuously Assess Technology Environment and Address Risks

Executive Lead – Jenny Sadoski

1. Replace End of life Server Virtualization (\$250,000) - **COMPLETED**

Objective C: Ensure Compliance with Industry Frameworks and Best Practices

Executive Leads – Steve Delaney & Gina Ratto

1. Create a Project Management Office
 - a. Recruit and hire a dedicated Project Management Officer (full year - \$303,000) - **COMPLETED**
 - b. Develop and implement project intake and prioritization process - **COMPLETED**
 - c. Implement PMO framework - **COMPLETED**

2. Create a Compliance Office
 - a. Recruit and hire a Chief Compliance Officer (mid-year - \$140,000) - **COMPLETED**

3. Expand in-house legal resources
 - a. Hire a Staff Attorney assigned to support the Investments Division and to Ethical and Conflict of Interest legal and regulatory requirements (2nd qtr - \$196,000) - **COMPLETED**

Objective D: Ensure a Safe and Secure Workplace and Public Service Facility
Executive Lead – Brenda Shott

1. Design and build a new OCERS headquarters facility (multi-year – cost TBD) - **IN PROCESS and ONGOING**

2. Replace physical security system in the current headquarters (\$20,000) - **COMPLETED**

TALENT MANAGEMENT

GOAL: RECRUIT, RETAIN AND EMPOWER A HIGH-PERFORMING WORKFORCE

Business Plan Initiatives

Objective A: Recruit and Retain a Diverse High-Performing Workforce to Meet Organizational Priorities

Executive Leads – Steve Delaney, Gina Ratto, and Cynthia Hockless

1. Pursue moving the workforce to be 100% employed by OCERS as a single agency
 - a. Continue the Classification and Compensation study of the County level positions (In partnership with the County of Orange (\$20,000) - **IN PROCESS**
 - b. Pursue legislation to allow 100% OCERS direct workforce - **MOVED to 2025 session**
2. Develop a long-range staffing plan in preparation for Vision 2030
 - a. Prepare proposed agency-wide organization charts indicating additional positions to be recommended and address backfilling positions to dedicate Subject Matter Experts to the next-generation pension administration system project - **DEFERRED to 2024**
3. Prepare for the growth of the OCERS team
 - a. Recruit and hire an additional HR Recruiter to assist with getting the Agency fully staffed (\$159,000) - **COMPLETED**
 - b. Complete space management projects and secure temporary satellite space if necessary to ensure adequate workspace for all team members (\$300,000) - **COMPLETED**
 - c. Procure and deploy additional equipment and upgrade end-of-life surface tablets (\$300,000) - **COMPLETED**

4. Investigate HR Systems for automation potential throughout the department
 - a. Implement a video interview platform (\$8,000) - **COMPLETED**
5. Enhance Mental Health Awareness
 - a. Onsite mental health awareness coach - **COMPLETED**

Objective B: Develop and empower every member of the team

Executive Lead – Cynthia Hockless

1. Comprehensive Training Program (\$126,000)
 - OCERS University - **COMPLETED**
 - Research Job Shadowing program - **COMPLETED**
 - Microlearning videos - **IN PROGRESS and ONGOING**
 - Develop specialized, personal, cross-department, and mid-level leaders training programs - **COMPLETED**
 - Recruit and hire a new Staff-Assistant position assigned to the Learning and Development unit within HR (full year \$97,000) - **COMPLETED**

Objective C: Cultivate a Collaborative, Inclusive and Creative Culture

Executive Lead – Steve Delaney

1. Continue to implement diversity, equity and inclusion (DEI) strategies that promote an inclusive workplace (\$23,500) - **COMPLETED**
2. Investigate proven methods for fostering a creative culture - **COMPLETED**

EFFECTIVE GOVERNANCE

GOAL: IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE BOARD AND STAFF BY CLARIFYING ROLES AND RESPONSIBILITIES, IMPROVING OVERSIGHT, CLARIFYING ACCOUNTABILITY AND IMPROVING DECISION MAKING

Objective A: Employ a Governance Structure that Supports a Dynamic System
Executive Lead – Gina Ratto

1. Create Electronic Board Member Resources and Training Guides - **DEFERRED to 2024**



ORANGE COUNTY EMPLOYEES RETIREMENT
SYSTEM

www.ocers.org



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Jim Doezie, Contracts, Risk and Performance Administrator
SUBJECT: ANNUAL REPORT OF CONTRACTS GREATER THAN \$100,000

Written Report

Background/Discussion

The Procurement & Contracting Policy (Section 1.C.4.xii) specifies that the Contract Administrator will:

“Report to the Board annually all contracts that exceed a Contract Value of \$100,000.”

The attached schedule includes a list of active contracts with an annual Contract Value greater than \$100,000 as well as the total amount incurred against each contract in 2023. Comments are included for each contract to provide further insight on the contract value and amounts expensed.

Submitted by:



JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator

**Orange County Employee Retirement System
Contracts Valued at more than \$100,000
For the Year Ended December 31, 2023**

