

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

**REGULAR MEETING
Monday, June 12, 2017
9:00 a.m.**

MINUTES

Chair Ball called the meeting to order at 9:01 a.m.

Attendance was as follows:

Present: David Ball, Chair; Chris Prevatt, Vice Chair; Eric Gilbert, Chuck Packard, Russell Baldwin, Shawn Dewane, Roger Hilton; Wayne Lindholm, Frank Eley and Shari Freidenrich

Also Present: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Finance and Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Catherine Fairley, Director of Member Services; Jenny Sadoski, Director of Information Technology; David James, Director of Internal Audit; Gina Ratto, Chief Legal Officer; Lee Fink, Deputy Chief Legal Officer; Anthony Beltran, Visual Technician; Megan Cortez; Disability Coordinator; Cammy Danciu, Recording Secretary.

Guests: Harvey L. Leiderman, ReedSmith LLP, Julie Goldsmith Reiser, Cohen Milstein Sellers & Toll

Mr. Hilton led the Pledge of Allegiance.

Ms. Freidenrich arrived at 9:02am

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.

Chair Ball pulled items C-4, C-5 and C-6 for discussion.

BENEFITS

C-1 MATERIAL DISTRIBUTED

Application Notices
Death Notices

June 12, 2017
June 12, 2017

Recommendation: Receive and file.

ADMINISTRATION

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board Meeting Minutes

May 15, 2017

Recommendation: Authorize meeting and approve minutes.

C-3 CEO FUTURE AGENDAS AND 2017 OCERS BOARD WORK PLAN

Recommendation: Receive and file.

C-4 DIRECTIVE TO REVIEW OCERS INVESTMENT FEE REPORT

Recommendation: Receive and file.

C-5 DIRECTIVE TO REVIEW NEW YORK STATE COMMON RETIREMENT FUND'S SCANDAL

Recommendation: Receive and file.

C-6 2017 STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA TOPICS

Recommendation: Receive and file.

C-7 2017 – 2019 STRATEGIC PLAN – QUARTERLY REVIEW

Recommendation: Receive and file.

C-8 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Recommendation: Receive and file.

C-9 LEGISLATIVE UPDATE

Recommendation: Receive and file.

C-10 BOARD COMMUNICATIONS

Recommendation: Receive and file.

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

INDIVIDUAL ITEMS AGENDA

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

C-4 - DIRECTIVE TO REVIEW OCERS INVESTMENT FEE REPORT

Mr. Delaney noted that the OCERS Board's Audit Committee had just met the Friday before to discuss the OCERS Investment fee report. It was too soon to share the materials considered by the committee, however, the materials will come to the Board as part of the July 17, 2017 Board agenda packet. Noting that the committee was working to meet the challenges posed by Board Chair Ball to make the fee report more actionable on a legal, policy and managerial level, Mr. Delany provided a verbal update as to what had been considered. The committee was informed that OCERS already has a strong foundation with an award winning fee report, the use of templates for gathering data as well as having requirements included in contracts. Also, Molly Murphy, OCERS new CIO, will take the lead on this project upon her arrival on June 23, 2017.

Mr. Delaney then laid out an anticipated timeline. First he reported that the Audit materials of June 9, 2017 will be available in the July 17, 2017 Board packet. Second, he noted that the fourth annual OCERS Investment fee report will be released in August. Prior to that, the Audit Committee will meet to provide further input and suggestions. Furthermore, Tom Hickey will be attending the 2017 Strategic Planning Workshop where he will tackle where the "line" should be drawn when determining fees as opposed to expenses. Lastly, the first legal report as required by GC 7514.7 (AB 2833) will be presented with an effective date of January 1, 2018.

C-5 - DIRECTIVE TO REVIEW NEW YORK STATE COMMON RETIREMENT FUND'S SCANDAL

David James gave an update of the New York State common retirement fund's scandal that he also discussed at the June 9, 2017 Audit Committee meeting.

Mr. Ball commented that this New York scandal is an example of how controls and processes are needed in order to avoid situations like this.

Mr. Packard stated that the Audit Committee conducted a deep dive when looking at wire transfers and concluded that OCERS has good controls and procedures put in place.

Mr. Ball thanked the Audit Committee and the amount of extra effort that they have been giving.

