

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

REGULAR MEETING
Monday, March 20, 2017
9:00 a.m.

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 encourages your participation. The public, plan members, beneficiaries, and/or representatives may speak to any subject matter contained in the agenda at the time the item is addressed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda. Persons wishing to address items on the agenda should provide written notice to the Secretary of the Board prior to the Board's discussion on the item by filling out the Public Comment Form located in the back of the room. Members of the public may also comment during the Public Comment period at the end of Open Session. When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

Pledge of Allegiance

Swearing in of OCERS Board Member by Hugh Nguyen, Orange County Clerk Recorder

CONSENT AGENDA

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

BENEFITS

C-1 MATERIAL DISTRIBUTED

[Application Notices](#)

March 20, 2017

[Death Notices](#)

March 20, 2017

Recommendation: Receive and file.

ADMINISTRATION

C-2 [BOARD MEETINGS AND COMMITTEE MEETINGS](#)

Regular Board Meeting Minutes	February 7, 2017
Governance Committee Minutes	February 8, 2017
Audit Committee Minutes	February 28, 2017

Recommendation: Authorize meetings and approve minutes.

C-3 [CEO FUTURE AGENDAS AND 2017 OCERS BOARD WORK PLAN](#)

Recommendation: Receive and file.

C-4 [4th QUARTER UNAUDITED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2016](#)

Recommendation: Receive and file.

C-5 [4th QUARTER 2016 BUDGET VS PRELIMINARY ACTUALS REPORT](#)

Recommendation: Receive and file.

C-6 [BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN UPDATE](#)

Recommendation: Receive and file.

C-7 [GOVERNANCE COMMITTEE OUTCOMES FROM FEBRUARY 8, 2017 MEETING](#)

Recommendation: The Governance Committee recommends that the Board of Retirement adopt:

- (1) Revisions to the OCERS Securities Litigation Policy; and
- (2) The OCERS Board Policy on Membership Eligibility Requirements, with an effective date of January 1, 2018.

C-8 [AUDIT COMMITTEE OUTCOMES FROM FEBRUARY 28, 2017 MEETING](#)

Recommendation: The Audit Committee recommends that the Board of Retirement approve the Audit Committee recommendations for:

A. **AUDIT COMMITTEE ORIENTATION**

Recommendation: Receive and file the *Audit Committee Orientation*.

Following discussion, a motion was made by Mr. Eley and seconded by Mr. Packard to receive and file the *Audit Committee Orientation*. The motion passed unanimously.

B. CONSIDERATION OF INTERNAL AUDIT CHARTER AND AUDIT COMMITTEE CHARTER

Recommendation: Take appropriate action.

Following discussion, a motion was made by Mr. Eley and seconded by Ms. Freidenrich to receive and file with the direction to Internal Audit to bring back a red line version of the Internal Audit Charter and Audit Committee Charter to the next Audit Committee meeting. The motion passed unanimously.

C. REVIEW OF THE CHIEF INVESTMENT OFFICER (CIO) POSITION

Recommendation: Receive and file the report *Review of the CIO Position*.

Following discussion, a motion was made by Mr. Eley and seconded by Mr. Gilbert to receive and file the report *Review of the CIO Position* with staff direction to revise the report for presentation to the Investment Committee. The motion passed unanimously.

D. RFP FOR AN ACTUARIAL FIRM TO PERFORM AN AUDIT OF OCERS' CONSULTING ACTUARY

Recommendation: Approve the RFP for an actuarial firm to perform an audit of OCERS' consulting actuary.

Following discussion, a motion was made by Mr. Eley and seconded by Ms. Freidenrich to approve the RFP for an actuarial firm to perform an audit of OCERS' consulting actuary with direction to make discussed changes. The motion passed unanimously.

E. REVIEW OF 2016 AUDIT PLAN

Recommendation: Receive and file the *2016 Audit Plan*.

Following discussion, a motion was made by Ms. Freidenrich and seconded by Mr. Eley to receive and file the 2016 Audit Plan. The motion passed unanimously.

F. CONSIDERATION OF 2017 RISK ASSESSMENT AND 2017 AUDIT PLAN

Recommendation: Approve the *2017 Risk Assessment and 2017 Audit Plan*.

Following discussion, a motion was made by Mr. Eley and seconded by Ms. Freidenrich to approve the 2017 Risk Assessment and 2017 Audit Plan. The motion passed unanimously.