Contractor	Description	Contract Value - 2023	Amount Expensed in 2023	Difference between Contract Value and Amount Expensed	Contract Effective Date	Contract Expiration Date	Comments
Aksia LLC	Private equity and private real assets consulting services. Named Service Provider.	1,037,500	1,037,500	-	4/1/2022	3/31/2027	Contract \$1,000,000 per annum for first 3 months, increased to \$1,050,000 per annum for the last 9 months.
Alliant Insurance Services, Inc.	Insurance services broker	280,000	275,740	4,260	8/1/2022	7/31/2025	Contract values represent approved budget. Actual contract does not have a set contract value. Fees paid by OCERS are for insurance premiums related to coverage for property, liability, fiduciary and crime. Compensation to the broker for placement of insurance is paid by the carrier and based on negotiated fees between the broker and the carrier. Total annual cost for coverage is limited by approved budget.
American Mailing, Printing & List Service (AMPLS)	Confidentiality agreement on file between AMPLS, American Solutions for Business and OCERS related to mailing services provided by AMPLS for printed materials produced by American Solutions for Business.	111,000	100,137	10,863	6/10/2013	N/A	Contract value represents approved budget. Postage is a pass-through cost to OCERS.
American Solutions For Business	Provider of design-related work and printed materials (e.g. quarterly newsletter, Board election materials, annual report, letterhead, 1099-Rs, etc).	96,135	114,127	(17,992)	12/1/2019	11/30/2025	Contract value represents approved budget. Actual contract does not have a set contract value and is based on OCERS request for design-related work and printed materials, limited by approved budget. Expenditures for this line item exceeded the budget due to higher than anticipated printing costs. The CEO or Assistant CEO has the authority to move budget dollars within the Services and Supplies category to cover the shortfall and as of the end of the year, there are sufficient dollars available in other Services and Supplies line items to offset this overage.
Backstop Solutions Group, LLC	Contracts Relationship Management (CRM) solution for investments	104,145	104,145	-	12/29/2020	12/29/2023	Master Agreement is multi-year. Annual Ordering agreement with a renewal term of three years beginning 12/29/2020. Subscription, Maintenance and Support Agreement can increase by 4% in second year and 3% in third year. Renewal in 2023 was \$103,710 for 10 users and a prorated charge of \$5,010 for additional users added in 3rd and 4th quarter and credit of \$(4,575) for dropping 1 user midterm.
Backstop Solutions Group, LLC	Backstop Intelx Addendum	30,000	30,000	-	2/12/2020	12/29/2023	Contract value \$15K per annum for each of 2 Intelx addendum to above Backstop Master Agreement.
CDW Government, Inc.	Contracted supplier for hardware and software.	458,400	441,412	16,988	N/A	N/A	OCERS leverages pricing through the County of Orange's contract with CDW Government. Total annual costs are limited by approved budget for equipment and software and infrastructure maintenance support, includes MS Assurance, Mimecast and laptop replacements.
Contiem	Contracted for business process documentation services, including software licensing agreement for Rsuite, a document management system	450,000	192,985	257,015	11/4/2022	11/3/2024	Master agreement is for two years. Initial agreement was for \$473,502 and amended to \$502,902. Separate attachment was added to contract on 11/17/2023 for renewal of Rsuite software subscription and related user add-on license in the amount of \$27,880 for 12 months effective November 2023 to October 2024.
Contiem	Software licensing agreement for Rsuite, a document management and system	4,166	4,166	-	11/1/2023	10/31/2024	Separate software licensing agreement from Contiem Master Services Agreement above. Software subscription of \$25,000 plus \$2,880 for concurrent user add-on license. Contract Value represents 2 months amortization of Rsuite.
Dialpad	Cloud based telephone system and call center	116,182	116,182	-	12/1/2019	11/30/2024	Contract renews annually at beginning of December. Additional phones were required for new team members.

**Orange County Employee Retirement System
Contracts Valued at more than \$100,000
For the Year Ended December 31, 2023**

Contractor	Description	Contract Value - 2023	Amount Expensed in 2023	Difference between Contract Value and Amount Expensed	Contract Effective Date	Contract Expiration Date	Comments
Executive Mental Health	Agreement to review Independent Medical Exam for disability case	104,982	104,982	-	3/23/2023	N/A	Joint consulting agreement between Ari Kalechstein (Executive Mental Health), OCERS, Nossaman and Reed Smith. Agreement includes retainer fee of \$24,750 and varying hourly rates and fees. Services were requested and approved by counsel and paid by OCERS. The case related to this agreement has been settled.
Foley & Lardner LLP	Legal (investment) counsel services	250,000	115,775	134,225	7/1/2018	6/30/2024	Contract based on time and material. Total annual costs for all legal providers are limited by approved budget.
Gartner Inc.	I.T. Security and Technology advisory consultants and research firm	347,330	347,330	-	7/1/2023	6/30/2024	Contract renews mid-year. Contract value represents prorata amount of 6 months of contract dated 7/1/2022 to 6/30/2023 of \$324,200 per annum and 6 months of contract renewed on 7/1/2023 through 6/30/2024 totaling \$370,246 per annum.
Griffin Structures, Inc.	Building Project Manager and Owner's Representative for new OCERS headquarters building	309,824	309,824	-	8/22/2023	1/31/2027	Multi-year contract for project management services at monthly cost of \$53,171 for 41 months totaling \$2,180,011. Contract amended to include subconsultant work not to exceed \$131,537. Expenditures will be limited to the contract value and the annual budget. Contract value for 2023 represents \$53,171/month fee x 4.3 months plus subconsultant cost of \$79,988.
Jigsawtek Corporation	IT Programming consultant and Alameda support for Member Services	607,840	556,350	51,490	1/1/2023	12/31/2023	Amounts shown are for 2023 SOW's related to database administration and Member Services support related to Alameda recalculations.
Leverage HR	Executive coaching services for Senior Executives and Directors	108,615	100,751	7,863	9/24/2021	9/24/2024	Contract value is \$100,706 plus reimbursable expenses of \$7,909.
MCS Consulting LLC	Project Management consulting services for the Alameda project	108,349	108,315	34	3/3/2022	12/31/2023	Contract value includes \$8,205 remaining from contract amended 8/3/2022 and amended 3/3/2023 for an additional \$100,000. Also includes reimbursable expenses of \$143.95.
Meketa Investment Group, Inc	General investments and total portfolio risk consulting. Named Service Provider.	885,062	885,062	-	4/1/2022	3/31/2027	Contract renewed mid-year. Contract value represents pro-rata amount of 3 months of contract ended 3/31/2023 in the annual amount of \$850,000 and 9 months of the new contract entered on 4/1/2023 at \$896,750 per annum.
Meketa Investment Group, Inc	Private credit reporting services	40,000	40,000	-	4/1/2022	3/31/2027	Private credit reporting included as a separate fee in the consulting services contract above at an agreed upon annual fee of \$40,000.
Moss Adams LLP	Financial Auditor. Named Service Provider.	117,300	117,300	-	3/15/2022	3/15/2025	Contract value represents contract amount for audit of 12/31/2022 financial statements
National Disability Evaluations Inc	Medical examiner organization	560,000	345,033	214,968	2/14/2019	12/31/2023	Contract based on time and material. Total annual costs are limited by approved budget.
Nossaman LLP	Legal (investment) counsel services	250,000	197,176	52,825	7/1/2018	6/30/2024	Contract based on time and material. Total annual costs for all legal providers are limited by approved budget.
Nossaman LLP	Legal counsel services (administrative hearings and writ of mandate proceedings)	225,000	204,207	20,793	10/24/2022	10/25/2023	Contract based on time and material. Total annual costs for all legal providers are limited by approved budget.
Orange County Treasurer	Access to County VPN and reimbursement of election costs.	MOU	148,914	N/A	7/17/1995	N/A	MOU for services provided by County for OCERS employees.
Reed Smith LLP	Legal counsel services (fiduciary, litigation, labor & employment). Named Service Provider.	375,000	530,169	(155,169)	7/1/2021	6/30/2024	Contract based on time and material. Total annual costs for all legal providers are limited by approved budget. Actual expenses exceeded budget primarily due to higher than anticipated costs for litigation and contract negotiations. The CEO or Assistant CEO has the authority to move budget dollars within the Services and Supplies category to cover the shortfall and as of the end of the year, there are sufficient dollars available in other Services and Supplies line items to offset this overage.
Roboyo USA Inc.	Robotic process automation services	361,090	302,716	58,374	3/1/2023	2/28/2026	Includes robotic automation services and Ulipath additional licenses.