C-6 – 2017 STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA TOPICS

Ms. Freidenrich made a comment regarding a possible reserve policy agenda topic for the 2017 Strategic Planning Workshop, to be held in September, and stated that it seems OCERS doesn't have a formal policy in place for this complicated process.

Mr. Delaney stated that we do have policies related to reserve in place at OCERS, however the question of earnings has come up and that's what the proposed topic would discuss during the Strategic Planning Workshop if so directed. Mr. Delaney will also work with Ms. Shott to bring materials forward for this topic at some future point.

Following discussion, a **motion** was made by Mr. Packard, **seconded** by Mr. Baldwin to move the entire consent calendar.

The motion carried **unanimously**.

I-2 AOCDS POST MANDATORY TRAINING BENEFIT CORRECTION

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

Recommendation: Staff recommends the Board correct the underpaid benefits by:

1. Correcting (increasing) the monthly benefit going forward; and
2. Reimbursing members the full amount of the underpaid benefits retroactive to their effective date of retirement; and
3. Paying the members 3% interest compounded annually on the underpaid benefits; and
4. Collecting the underpaid benefits and interest thereon from the County by including the amount in the 2017 UAAL amortization as an actuarial loss.

Staff recommends the Board correct the overpaid benefits, effective July 1, 2017, by:

1. Correcting (decreasing) the monthly benefit going forward; and
2. Continuing to collect the full amount of the overpaid benefits retroactive to the effective date of retirement from the County by leaving the amount in the County's UAAL.

In addition, staff recommends that the Board direct staff to work with the County payroll department so that:

1. The employer properly reports pensionable pay items to OCERS in the future; and
2. Employee and employer contributions are charged and collected on those pensionable pay items on a biweekly basis.

Mr. Delaney and Ms. Jenike presented the AOCDS post mandatory training benefit correction overview and reviewed the information discussed in the May 15, 2017 Regular Board Meeting.

Mr. Prevatt asked how the overpayment will be collected.

Ms. Jenike stated that OCERS has some say as to how the collection of money will occur.

Mr. Hilton's biggest concern is the controls going forward and made clear OCERS needs to do a better job going forward.

Mr. Packard said he doesn't want this to be something to deal with in the future. He stated that he strongly encourages the way this item is repeated to be electronic not manual to alleviate errors.

Mr. Delaney stated that OCERS is looking at process improvements to avoid errors in the future.

Ms. Ratto stated that any member would have the right to appeal any decisions made by the board.

Ms. Freidenrich stated that there needs to be a better method in the audits conducted to reveal a more diversified sample testing.

Ms. Freidenrich asked that a citation of the section of the policy be added in staff's recommendation in order to protect the board as well as the member.

Mr. Ball asked if section D from the policy could be included in staff's recommendation.

Mr. Hilton amended the original motion to incorporate new language.

Linda Hallogan, Director of Communication, AOCDS, read a letter from Mr. Tom Dominguez in support of staff's recommendation.

Mr. Ball apologized to the members for this very unfortunate situation and the hardship caused by this error and stated that OCERS is working diligently to ensure this doesn't happen in the future.

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane to approve staff recommendation based upon the terms of the overpaid and underpaid planned benefits policy and specifically in reference to paragraphs 8D and 4 of that policy.

The motion carried **8-1** with voting as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Mr. Dewane	Mr. Lindholm		
Mr. Eley			
Ms. Freidenrich			
Mr. Packard			
Mr. Baldwin			
Mr. Hilton			
Mr. Prevatt			
Chair Ball			

The Board recessed for break at 10:07am

The Board reconvened from break at 10:18am

Recommendation: Approve the Actuarial Valuation and Review as of December 31, 2016 and adopt contribution rates for Fiscal Year 2018 – 2019 as recommended by Segal Consulting.

Mr. Paul Angelo summarized the Actuarial December 31, 2016 valuation.

Following discussion, a **motion** was made by Mr. Eley, **seconded** by Mr. Prevatt to approve the Actuarial Valuation and Review as of December 31, 2016 and adopt contribution rates for Fiscal Year 2018 – 2019 as recommended by Segal Consulting.

The motion carried **unanimously**.

Mr. Angelo also presented the selection of Alternative Economic Assumptions for Use in Sensitivity Analyses, a new deliverable required by the most recent OCERS contract with Segal Consulting.