G. OVERVIEW OF AUDIT COMMITTEE OVERSIGHT OF OCERS' SECURITY

Recommendation: Receive and file.

Following discussion, a motion was made by Ms. Freidenrich and seconded by Mr. Eley to receive and file the 2016 Audit Plan. The motion passed unanimously.

Recommendation: Approve Steve Delaney’s attendance and related expenses including overnight accommodations for the CEM Global Pension Administration Conference, May 8-11, 2017, at the Westin Chicago River North, Chicago, Illinois.

C-10 [SERVICE PROVIDER PERFORMANCE REVIEW - ReedSmith](#)

Recommendation: Direct staff to begin the performance review process for ReedSmith as directed by OCERS Procurement & Contracting policy.

C-11 [BOARD COMMUNICATION](#)

Recommendation: Receive and file.

* * * * * **END OF CONSENT AGENDA** * * * * *

INDIVIDUAL ITEMS AGENDA

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

I-2 [2017 STAR COLA FINAL APPROVAL](#)

Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations, OCERS

Recommendation: Approve payment of STAR COLA for the period April 1, 2017 through March 31, 2018.

I-3 [2017 STATE OF OCERS ANNUAL REPORT](#)

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Receive and file.

I-4 [OCERS VISION AND VALUES](#)

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Take appropriate action.

I-5 [2016 BUDGET AMENDMENT](#)

Presentation by Tracy Bowman, Director of Finance, OCERS

Recommendation: Approve an amendment to OCERS’ Administrative and Investment Budget for 2016 in the amount of \$28.0 million, increasing the 2016 investment budget from \$41,666,661 to \$69,666,661 and the overall amended budget from \$59,559,303 to \$87,559,303.

I-6 **OCERS BOARD PERFORMANCE SELF-REVIEW**

Presentation by David Ball, Chair, OCERS Board or Retirement

Recommendation: Request the Governance Committee review the current policy directive that the OCERS Board of Retirement annually “review the performance of the Board.”

I-7 **SACRS BOARD OF DIRECTORS ELECTIONS 2017-2018 – RECOMMENDED SLATE AND OPPORTUNITY TO SUBMIT WRITE-IN CANDIDATES**

Presentation by Gina Ratto, Chief Legal Officer

Recommendation: Determine whether to submit write-in candidates to be included on the SACRS Nominating Committee’s final ballot for the SACRS Board of Directors 2017-2018 Election. If the Board does not wish to submit any write-in candidates, then receive and file.

*** * * * * END OF INDIVIDUAL ITEMS AGENDA * * * * ***

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

11:00 A.M.

NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS, THE BOARD MAY FIND IT NECESSARY TO DISCUSS MATTERS RELATING TO THE EVALUATION OF THE WORK PERFORMANCE OF AN EMPLOYEE WHO HAS APPLIED FOR DISABILITY RETIREMENT, OR DISCUSS COMPLAINTS OR CHARGES MADE AGAINST SUCH EMPLOYEE. IF THIS OCCURS, THE BOARD MAY ADJOURN TO A CLOSED SESSION TO DISCUSS SUCH MATTERS PURSUANT TO GOVERNMENT CODE SECTION 54957, UNLESS THE EMPLOYEE REQUESTS THAT THE DISCUSSION BE IN PUBLIC.

D-1: Louann R. Clark

Deputy Sheriff II, Orange County Sheriff’s Department

Date of employee filed application for service and non-service connected disability retirement:
02/18/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF DECEMBER 9, 2016. (SAFETY MEMBER) (D-1)

D-2: Ronnie Epperson

Deputy Sheriff II, Orange County Sheriff’s Department

Date of employee filed application for service connected disability retirement: 01/12/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF JANUARY 12, 2016. (SAFETY MEMBER) (D-2)

D-3: Albert Hart

Building Inspector IV, Orange County Public Works

Date of employee filed application for service connected disability retirement: 06/19/2015

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF JUNE 19, 2015. (GENERAL MEMBER) (D-3)

D-4: Mitch Hawk

Equipment Operator, Orange County Public Works

Date of employer filed application for service and non-service connected disability retirement: 09/18/2014

Date of employee filed application for service and non-service connected disability retirement: 06/19/2015

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF MAY 29, 2015. (GENERAL MEMBER) (D-4)

D-5: Judy Jackson

Deputy Sheriff II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement: 11/12/2015