**Orange County Employee Retirement System
Contracts Valued at more than \$100,000
For the Year Ended December 31, 2023**

Contractor	Description	Contract Value - 2023	Amount Expensed in 2023	Difference between Contract Value and Amount Expensed	Contract Effective Date	Contract Expiration Date	Comments
RSM US LLP	I.T. auditor for general controls and cyber security; consultant for ERP	189,600	103,646	85,954	6/1/2019	3/9/2023	Multiple contracts that overlap years. Internal Audit entered into MSA on 6/1/2019. Finance entered into a SOW for support hours for the new ERP based on time and material which will renew annually as of 3/9/2023 until SOW is cancelled or replaced. Total annual costs are limited by approved budget.
Sidepath, Inc.	Contracted Supplier IT equipment and support	596,000	424,258	171,742	7/15/2016	N/A	Total annual costs are limited by approved budget and include firewall replacement and data center maintenance.
State Street Bank & Trust Company	Fund Custodian & Securities Lending Manager. Named Service Provider.	575,000	575,000	-	12/1/2023	12/1/2028	Contract excludes \$5,000 for analytics purchased separately.
State Street Bank & Trust Company	Investment Analytics	5,000	5,000	-	12/1/2023	12/1/2028	Contract value represents approved budget. This was an investments risk product add-on to the above custodian bank contract.
The Burgess Group LLC	Caissa platform subscription for investments portfolio management	167,083	167,083	-	8/7/2023	8/6/20234	8/7/2023 renewal increased from \$165,000 per annum to \$170,000 per annum.
The Segal Company	Actuarial services. Named Service Provider.	450,000	402,102	47,898	1/1/2023	12/31/2025	Contract value represents approved budget. Actual contract includes scheduled costs of \$198,500 and negotiated rates for additional consulting as requested. Total annual cost is limited to approved budget.
Townsend Holdings LLC	Real Estate Investment Consultant. Named Service Provider.	309,846	309,846	-	4/1/2022	3/31/2027	Contract renewed Q2 2022. Contract value represents pro rata share of previous contract for 3 months based on \$298,000 per annum and 9 months for new contract based on \$313,794 per annum. Contract adjusted annually by CPI.
Vitech Systems Group, Inc.	Pension administration software provider & consultant	621,566	621,566	-	2/25/2016	12/31/2023	Multiple change orders that overlap years. Contract value represents 2023 change orders and licensing fees, which increased from \$41,543/month to \$42,892/month effective 5/1/2023.



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: 2023 POLICY COMPLIANCE REPORT

Written Report

Background/Discussion

Beginning in 2019, at the Board's request, OCERS' executive staff produces an annual report relating to Board policy compliance. Different from the triennial review process whereby every policy is considered for current applicability and possible update or modification, this report addresses whether OCERS staff has been compliant with each of the OCERS Board policies.

Attached is a list of each policy and the executive manager assigned to determine compliance in Calendar Year 2023.

I here attest to agency compliance with all policies except one:

1. MONITORING and REPORTING Policy

OCERS is not in full compliance with the MONITORING and REPORTING Policy. We have determined that the SUCCESSION Policy has not had its required triennial review. It appears that in discussing changes to the policy, the issue of its timely review was missed. The SUCCESSION Policy is now scheduled for review by the Governance Committee in this calendar year.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

02-21-2024 REGULAR BOARD MEETING - R-11 2023 POLICY COMPLIANCE REPORT

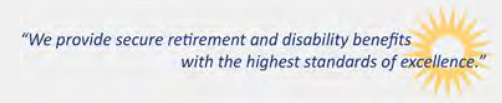


Board Policy Compliance Review Status Report

This report details the Status and Compliance of Board Policies and Charters.

Committee: **ALL**
 Assigned To: **ALL**
 Doc. Category: **BP - Board Policy**

From Date:
 To Date:
 No. of Records: **47**



DOCUMENT NAME	DOCUMENT CATEGORY	COMMITTEE	ASSIGNED TO	REVIEWER ROLE	LAST BOARD REVIEW DATE	NEXT BOARD REVIEW DATE	LAST INTERNAL AUDIT REVIEW DATE **	COMPLIANCE REVIEWED DATE	IN COMPLIANCE?
Actuarial Funding Policy	BP - Board Policy	Governance	Brenda Shott	Assistant CEO, Internal	11/14/2022	11/13/2025	11/14/2022	2/1/2024	Yes
Actuarial Valuation Policy	BP - Board Policy	Governance	Brenda Shott	Assistant CEO, Internal	12/11/2023	12/10/2026	11/14/2018	2/1/2024	Yes
Budget Approval Policy	BP - Board Policy	Governance	Tracy Bowman	Finance Director	6/19/2023	6/18/2026		12/27/2023	Yes
CEO Performance Evaluation Policy	BP - Board Policy	Personnel	Cynthia Hockless	Director of Human Resources	8/21/2023	8/20/2026		11/28/2023	Yes
Code of Ethics and Standards of Professional Conduct Policy	BP - Board Policy	Investments	Molly Murphy	CIO	11/15/2023	11/14/2026		1/23/2024	Yes
Communications Policy	BP - Board Policy	Governance	Mary-Joy Coburn	Director of Communications	6/19/2023	6/18/2026		12/14/2023	Yes
Compensation Earnable Policy	BP - Board Policy	Governance	Suzanne Jenike	Director of Member Services	6/21/2021	6/20/2024		12/13/2023	Yes
Conflict of Interest Code	BP - Board Policy	Governance	Manuel Serpa	General Counsel				12/31/2023	Yes
Cost Impacting Policy	BP - Board Policy	Governance	Manuel Serpa	General Counsel	4/19/2021	4/18/2024		11/27/2023	Yes
Declining Employer Payroll Policy	BP - Board Policy	Governance	Suzanne Jenike	Assistant CEO, External	11/14/2022	11/13/2025	11/14/2022	12/13/2023	Yes
Disability Retirement Reassignment Policy	BP - Board Policy	Disability	Nicole McIntosh	Director of Disability	4/19/2021	4/18/2024		12/12/2023	Yes
Disposition of Surplus Property Policy	BP - Board Policy	Governance	Brenda Shott	Assistant CEO, Internal	4/19/2021	4/18/2024		2/2/2024	Yes
Election Procedures Policy	BP - Board Policy	Governance	Cynthia Hockless	Director of Human Resources	10/16/2023	10/15/2026		11/28/2023	Yes
Ethics Compliance and Fraud Hotline	BP - Board Policy	Audit	David Kim	Director of Internal Audit	4/17/2023	4/16/2026		12/31/2023	Yes
Extraordinary Expense Recovery Policy	BP - Board Policy	Governance	Manuel Serpa	General Counsel	4/19/2021	4/18/2024		12/31/2023	Yes
Hearing Officer Selection and Retention Policy	BP - Board Policy	Disability	Suzanne Jenike	Assistant CEO, External	4/19/2021	4/18/2024		12/13/2023	Yes
Indemnity and Defense Policy	BP - Board Policy	Governance	Manuel Serpa	General Counsel	6/20/2022	6/19/2025		12/20/2023	Yes
Investment Policy Statement	BP - Board Policy	Investments	Molly Murphy	CIO	11/15/2023	11/14/2026		1/23/2024	Yes
Legislative Policy	BP - Board Policy	Governance	Manuel Serpa	General Counsel	4/19/2021	4/18/2024		12/31/2023	Yes
Member Services Customer Service Policy	BP - Board Policy	Governance	Jeff Lamberson	Director of Member Services	10/17/2022	10/16/2025	10/17/2022	12/13/2023	Yes
Membership Eligibility Requirements	BP - Board Policy	Governance	Jeff Lamberson	Director of Member Services	10/16/2023	10/15/2026	11/12/2018	12/13/2023	Yes
Monitoring and Reporting	BP - Board Policy	Governance	Steve Delaney	CEO	10/17/2022	10/16/2025	10/17/2022	2/6/2024	No
OCERS Administrative Review and Hearing Policy - Disability and Non-Disability Benefits	BP - Board Policy	Disability	Suzanne Jenike	Assistant CEO, External	5/17/2023	5/16/2026	4/17/2023	2/6/2024	Yes
Operational Risk Policy	BP - Board Policy	Audit	Brenda Shott	Assistant CEO, Internal	4/17/2023	4/16/2026	4/5/2023	2/1/2024	Yes
Overpaid and Underpaid Contributions Policy	BP - Board Policy	Governance	Suzanne Jenike	Director of Member Services	11/15/2021	11/14/2024	10/23/2018	12/13/2023	Yes
Overpaid and Underpaid Plan Benefits Policy	BP - Board Policy	Governance	Suzanne Jenike	Director of Member Services	11/15/2021	11/14/2024		12/12/2023	Yes
Pay Item Request and Approval Procedures for Employers	BP - Board Policy	Governance	Suzanne Jenike	Director of Member Services	6/21/2021	6/20/2024		12/12/2023	Yes
Pay Item Review Policy	BP - Board Policy	Governance	Suzanne Jenike	Director of Member Services	6/20/2022	6/19/2025		12/12/2023	Yes
Pensionable Compensation Policy	BP - Board Policy	Governance	Suzanne Jenike	Director of Member Services	6/21/2021	6/20/2024		12/12/2023	Yes
Placement Agent Disclosure Policy	BP - Board Policy	Investments	Molly Murphy	CIO	11/15/2023	11/14/2026		1/23/2024	Yes
Planning Policy	BP - Board Policy	Governance	Steve Delaney	CEO	6/19/2023	6/18/2026		2/6/2024	Yes
Procurement and Contracting Policy	BP - Board Policy	Governance	Fong Tse	Director of Human Resources	4/17/2023	4/16/2026		1/18/2024	Yes
Protocol for Handling Workplace Complaints Against Board Members and Executives	BP - Board Policy	Governance	Manuel Serpa	General Counsel	6/20/2022	6/19/2025		12/31/2023	Yes