Mr. Lindholm asked for the supporting backup for the inflation and return rates for the five and ten year average.

Mr. Angelo stated that the Experience Study will be presented in more detail in the August or September Regular Board meeting.

Mr. Ball and Mr. Eley asked Mr. Angelo to modify two out of the four alternatives to reflect an alternate percentage rate for Real Return and inflation.

Mr. Ball directed Mr. Angelo to come back to the Board with the modified alternatives as discussed by himself and Mr. Eley.

I-4 GASB 68 VALUATION AND AUDIT REPORT

Presentation by Brenda Shott, Assistant Chief Executive Officer and Tracy Bowman, Director of Finance

Recommendation: Approve the following recommendations from the Audit Committee during a meeting held on June:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2016.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2016 for distribution to employers.

Ms. Shott presented the GASB 68 Valuation and Audit Report.

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Dewane to approve the following recommendations from the Audit Committee during a meeting held on June:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2016.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2016 for distribution to employers.

The motion carried **unanimously**.

I-5 2016 AUDITED FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORTS
Presentation by Brenda Shott, Assistant Chief Executive Officer and Tracy Bowman, Director of Finance

Recommendation: Approve the following recommendations presented to the Audit Committee during a meeting held on June 9, 2017:

1. Approve OCERS' audited financial statements for the year ended December 31, 2016.
2. Direct staff to finalize OCERS' 2016 Comprehensive Annual Financial Report (CAFR)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2016.
4. Receive and file Macias, Gini & O'Connell LLP's (MGO) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2016" and their "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

Ms. Shott presented the 2016 Audited Financial Statements and Comprehensive Annual Financial reports.

Mr. Packard stated that the Audit Committee thoroughly reviewed the CAFR information and concluded that the CAFR should be accepted and that it was very well done.

Mr. Dewane asked if the auditors have independent access to the Board and does the auditor act independently of the staff and have conversations throughout the audit process with members of the Audit Committee.

Ms. Shott replied that the auditors are independent and remain independent and have direct contact with the Audit Committee.

Following discussion, a **motion** was made by Ms. Freidenrich, **seconded** by Mr. Dewane to approve the following recommendations presented to the Audit Committee during a meeting held on June 9, 2017:

1. Approve OCERS' audited financial statements for the year ended December 31, 2016.
2. Direct staff to finalize OCERS' 2016 Comprehensive Annual Financial Report (CAFR)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2016.
4. Receive and file Macias, Gini & O'Connell LLP's (MGO) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2016" and their "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

The motion carried **unanimously**.

I-6 BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN UPDATE
Presentation by Jenny Sadoski, Director of Information Technology, and Jon Gossard, I.T. Manager, OCERS

Recommendation: Receive and file.

Ms. Sadoski provided an overview of the business continuity and disaster discovery plan.

Mr. Hilton excused himself at 11:03am

Mr. Hilton returned at 11:05am

Mr. Ball asked Ms. Sadoski to elaborate on the private cloud and what exactly it encompasses.

Ms. Sadoski stated that with the provided cloud the hardware and infrastructure is owned by OCERS but is located in a shared co-location facility.

Mr. Packard asked who has access to the racks and the machines themselves and expressed his concern that not all IT staff should be allowed to have access.

Ms. Freidenrich asked what the advantages are in having an offsite, local secondary location.

Ms. Sadoski replied that the consultants recommend significant upgrades and changes needed in to bring it up to an adequate data center. Ultimately the consultant recommended an office professionally managed facility.

Mr. Eley stated that whomever OCERS picks as the provider, there will always be a security issue and asked how he can be assured that voicemails will not be hacked.

Ms. Sadoski stated that OCERS makes every effort to keep up with new technology and constantly improving methods to prevent hackers from being successful in penetrating firewalls but she cannot give Mr. Eley a guarantee that OCERS will never be hacked.

Mr. Dewane asked if OCERS uses a 2 form identification factor when logging in to OCERS computers.

Ms. Sadoski said no, but is working on implementing that soon.

Mr. Ball commented that it might be interesting to take a field trip to the off-site locations.

Mr. Prevatt stated that there's no way to protect against everything in protecting OCERS information. He stated that it might be good to contract out if a server goes down in the offsite location. He stated that OCERS has done a good job in preparing for a disaster recovery.