Date of employee filed application for service and non-service connected disability retirement: 01/19/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF SEPTEMBER 30, 2016. (SAFETY MEMBER) (D-5)

D-6: Debra Morris

Correctional Services Technician, Orange County Sheriff's Department

Date of employee filed application for service and non-service connected disability retirement: 08/24/2015

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF MARCH 18, 2016. (GENERAL MEMBER) (D-6)

D-7: Amelia Perez

Custodian, Orange County Public Works

Date of employee filed application for service and non-service connected disability retirement: 09/11/2015

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF APRIL 20, 2016. (GENERAL MEMBER) (D-7)

D-8: Ana Portillo

Deputy Probation Counselor, Probation Department

Date of employee filed application for service connected disability retirement: 09/10/2014

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF JULY 8, 2005, THE DAY FOLLOWING THE LAST DAY OF REGULAR COMPENSATION AS A DEPUTY PROBATION COUNSELOR. AND TO FIND THE APPLICANT IS CAPABLE OF PERFORMING OTHER DUTIES IN THE SERVICE OF THE COUNTY OF ORANGE PURSUANT TO GOVERNMENT CODE SECTION 31725.65. AND TO GRANT A SUPPLEMENTAL DISABILITY RETIREMENT PAYMENT ALLOWANCE IN THE AMOUNT OF THE SALARY DIFFERENCE BETWEEN THE HIGHER AND LOWER PAYING POSITIONS EFFECTIVE JULY 8, 2005, THE DATE OF THE POSITION CHANGE UNTIL THE LAST DAY OF COMPENSATION, JANUARY 26, 2014. (SAFETY MEMBER) (D-8)

D-9: Billie Rowe

Coach Operator, Orange County Transportation Authority
Date of employer filed application for non-service connected disability retirement: 10/15/2014
Date of employee filed application for service and non-service connected disability retirement: 05/27/2015

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF MAY 18, 2014. (GENERAL MEMBER) (D-9)

D-10: Joyce Simon

Financial Counselor II, Orange County Auditor Controller
Date of employee filed application for service and non-service connected disability retirement: 12/22/2014

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT DUE TO INSUFFICIENT EVIDENCE OF PERMANENT INCAPACITY. (GENERAL MEMBER) (D-10)

D-11: Martha Aragon (deceased)

Coach Operator, Orange County Transportation Authority

STAFF RECOMMENDATION IS TO GRANT SURVIVOR BENEFITS PURSUANT TO GOVERNMENT CODE SECTION 31787 (OPTIONAL DEATH ALLOWANCE). (GENERAL MEMBER) (D-11)

D-12: Larry Colgan

Fire Captain, Orange County Fire Authority
Date of employee filed application for service connected disability retirement: 08/22/2012

STAFF RECOMMENDATION IS TO ADOPT THE FINDINGS AND RECOMMENDATIONS OF THE HEARING OFFICER AND GRANT APPLICANT'S APPLICATION FOR SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF FEBRUARY 22, 2013. (SAFETY MEMBER) (D-12)

CLOSED SESSION ITEMS

- E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED
(GOVERNMENT CODE SECTION 54956.9(d)(1)) O.C. Department of Education v. OCERS, CA**

Superior Court, Orange County, (Case No. 30-2016-00836897)
Adjourn pursuant to Government Code Section 54956.9(d)(1).

Recommendation: Take appropriate action.

**E-2 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED
(GOVERNMENT CODE SECTION 54956.9(d)(1)) Fereshteh Shafiee v. OCERS, CA Superior Court,
Orange County (Case No. 30-2017-00902840-CU-WM-CJC)**
Adjourn pursuant to Government Code section 54956.9(d)(1).

Recommendation: Take appropriate action.

PUBLIC COMMENTS: At this time members of the public may address the Board of Retirement regarding any items within the subject matter jurisdiction of the Board, provided that no action may be taken on non-agendized items unless authorized by law.

BOARD MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

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

NOTICE OF NEXT MEETINGS

INVESTMENT COMMITTEE MEETING

March 28, 2017

9:00 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

MANAGER MONITORING SUBCOMMITTEE MEETING

April 6, 2017

9:00 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

REGULAR BOARD MEETING
April 17, 2017
9:00 A.M.

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

All supporting documentation is available for public review in the retirement office during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday and 8:00 a.m. – 4:30 p.m. on Friday.

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.