Executed: 2/6/2024 5:30:20 PM
 Executed By: OCERS\anandi

** Dates represent Internal Audit reports or Management Action Plan follow-ups in which portions of the policies/charters were reviewed. Does not confirm that the policy in its entirety was reviewed.

Doc. No. 0001-1090-R0001
 Page 1 of 2

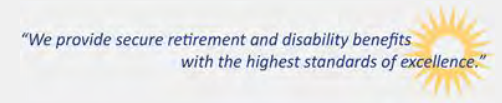


Board Policy Compliance Review Status Report

This report details the Status and Compliance of Board Policies and Charters.

Committee: **ALL**
 Assigned To: **ALL**
 Doc. Category: **BP - Board Policy**

From Date:
 To Date:
 No. of Records: **47**



DOCUMENT NAME	DOCUMENT CATEGORY	COMMITTEE	ASSIGNED TO	REVIEWER ROLE	LAST BOARD REVIEW DATE	NEXT BOARD REVIEW DATE	LAST INTERNAL AUDIT REVIEW DATE **	COMPLIANCE REVIEWED DATE	IN COMPLIANCE?
Proxy Voting	BP - Board Policy	Investments	Molly Murphy	CIO	11/15/2023	11/14/2026		1/23/2024	Yes
Public Records and Data Request Policy	BP - Board Policy	Governance	Manuel Serpa	General Counsel	4/17/2023	4/16/2026		12/31/2023	Yes
Quiet Period Policy	BP - Board Policy	Governance	Brenda Shott	Assistant CEO, Internal	6/19/2023	6/18/2026		2/2/2024	Yes
Records Management Policy	BP - Board Policy	Governance	Manuel Serpa	General Counsel	11/15/2021	11/14/2024		1/3/2024	Yes
Reserves and Interest-Crediting Policy	BP - Board Policy	Governance	Brenda Shott	Assistant CEO, Internal	11/14/2022	11/13/2025	11/14/2022	2/1/2024	Yes
Retirement Enhancement Review Policy	BP - Board Policy	Governance	Suzanne Jenike	Assistant CEO, External	6/20/2022	6/19/2025		12/13/2023	Yes
SACRS Voting Authority Policy	BP - Board Policy	Governance	Steve Delaney	CEO	4/17/2023	4/16/2026		2/6/2024	Yes
Succession Policy	BP - Board Policy	Personnel	Steve Delaney	CEO	1/19/2016	1/18/2019		2/6/2024	Yes
Travel Policy	BP - Board Policy	Governance	Manuel Serpa	General Counsel	11/14/2022	11/13/2025	11/14/2022	12/31/2023	Yes
Trustee Education Policy	BP - Board Policy	Governance	Cynthia Hockless	Director of Human Resources	10/17/2022	10/16/2025	10/17/2022	11/28/2023	Yes
Whistleblower Policy	BP - Board Policy	Governance	Cynthia Hockless	Director of Human Resources	6/20/2022	6/19/2025		11/28/2023	Yes
Withdrawing Employer Continuing Obligation Policy	BP - Board Policy	Governance	Suzanne Jenike	Assistant CEO, External	11/14/2022	11/13/2025	11/14/2022	12/13/2023	Yes
Withdrawing Employer Fully Satisfied Obligation Policy	BP - Board Policy	Governance	Suzanne Jenike	Assistant CEO, External	11/14/2022	11/13/2025	11/14/2022	12/12/2023	Yes
Write Off Policy	BP - Board Policy	Governance	Suzanne Jenike	Director of Member Services	11/15/2021	11/14/2024	6/5/2019	12/12/2023	Yes



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Cynthia Hockless, Director of Human Resources
SUBJECT: **UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER**

Written Report

Background

On December 21, 2023, OCERS contacted the Registrar of Voters to conduct elections for the Safety Member, Alternate Safety Member, and General Member positions for the Board of Retirement.