Mr. Ball thanked staff for staying on top of the systems and of all their hard work.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Dewane to receive and file the business continuity and disaster recovery plan.

The motion carried **unanimously**.

I-7 CYBER SECURITY OVERVIEW

Presentation by Jenny Sadoski, Director of Information Technology, and Jon Gossard, I.T. Manager, OCERS

Recommendation: Receive and file.

Mr. Lindholm excused himself for the day at 11:37am

Mr. Prevatt excused himself at 11:39am

Mr. Prevatt returned at 11: 42am

Ms. Sadoski presented the Cyber Security Overview.

Mr. Ball asked about having a group come together on a more formalized and structured basis and sit down for discussion regarding security issues. He asked that CEO Delaney give some thought to the creation of a subcommittee that could help with this issue.

Ms. Shott stated that OCERS currently has a subscription to Gartner and that they offer services such as cyber security, research resources and technical analyst who specialize in various areas. OCERS is able to meet with analyst whenever needed.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Dewane to receive and file the cyber security overview.

The motion carried **unanimously**.

I-8 ANNUAL BUSINESS PLAN PROGRESS – MID-YEAR REVIEW

Presentation by Steve Delaney, Chief Executive Officer, OCERS

Recommendation: Receive and file.

Mr. Delaney presented only the changes that occurred in the business plan mid-year review.

Mr. Hilton excused himself at 11:52am

Mr. Hilton returned at 11:54am

Following discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Packard to receive and file the annual business plan progress – mid-year review.

The motion carried **unanimously**.

The Board recessed for lunch at 11:55am

The Board returned from lunch at 1:00pm

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

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

1:00 P.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.

Megan Cortez, Disability Coordinator, presented D-1 to the Board along with the staff recommendation.

D-1: Nicholas Casson
Firefighter, Orange County Fire Authority
Date of employee filed application for service connected disability retirement: 05/05/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF THE DAY FOLLOWING THE LAST DAY OF COMPENSATION. (SAFETY MEMBER) (D-1)

Following discussion, a **motion** was made by Mr. Gilbert, **seconded** by Mr. Packard, to grant service connected disability retirement with an effective date of the day following the last day of compensation. The motion carried **7-0** with voting as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Mr. Eley			Mr. Lindholm
Ms. Freidenrich			Mr. Dewane
Mr. Packard			
Mr. Baldwin			
Mr. Gilbert			
Mr. Prevatt			
Chair Ball			

Megan Cortez, Disability Coordinator, presented D-2 to the Board along with the staff recommendation.

D-2: Jesse Gonzales
Landfill Equipment Operator, Orange County Waste and Recycling
Date of employee filed application for service connected disability retirement: 05/03/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF MAY 3, 2016. (GENERAL MEMBER) (D-2)

Following discussion, a **motion** was made by Mr. Baldwin, **seconded** by Mr. Eley, to grant service connected disability retirement with an effective date of May 3, 2016. The motion carried **7-0** with voting as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Mr. Eley			Mr. Lindholm

Ms. Freidenrich
Mr. Packard
Mr. Baldwin
Mr. Hilton
Mr. Prevatt
Chair Ball

Mr. Dewane

Megan Cortez, Disability Coordinator, presented D-3 to the Board along with the staff recommendation.

D-3: Amadeo Guerrero

Laborer, Orange County Waste and Recycling

Date of employee filed application for service and non-service connected disability retirement:
06/22/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF JUNE 22, 2016. (GENERAL MEMBER) (D-3)

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Packard, to grant service connected disability retirement with an effective date of June 22, 2016. The motion carried **7-0** with voting as follows:

AYES

Mr. Eley
Ms. Freidenrich
Mr. Packard
Mr. Baldwin
Mr. Hilton
Mr. Prevatt
Chair Ball

NAYS

ABSTAIN

ABSENT

Mr. Lindholm
Mr. Dewane

Megan Cortez, Disability Coordinator, presented D-4 to the Board along with the staff recommendation.