- The Safety Member and Alternate Safety Member’s terms of office will expire on June 30, 2024.
- The General Member’s term of office will expire on December 31, 2024.

The request is to have two separate elections with a single election calendar, with both elections being held on the same date.

The Registrar of Voters has provided OCERS with an election schedule.

As per the attached schedule, we are in the process of notifying eligible members of the elections. The Election Notices will be distributed with March 1, 2024, and March 15, 2024, payrolls and mailed to the home of each Safety and General Member via US mail.

The nomination period begins on **March 18, 2024, and will close at 5:00 p.m. on April 17, 2024.**

We are currently on schedule and will continue to provide updates as we progress.

Attachments:

1. Response Letter from the Registrar of Voters with Calendar of Events – Safety
2. Response Letter from the Registrar of Voters with Calendar of Events – General

Submitted by:

CH – Approved



Cynthia Hockless
Director of Human Resources



REGISTRAR OF VOTERS
1300 South Grand Avenue, Bldg. C
Santa Ana, California 92705
(714) 567-7600
FAX (714) 567-7556
ocvote.gov

BOB PAGE
Registrar of Voters

Mailing Address:
P.O. Box 11298
Santa Ana, California 92711

January 22, 2024

Ms. Cynthia Hockless
Director of Human Resources
Orange County Employees Retirement System
2223 Wellington Avenue, Suite 100
Santa Ana, CA 92701

Dear Ms. Hockless:

This is in response to your December 21, 2023 letter requesting the Registrar of Voters' Office to conduct a Special Election for the position of Safety Member and Alternate Safety Member for the term of office from July 1, 2024 through June 30, 2027.

The election schedule is as follows:

1 SAFETY MEMBER AND 1 ALTERNATE MEMBER

- March 1 and March 15 (E-109 and E-95) The Orange County Retirement office shall notify the Safety Members of the Retirement System that an election will be conducted on June 18, 2024. The notice shall include the filing period, qualifications and requirements to be a candidate for Safety Member and Alternate Member of the Orange County Retirement Board of Directors and shall be provided with the payrolls on March 1, 2024 and March 15, 2024.
- March 11 (E-99) The Retirement Office shall provide the number of eligible Safety Members to the Registrar of Voters' Office.
- March 11 (E-99) The Retirement Office shall provide the Registrar of Voters' Office with Willingness to Serve forms.
- March 18 (E-92) First day the Nomination Petition is available for pick up from the Registrar of Voters' Office. A Safety Member requires 75 nomination signatures.
- April 17 (E-62) Last day to file the Nomination Petition, Willingness to Serve Form, and Biographical Statement with the Registrar of Voters' office by 5:00 p.m.

April 18 (E-61)	Random draw will be held to determine the candidate placement on the ballot.
April 29 (E-50)	Retirement Office shall provide the Registrar of Voters with names and addresses of eligible Safety Members in an electronic format.
May 13 (E-36)	Mailing of ballots begins.
June 18 (E-0)	Tally voted ballots at the Registrar of Voters' Office.
June 25 (E+7)	Deadline to receive mailed ballots. Ballots that are mailed must be postmarked on or before election day and received by the Registrar of Voters no later than seven (7) calendar days after Election Day.
July 1 (E+13)	Term begins for Safety Member and Alternate Member. Term expires on June 30, 2027.
July 23 (E+35)	Certificate of Election on Board of Supervisors' agenda.

If you have any questions, I can be reached at (714) 567-7568.



Sincerely, Marcia Nielsen
Candidate and Voter Services Manager



BOB PAGE
Registrar of Voters



REGISTRAR OF VOTERS
1300 South Grand Avenue, Bldg. C
Santa Ana, California 92705
(714) 567-7600
FAX (714) 567-7556
ocvote.gov

Mailing Address:
P.O. Box 11298
Santa Ana, California 92711

January 22, 2024

Ms. Cynthia Hockless
Director of Human Resources
Orange County Employees Retirement System
2223 Wellington Avenue, Suite 100
Santa Ana, CA 92701

Dear Ms. Hockless:

This is in response to your December 21, 2023 letter requesting the Registrar of Voters' Office to conduct a Special Election for the position of General Member for the term of office from January 1, 2025 through December 31, 2027.

The election schedule is as follows:

1 GENERAL MEMBER

- March 1 and March 15 (E-109 and E-95) The Orange County Retirement office shall notify the General Members of the Retirement System that an election will be conducted on June 18, 2024. The notice shall include the filing period, qualifications and requirements to be a candidate for General Member of the Orange County Retirement Board of Directors and shall be provided with the payrolls on March 1, 2024 and March 15, 2024.
- March 11 (E-99) The Retirement Office shall provide the number of eligible General Members to the Registrar of Voters' Office.
- March 11 (E-99) The Retirement Office shall provide the Registrar of Voters' Office with Willingness to Serve forms.
- March 18 (E-92) First day the Nomination Petition is available for pick up from the Registrar of Voters' Office. A General Member requires 75 nomination signatures.
- April 17 (E-62) Last day to file the Nomination Petition, Willingness to Serve Form, and Biographical Statement with the Registrar of Voters' office by 5:00 p.m.

- | | |
|-------------------------------|--|
| April 18
(E-61) | Random draw will be held to determine the candidate placement on the ballot. |
| April 29
(E-50) | Retirement Office shall provide the Registrar of Voters with names and addresses of eligible General Members in an electronic format. |
| May 13
(E-36) | Mailing of ballots begins. |
| June 18
(E-0) | Tally voted ballots at the Registrar of Voters' Office. |
| June 25
(E+7) | Deadline to receive mailed ballots. Ballots that are mailed must be postmarked on or before election day and received by the Registrar of Voters no later than seven (7) calendar days after Election Day. |
| July 23
(E+35) | Certificate of Election on Board of Supervisors' agenda. |
| January 1,
2025
(E+197) | Term begins for General Member. Term expires on December 31, 2027. |

If you have any questions, I can be reached at (714) 567-7568.



Sincerely, Marcia Nielsen
Candidate and Voter Services Manager





Form Report of Attendance at Conference or Seminar

Name of Member Attending: ___Dena Gunsolley_____

Name of Conference/Seminar: HRO Today – Learning and Talent Development Summit_____

Location of Conference/Seminar: __San Diego, CA_____

Conference/Seminar Sponsor: ___HRO Today_ and Babbel_____

Dates of Attendance: ___Nov. 29th through December 1st_____

Total Cost of Attendance: ___\$2395 conference and \$1166.72 (Hotel/Lodging)_\$3561.72_____

Brief Summary of Information and Knowledge Gained:

A recurring theme was the necessity of aligning learning and talent management with broader business objectives. I am inspired to revisit our strategies to ensure that our training initiatives directly contribute to the achievement of our organizational goals. The importance of fostering a learning culture within our organization was reiterated throughout the conference. I am committed to championing initiatives that encourage continuous learning, knowledge sharing, and a growth mindset among our team.

Evaluation of the Conference or Seminar:

The emphasis on practical applications of concepts was a significant strength. The case studies and workshops provided actionable insights that can be implemented to enhance our learning ecosystem, talent development, and overall LOD strategies. Big takeaway ideas included, utilizing the Senior Executives to champion learning throughout the organization, continuing to acknowledge learners, and leveraging learning metrics to showcase learning.

Recommendation Concerning Future Attendance:

After the insightful experience at the "Elevate Learning: A Comprehensive Approach" conference, I highly recommend considering similar conferences for our continued professional development and enrichment in the realm of Learning and Development (L&D). This national platform served me well to determine that we are embedding the right



Form

Report of Attendance at Conference or Seminar

ideology around learning. We are doing well in providing virtual learning and building upon onboarding. An area we should devote future resources to include building trust, departmental listening sessions, Physical wellbeing, Emotional wellbeing, and Career wellbeing. LOD can be thought of as the human capital investment side of every organization.

Signature

Dena Gunsolley

Return to: Executive Assistant

Copies to: Board Members
Chief Executive Officer
Assistant Chief Executive Officers



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

Written report only

Background/Discussion

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to OCERS by the GFOA for its annual comprehensive financial report for the year ended December 31, 2022. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In addition, an Award of Financial Reporting Achievement has been presented to the Finance Department by the GFOA for preparing the award-winning annual report. The annual report was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive “spirit of full disclosure” to clearly communicate its financial story and motivate potential users and user groups to read the annual report.

Attachments:

Certificate of Achievement for Excellence in Financial Reporting
Award of Financial Reporting Achievement

Submitted by:

A rectangular stamp with the OCERS logo and the text "OCERS T.B. - Approved" in a bold, sans-serif font.

Tracy Bowman
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Orange County Employees Retirement System
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

A handwritten signature in cursive script that reads "Christopher P. Morill".

Executive Director/CEO



**The Government Finance Officers Association of
the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
Orange County Employees Retirement System, California



The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morill

Date: 1/31/2024



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: AMERICAN ADVERTISING AWARDS FOR THE ANNUAL COMPREHENSIVE FINANCIAL REPORTS

Written report only

Background/Discussion

OCERS' Annual Comprehensive Financial Reports for the years ended December 31, 2020 and 2021, were entered into the local tier competition of the American Advertising Awards. The annual reports were submitted by Spencer Lewis Group, an Inland Empire-based graphic design firm who has assisted with producing OCERS' annual reports since 2012.

The American Advertising Awards is conducted annually by the American Advertising Federation and is the advertising industry's largest and most representative competition, attracting nearly 25,000 entries every year in local competitions. Concurrently, across the county, local entrants vie to receive an award – recognition against the very best in their markets. The winners of the local competitions move up to one of 15 District competitions for a chance to advance to the National Finals.

OCERS' Annual Comprehensive Financial Report for the year ended December 31, 2020 was entered in the Printed Annual Report Category under the Entry Name: "75th - An Anniversary Like No Other" and received the 2022 American Advertising Bronze Award.

OCERS' Annual Comprehensive Financial Report for the year ended December 31, 2021 was entered in the Printed Annual Report Category under the Entry Name: "Charting the Course" and received the 2023 American Advertising Silver Award.

Submitted by:

A rectangular stamp with the text "OCERS T.B. - Approved" in a bold, sans-serif font. The stamp has a slightly distressed or ink-like appearance.

Tracy Bowman
Director of Finance



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: David Kim, Director of Internal Audit
SUBJECT: **SUCCESSFUL COMPLETION OF AN EXTERNAL QUALITY ASSESSMENT**

Written report only

Background/Discussion

Under the Institute of Internal Auditors (IIA's) guidelines, an External Quality Assessment (EQA) of an internal audit department must be conducted at least once every five years by a qualified, independent assessor or an independent assessment team from outside the organization. IIA Quality Services was selected by the Audit Committee to lead a full-scope External Quality Assessment (EQA) of OCERS Internal Audit Department in late 2023.

An EQA evaluates conformance with the definition of Internal Auditing and the *International Standards for the Professional Practice of Internal Auditing (Standards)*, and whether internal auditors apply the Code of Ethics.

For 2023, OCERS Internal Audit Department received the EQA's top rating which demonstrates the Internal Audit Department's clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing. The report noted that Internal Audit is a critical component of the governance structure and appropriately monitors the effectiveness of governance, risk management and control activities at OCERS. Results of interviews and surveys of key stakeholders indicate that Internal Audit is highly valued and viewed by OCERS Management as a trusted partner that adds value to the organization. OCERS last received this award in 2018 as well.

Attachments:

IIA Quality Services letter

Submitted by:

DK- Approved

David Kim
Director of Internal Audit



January 30, 2024

David Kim, Director of Internal Audit
Orange County Employees Retirement System
2223 E. Wellington Ave., Ste. 100
Santa Ana, CA 92701

Subject: **Successful Completion of Your Quality Assessment with the IIA**

Dear Mr. Kim,

We are honored to provide this plaque from IIA CEO Anthony Pugliese in recognition of your department's diligence in successfully fulfilling the quality assessment requirements. Our goal at The IIA is to contribute to the elevation of the practice of internal audit around the world and your department has taken a significant step in supporting that goal!

To successfully complete a quality assessment is not easy and takes a concerted effort by your whole staff. To that end, we also want to recognize the effort demonstrated in the review by your team in providing excellent service to your stakeholders.

In addition, if permissible, we would appreciate for your team to celebrate this great achievement by posting to social media and tagging the IIA @ #theiia.

Best of luck in the future as you continue the journey towards continuous quality improvement!

Sincerely,

A handwritten signature in black ink, appearing to read "W. Hersh".

Warren Hersh, CIA, CPA, CISA, CFE
Director, IIA Quality Services
The Institute of Internal Auditors
Elevating Internal Audit Quality Around the World!!



We are Great Place To Work Certified!



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**

Written Report

Background/Discussion

At the Board's request, OCERS' executive staff produced a calendar and running list of upcoming OCERS Travel Policy approved conferences and Board education opportunities.