D-4: Wendy Kahapea

Group Counselor II, Orange County Social Services Agency

Date of employer filed application for service and non-service connected disability retirement:
03/03/2016

Date of employee filed application for service and non-service connected disability retirement:
03/23/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF MARCH 4, 2016, THE DAY FOLLOWING THE LAST DAY OF REGULAR COMPENSATION AS A GROUP COUNSELOR I. FIND THE APPLICANT IS CAPABLE OF PERFORMING OTHER DUTIES IN THE SERVICE OF THE COUNTY OF ORANGE PURSUANT TO GOVERNMENT CODE SECTION 31725.65. GRANT A SUPPLEMENTAL DISABILITY RETIREMENT PAYMENT ALLOWANCE IN THE AMOUNT OF THE SALARY DIFFERENCE BETWEEN THE HIGHER AND LOWER PAYING POSITIONS EFFECTIVE MARCH 4, 2016, THE DATE OF THE POSITION CHANGE UNTIL THE LAST DAY OF COMPENSATION. (GENERAL MEMBER) (D-4)

Mr. Baldwin asked Ms. Cortez to comment on this topic as to why Ms. Kahapea returned to work.

Ms. Cortez stated that Ms. Kahapea is capable of performing other duties in the County of Orange and therefore she took a pay cut into a different classification to continue working.

Jane Oatman, member of the public spoke on behalf of the applicant and encouraged the board to approve staff recommendation.

Following discussion, a **motion** was made by Mr. Baldwin, **seconded** by Mr. Packard, grant service connected disability retirement with an effective date of March 4, 2016, the day following the last day of regular compensation as a Group Counselor I. Find the applicant is capable of performing other duties in the service of the County of Orange pursuant to Government Code Section 31725.65. Grant a supplemental disability retirement payment allowance in the amount of the salary difference between the higher and lower paying positions effective March 4, 2016, the date of the position change until the last day of compensation. The motion carried **7-0** with voting as follows:

AYES

Mr. Eley
Ms. Freidenrich
Mr. Packard
Mr. Baldwin
Mr. Hilton
Mr. Prevatt
Chair Ball

NAYS

ABSTAIN

ABSENT

Mr. Lindholm
Mr. Dewane

Megan Cortez, Disability Coordinator, presented D-5 to the Board along with the staff recommendation.

D-5: Joseph McClintock

Sergeant, Orange County Sheriff's Department

Date of employee filed application for service and non-service connected disability retirement:
05/23/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF SEPTEMBER 4, 2015. (SAFETY MEMBER) (D-5)

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Packard, to grant service connected disability retirement with an effective date of September 4, 2015. The motion carried **7-0** with voting as follows:

AYES

Mr. Eley
Ms. Freidenrich
Mr. Packard
Mr. Baldwin
Mr. Hilton
Mr. Prevatt
Chair Ball

NAYS

ABSTAIN

ABSENT

Mr. Lindholm
Mr. Dewane

Megan Cortez, Disability Coordinator, presented D-6 to the Board along with the staff recommendation.

D-6: Carl Pollitt

Deputy Sheriff II, Orange County Sheriff's Department

Date of employee filed application for service connected disability retirement: 08/25/2015

STAFF RECOMMENDATION IS TO DENY SERVICE CONNECTED DISABILITY RETIREMENT DUE TO INSUFFICIENT EVIDENCE OF PERMANENT INCAPACITY AND JOB CAUSATION, DENY THE APPLICATION AS IT WAS NOT FILED TIMELY PURSUANT TO GOVERNMENT CODE SECTION 31722. (SAFETY MEMBER) (D-6)

Mr. Hilton asked Ms. Cortez to provide more insight on job causation.

Ms. Cortez stated that Carl's condition is hypertension and controlled with medication however if it led to heart trouble, this happened after he left employment. Also she stated that hypertension is not covered by the heart presumption.

Ms. Ratto confirmed that hypertension is not sufficient for the heart presumption.

Following discussion, a **motion** was made by Mr. Baldwin, **seconded** by Mr. Packard to deny service connected disability retirement due to insufficient evidence of permanent incapacity and job causation, deny the application as it was not filed timely pursuant to government code section 31722. The motion carried **6-1** with voting as follows:

AYES

Mr. Eley
Ms. Freidenrich
Mr. Packard
Mr. Baldwin
Mr. Prevatt
Chair Ball

NAYS

Mr. Hilton

ABSTAIN

ABSENT

Mr. Lindholm
Mr. Dewane

Megan Cortez, Disability Coordinator, presented D-7 to the Board along with the staff recommendation.

D-7: Shayla Moore

Coach Operator, Orange County Transportation Authority

Date of employee filed application for service connected disability retirement: 09/16/2008

STAFF RECOMMENDATION IS FOR THE BOARD TO DISMISS THE APPEAL WITHOUT PREJUDICE PURSUANT TO THE ADMINISTRATIVE HEARING PROCEDURES, RULE 23. (GENERAL MEMBER) (D-7)

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Eley to dismiss the appeal without prejudice pursuant to the administrative hearing procedures, Rule 23. The motion carried **7-0** with voting as follows:

AYES

Mr. Eley
Ms. Freidenrich

NAYS

ABSTAIN

ABSENT

Mr. Lindholm
Mr. Dewane

Mr. Packard
Mr. Baldwin
Mr. Prevatt
Chair Ball
Mr. Hilton

Board adjourned into closed session to discuss item D-8 at 1:12pm
Board reconvened from closed session at 1:35pm

D-8: Rick Edgmon

AFFIRM STAFF'S DETERMINATION THAT MR. EDGMON SHOULD BE REQUIRED TO REPAY THE TOTAL AMOUNT OF THE BENEFITS OVERPAID TO HIM SINCE HE RETIRED ON NOVEMBER 11, 2005 IN THE APPROXIMATE AMOUNT OF \$237,107.79. STAFF ALSO RECOMMENDS THAT OCERS FORGO THE COLLECTION OF INTEREST ON THE OVERPAYMENT, AND THAT MR. EDGMON BE GIVEN 20 YEARS TO REPAY THE OVERPAYMENT THROUGH MONTHLY DEDUCTIONS TO HIS RETIREMENT ALLOWANCE.

(MEMBER) (D-8)

The Board adjourned into closed session at 1:36pm
Mr. Hilton excused himself for the day at 2:02pm
Mr. Gilbert stepped out at 2:21pm
Mr. Gilbert returned at 2:22pm
The Board reconvened from closed session at 2:42pm

Mr. Ball stated there is no reportable action taken in closed session. Item D-8 will be continued to the July 17, 2017 Regular Board meeting at the request of the member.

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.

N/A

BOARD MEMBER COMMENTS

N/A

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

Ms. Jenike gave the board an update on the membership policy, the part-time issue that the Board ratified several months ago. She has been working with Plan Sponsors and they are cooperating fully. She will report with complete details in the July 17, 2017 Regular Board meeting.

COUNSEL COMMENTS

N/A

CLOSED SESSION ITEMS

**E-1 CONFERENCE REGARDING SIGNIFICANT EXPOSURE TO LITIGATION (ONE MATTER)
(GOVERNMENT CODE SECTION 54956.9)**

Adjourn pursuant to Government Code section 54956.9(d)(2)

Recommendation: Take appropriate action.

No reportable action taken.

**E-2 CONFERENCE REGARDING INITIATION OF LITIGATION (ONE MATTER)
(GOVERNMENT CODE SECTION 54956.9)**

Adjourn pursuant to Government Code section 54956.9(d)(4) to consider whether to initiate litigation.

Recommendation: Take appropriate action.

The Board has voted unanimously to authorize staff to retain the law firm of Cohen Milstein Sellers & Toll to file an action in OCERS name. The identity of the defendants will not be disclosed and will remain confidential until the case has been filed.

**E-3 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.

No reportable action taken.

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

Active Members

Gonzales, Cora

Ta, Grace

Whitehill, Joel

Retired Members

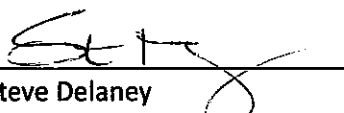
Brothwell, Bob
Chambers, Gregory
Cornett, Wayne
Criddle, Jack
Dickens, Jo Dell
Dorman, Mary
Drum, Stuart
Epstein, Florence
Fernandez, Fidel
Holverstott, Charles
Horgan, Karen
Nichols, Edward
Nordbak, Catherine
Olis, Cynthia
Puckett, Jacqueline
Smith, Juliann
Switzer, Barbara
Tolman, Dee
Wiest, Carlos
Wilkinson, Michelle
Wilson, James

Surviving Spouses

Boutet, Helen
Campbell, Shirley
Copeland, Charles
Haywood, Frances
Tallman, Virginia
Weisner, Arlene


There being no further business to bring before the Board, the meeting adjourned at 2:45p.m.

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



David Ball
Chairman