Attachment:

1. Annual Calendar with Travel Policy Section 10 conferences (dates boxed in red) and scheduled Board and Committee meeting dates
2. Legend and details for Travel Policy Section 10 conferences
3. Appendix of additional pre-approved conferences and Board education opportunities.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

2024 Calendar

January							February							March							April						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3						1	2		1	2	3	4	5	6
7	8	9	10	11	12	13	4	5	6	7	8	9	10	3	4	5	6	7	8	9	7	8	9	10	11	12	13
14	15	16	17	18	19	20	11	12	13	14	15	16	17	10	11	12	13	14	15	16	14	15	16	17	18	19	20
21	22	23	24	25	26	27	18	19	20	21	22	23	24	17	18	19	20	21	22	23	21	22	23	24	25	26	27
28	29	30	31				25	26	27	28	29			24	25	26	27	28	29	30	28	29	30				
														31													

May							June							July							August						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4							1		1	2	3	4	5	6					1	2	3
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31
							30																				

September							October							November							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7			1	2	3	4	5						1	2	1	2	3	4	5	6	7
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
29	30						27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

Federal Holidays 2024

Jan 1	New Year's Day	May 27	Memorial Day	Sep 2	Labor Day	Nov 28	Thanksgiving Day
Jan 15	Martin Luther King Day			Sep 27	Native American Day	Dec 25	Christmas Day
Feb 19	Presidents' Day	Jul 4	Independence Day	Nov 11	Veterans Day		

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Federal Holidays	Audit Committee Meeting
Regular Board Meeting	Building Committee Meeting
Disability Committee Meeting	Governance Committee Meeting
Strategic Planning Workshop	Personnel Committee Meeting
Investment Committee Meeting	Informational Update Meeting

02-21-2024 REGULAR BOARD MEETING - R-17 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1/21/2024	1/22/2024	NCPERS	Pension Comm Summit	Washington DC	
1/22/2024	1/24/2024	NCPERS	Legislative Conference	Washington DC	
1/28/2024	1/30/2024	NAPO	Annual Pension and Benefits Seminar	Las Vegas, NV	
2/24/2024	2/26/2024	NASRA	Winter Meeting	Washington DC	
2/26/2024	2/27/2024	NIRS	Annual Conference	Washington DC	
3/2/2024	3/5/2024	CALAPRS	General Assembly	Rancho Mirage	
5/7/2024	5/10/2024	SACRS	Spring Conference	Santa Barbara, CA	
5/19/2024	5/22/2024	NCPERS	Annual Conference & Exhibition (ACE)	Seattle WA	
6/17/2024	6/19/2024	NCPERS	Chief Officers Summit	Nashville, TN	
7/14/2024	7/17/2024	NAPO	Annual Convention	Nashville, TN	
8/3/2024	8/7/2024	NASRA	Annual Conference	Pittsburgh, PA	
8/18/2024	8/20/2024	NCPERS	Public Pension Funding Forum	Boston, MA	
9/24/2024	9/26/2024	NCPERS	Public Pension HR Summit	Denver, CO	
10/27/2024	10/30/2024	NCPERS	Public Safety Conference	Palm Springs, CA	
11/3/2024	11/6/2024	CRCEA	Contra Costa (CCREA)	Contra Costa	
11/12/2024	11/15/2024	SACRS	Fall Conference	Monterey, CA	
N/A	N/A	NCPERS	FALL Conference	N/A	None in 2024

The following are upcoming conferences and Board education opportunities, pre-approved under the Travel Policy section 12 (highlighted in yellow) and section 14. Note that conferences pre-approved under section 14 AND require overnight accommodations are subject to the limit of three events per year.

March 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
3/3/2024	3/6/2024	WithIntelligence	Women's Private Equity Summit	Phoenix, AZ	Section 14
3/4/2024	3/6/2024	CII	2024 Spring Conference: Governance as a Guidepost	Washington DC	Section 14
3/6/2024	3/7/2024	IFEBP	Investments Institute	Rancho Mirage	Section 14
3/6/2024	3/7/2024	Pacific Pension Inst (PPI)	2024 Winter Roundtable	Napa, CA	Section 14
3/6/2024	3/6/2024	Markets Group	8TH ANNUAL REAL ESTATE WEST FORUM	San Francisco, CA	Section 14
3/10/2024	3/12/2024	P&I	2024 Defined Contribution East Conference	Orlando, FL	Section 14
3/17/2024	3/19/2024	Opal	Real Estate Investment Summit 2024	West Palm Beach, FL	Section 14
3/17/2024	3/19/2024	Opal	ESG & Impact Investing Forum 2024	West Palm Beach, FL	Section 14
3/18/2024	3/20/2024	Markets Group	ALTSLA	Los Angeles, CA	Section 14
3/19/2024	3/21/2024	IREI	2024 Editorial Advisory Board Meeting – Real Assets Adviser	New Orleans	Section 14
3/21/2024	3/22/2024	PREA	2024 Spring Conference	Nashville, TN	Section 14
3/27/2024	3/29/2024	CALAPRS	Advanced Principals of Pension Governance for Trustees at UCLA	Los Angeles, CA	Section 12

April 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
4/7/2024	4/8/2024	Opal	Data and AI Executive Summit 2024	Atlanta, GA	Section 14
4/7/2024	4/10/2024	Investment and Wealth Inst	Investment and Wealth Experience 2024	Las Vegas, NV	Section 14
4/8/2024	4/10/2024	IREI	2024 Spring Editorial Advisory Board Meeting – Institutional Real Estate Americas	Charleston, SC	Section 14
4/9/2024	4/10/2024	P&I	2024 Private Markets Conference	Chicago	Section 14
4/9/2024	4/10/2024	SuperReturn	SuperReturn US West	Los Angeles, CA	Section 14
4/15/2024	4/19/2024	Wharton	Investment Strategies and Portfolio Management	Philadelphia	Section 12
4/15/2024	4/17/2024	WithIntelligence	Pension Bridge The Annual 2024	Half Moon Bay, CA	Section 14
4/21/2024	4/24/2024	PRISM	2024 PRISM Conference	Austin, TX	Section 14

May 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
5/7/2024	5/7/2024	Markets Group	8TH ANNUAL PACIFIC NORTHWEST INSTITUTIONAL FORUM	Seattle WA	Section 14
5/18/2024	5/19/2024	NCPERS	Trustee Educational Seminar (TEDS)	Seattle WA	Section 12
5/18/2024	5/19/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 1&2	Seattle WA	Section 12
5/18/2024	5/19/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 3&4	Seattle WA	Section 12
5/29/2024	5/29/2024	Institutional Investor	2024 Asia Single Family Office Roundtable	Singapore	Section 14

June 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
6/4/2024	6/4/2024	Markets Group	3RD ANNUAL SOUTHERN CALIFORNIA INSTITUTIONAL FORUM	Los Angeles, CA	Section 14
6/5/2024	6/7/2024	IREI	2024 Visions, Insights & Perspective (VIP) Infrastructure	Washington DC	Section 14
6/11/2024	6/12/2024	P&I	2024 Sustainable Returns Conference	Chicago	Section 14
6/11/2024	6/13/2024	WithIntelligence	Women's Private Credit Summit	Chicago	Section 14
6/18/2024	6/18/2024	P&I	2024 Retirement Income Conference	Chicago	Section 14
6/22/2024	6/23/2024	IFEBP	Trustee Institute: Level 2	Las Vegas, NV	Section 14
6/24/2024	6/26/2024	IFEBP	Advanced Trustees and Administrators Institute	Las Vegas, NV	Section 14
6/24/2024	6/26/2024	IFEBP	Trustee Institute: Level 1 (New Trustees)	Las Vegas, NV	Section 14

July 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
7/10/2024	7/12/2024	Pacific Pension Inst (PPI)	2024 SUMMER ROUNDTABLE	Amsterdam, Netherlands	Section 14
7/14/2024	7/17/2024	SACRS	SACRS/UC Berkeley	Berkeley, CA	Section 12
7/22/2024	7/24/2024	Opal	Public Funds Summit East 2024	Newport, RI	Section 14
7/22/2024	7/24/2024	WithIntelligence	Pension Bridge Private Equity Exclusive 2024	Chicago	Section 14

August 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
8/26/2024	8/29/2024	CALAPRS	Principles of Pension Governance for Trustees at Pepperdine University	Malibu	Section 12

September 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
9/9/2024	9/11/2024	CII	2024 Fall Conference: Brooklyn, NY	Brooklyn, NY	Section 14
9/9/2024	9/11/2024	IREI	2024 Fall Editorial Advisory Board Meeting – Institutional Real Estate Americas	Half Moon Bay, CA	Section 14
9/12/2024	9/12/2024	P&I	2024 Influential Women in Institutional Investing	Chicago	Section 14
9/24/2024	9/27/2024	CALAPRS	Administrators Institute	Carmel-By-The-Sea	Section 12

October 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
10/14/2024	10/18/2024	Wharton	Investment Strategies and Portfolio Management	Philadelphia	Section 12
10/15/2024	10/16/2024	Markets Group	7TH ANNUAL PRIVATE EQUITY SAN FRANCISCO FORUM	San Francisco, CA	Section 14
10/16/2024	10/17/2024	WithIntelligence	Pension Bridge Alternatives 2024	NY, NY	Section 14
10/21/2024	10/23/2024	Global ARC	21st Annual Global ARC Boston	Boston, MA	Section 14
10/23/2024	10/25/2024	PREA	34th Annual Institutional Investor Conference	Washington DC	Section 14
10/23/2024	10/25/2024	Pacific Pension Inst (PPI)	2024 ASIA PACIFIC ROUNDTABLE	Hong Kong	Section 14
10/26/2024	10/27/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 1&2	Palm Springs, CA	Section 12
10/26/2024	10/27/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 3&4	Palm Springs, CA	Section 12
10/26/2024	10/27/2024	NCPERS	Program for Advanced Trustee Studies (PATS)	Palm Springs, CA	Section 12

November 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
11/10/2024	11/13/2024	IFEBCP	70th Annual Employee Benefits Conference	San Diego, CA	Section 14
11/12/2024	11/12/2024	Inst Limited Partners Association	ILPA Summit 2024	TBD	Section 14

11/12/2024	11/12/2024	Markets Group	8TH ANNUAL PRIVATE WEALTH SOUTHERN CALIFORNIA FORUM	Los Angeles, CA	Section 14
11/20/2024	11/22/2024	IREI	2024 iREOC Annual Membership Meeting	Austin, TX	Section 14

December 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
12/4/2024	12/6/2024	Opal	CLO Summit 2024	Dana Point, CA	Section 14
12/4/2024	12/4/2024	Markets Group	11TH ANNUAL REAL ESTATE GLOBAL FORUM	NYC	Section 14
12/10/2024	12/11/2024	Markets Group	11TH ANNUAL NORTHERN CALIFORNIA INSTITUTIONAL FORUM	Napa, CA	Section 14

Ad Hoc/No schedule available yet

Global Financial Markets Inst	Ad Hoc	Section 12
IFEBP	Public Employee Benefits Institute- Not Yet Scheduled	Section 14
Inst Shareholder Services Media Solutions	No Schedule Available Yet	Section 14



Memorandum

DATE: February 21, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: Report of Attendance at Conference-Kwame Addo- SCCE REGIONAL CONFERENCE

Background/Discussion

Mr. Addo attended the Society of Corporate Compliance and Ethics- Regional Conference on January 26, 2024, in Irvine, CA. Attached are his notes from his attendance.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



OCERS Board Policy Travel Policy

Report of Attendance at Conference or Seminar

Name of Member Attending: Kwame Addo

Name of Conference/Seminar: SCCE Southern California Regional Compliance & Ethics Conference

Location of Conference/Seminar: Irvine, CA

Conference/Seminar Sponsor: Society of Corporate Compliance and Ethics (SCCE)

Dates of Attendance: 01/26/2024

Total Cost of Attendance: \$260

Brief Summary of Information and Knowledge Gained:

Please see attached.

Evaluation of the Conference or Seminar:

The regional cross-industry conference was effective in discussing current and emerging compliance topics. These included approaches to enhance training/awareness, conflict of interest mitigation, and legal updates.

Recommendation Concerning Future Attendance:

Recommended for future compliance office staff.

Kwame Addo
Kwame Addo (Jan 31, 2024 11:11 PST)
Signature

Return to: Executive Assistant

Copies to: Board Members
Chief Executive Officer
Assistant Chief Executive Officers



OCERS Board Policy Travel Policy

Brief Summary of Information and Knowledge Gained:

The SCCE Southern California Regional Compliance and Ethics Conference offered a cost-effective opportunity to attend a local session in Irvine and obtain Compliance Certification Board approved continuing education units required to maintain the Certified Compliance & Ethics Professional Certification.

The conference was primarily attended by Southern California based public and private sector compliance professionals from organizations that included the County of Orange, Orange County Health Care Agency, County of San Diego, U.S. Attorney's Office, and the Department of Justice.

The following topics were covered:

- Film the Script: Take Your Program from Predictable Tiresome to Purposefully Awesome
- DOJ Compliance Enforcement Updates
- Navigating the US/EU Regulatory Landscape: Key Compliance Themes and Trends for 2024
- Compliance in Bulk: Unpacking the Costco Wisdom for Training Triumphs
- Investigations Evolution: How Diversity, Equity, and Inclusion Improved our Investigations and Reporting Process (presented by the County of San Diego)
- Conflicts of Interest: Identifying the Risks and Mitigating the Harm

The presentations and discussions reinforced the approach being taken to establish OCERS' Compliance Program that will tap into industry best practices. With compliance training being a key element of an effective compliance program, the shift from more textual learning to the design of engaging and captivating training material tends to take center stage in industry discussions. Examples of interactive materials were shared by speakers from Agilent Technologies and the Learning Pool. Representatives of both companies are now contacts who expressed a willingness to share their successes with OCERS.

Updates shared on emerging areas included:

- Guidance for evaluating the use of personal devices and third-party messaging platforms.
- The Southern District of New York's Whistleblower Pilot Program that incentivizes whistle blowers with non-prosecution agreements, even if they are involved in fraudulent activities, if certain conditions are met. This is being watched closely and expected to expand geographically if successful.
- The U.S. Attorney's Office for the Central District of California launch of a corporate fraud strike force to focus aggressively on trading markets and financial systems.