

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

REGULAR MEETING
Monday, July 17, 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.

The Board may take action on any items included in the agenda.

Pledge of Allegiance

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](#)
[Death Notices](#)

July 17, 2017
July 17, 2017

Recommendation: Receive and file.

C-2 [OPTION 4 RETIREMENT ELECTION – JEFF GRIFFITH](#)

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

ADMINISTRATION

C-3 [BOARD MEETINGS AND COMMITTEE MEETINGS](#)

Governance Committee Meeting Minutes	June 8, 2017
Audit Committee Meeting Minutes	June 9, 2017
Regular Board Meeting Minutes	June 12, 2017
Audit Committee Meeting Minutes	June 12, 2017

Recommendation: Authorize meeting and approve minutes.

C-4 [CEO FUTURE AGENDAS AND 2017 OCERS BOARD WORK PLAN](#)

Recommendation: Receive and file.

C-5 [GOVERNANCE COMMITTEE OUTCOMES FROM JUNE 8, 2017 MEETING](#)

Recommendation:

The Governance Committee recommends that the Board of Retirement adopt:

- (1) Budget Approval Policy, with revisions as approved by the Committee;
- (2) Planning Policy, with revisions as approved by the Committee;
- (3) Quiet Period Policy, with revisions as approved by the Committee; and
- (4) Disability Retirement Policy, with non-substantive revisions as approved by the Committee.

C-6 [AUDIT COMMITTEE OUTCOMES FROM JUNE 9, 2017 MEETING](#)

Recommendation:

The Audit Committee recommends that the Board of Retirement approves:

- (1) Receive and file the presentation of OCERS' Investment Fee Report
- (2) Receive and file the review of OCERS' Investment Wire Transfer Process report
- (3) Receive and file the presentation of New York State Retirement Fund's Scandal and OCERS' Policies
- (4) Approve the selection of Cheiron as OCERS' Actuarial Auditor for the 2016 Actuarial Valuation

C-7 [QUIET PERIOD – NON-INVESTMENT CONTRACTS](#)

Recommendation: Receive and file.

C-8 [LEGISLATIVE UPDATE](#)

Recommendation: Receive and file.

C-9 [CEM GLOBAL PENSION ADMINISTRATION CONFERENCE](#)

Recommendation: Receive and file.

C-10 [TRAVEL REPORT – PUBLIC RISK MANAGEMENT ASSOCIATION \(PRIMA\) ANNUAL CONFERENCE](#)

Recommendation: Receive and file.

C-11 [SECOND QUARTER 2017 EDUCATION AND TRAVEL EXPENSE REPORT](#)

Recommendation: Receive and file.

C-12 [SEPTEMBER 2017 STRATEGIC PLANNING WORKSHOP INVESTMENT FORUM AGENDA](#)

Recommendation: Approve the agenda for September 13-14, 2017 Regular Meeting and Strategic Planning Workshop & Investment Forum.

C-13 [TCA EXCLUDED WORKERS - UPDATE](#)

Recommendation: Receive and file.

C-14 [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**

I-2 [ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE ECONOMIC SCENARIOS](#)

Presentation by Paul Angelo, Segal Consulting

Recommendation: Receive and file.

I-3 SENSITIVITY ANALYSIS OF ALTERNATIVE ECONOMIC ASSUMPTIONS

Presentation by Paul Angelo, Segal Consulting

Recommendation: Receive and file.

I-4 ARITHMETIC VS. GEOMETRIC METHODOLOGIES – INFORMATIONAL REVIEW

Presentation by Paul Angelo, Segal Consulting

Recommendation: Receive and file.

I-5 FUTURE SERVICE ONLY CONTRIBUTION RATE CREDIT CORRECTION

Presentation by Brenda Shott, Assistant Chief Executive Officer, OCERS and Paul Angelo, Segal Consulting

Recommendation: Approve revised employer contribution rates for employers eligible for the future service only rate credit for Fiscal Years 2015-2016, 2016-2017 and 2017-2018 and the related correction of employer contributions received.

I-6 REVIEW OF FUNDING POLICY TIMING AND RELATIONSHIP TO EXPERIENCE STUDIES

Presentation by Paul Angelo, Segal Consulting

Recommendation: Receive and file.

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

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

1:00 P.M.

NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR 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.

D-1: Hominder Bharadwaj

Coach Operator, Orange County Transportation Authority
Date of employee filed application for service connected disability retirement: 10/22/2014

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF OCTOBER 22, 2014. (GENERAL MEMBER) (D-1)

D-2: Karen Cushing

Coach Operator, Orange County Transportation Authority
Date of employee filed application for service connected disability retirement: 09/06/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF SEPTEMBER 6, 2016. (GENERAL MEMBER) (D-2)

D-3: Leticia Hernandez

Eligibility Technician, Orange County Social Services Agency
Date of employee filed application for non-service connected disability retirement: 06/14/2016

STAFF RECOMMENDATION IS TO GRANT NON-SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF JUNE 14, 2016. (GENERAL MEMBER) (D-3)

D-4: Craig Stone

Fire Apparatus Engineer, Orange County Fire Authority
Date of employee filed application for service connected disability retirement: 04/14/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF APRIL 14, 2016. (SAFETY MEMBER) (D-4)

D-5: Valerie Thomson

Social Worker II, Orange County Social Services Agency
Date of employer filed application for service and non-service connected disability retirement:
04/29/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF JULY 22, 2016. (GENERAL MEMBER) (D-5)

D-6: An Tu

Coach Operator, Orange County Transportation Authority
Date of employee filed application for service connected disability retirement: 04/11/2016

STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF APRIL 11, 2016. (GENERAL MEMBER) (D-6)

D-7: Janice Denham

Legal Processing Supervisor, Orange County Superior Court

Date of employee filed application for service and non-service connected disability retirement:
05/08/2015

STAFF RECOMMENDATION IS TO REFER THE MATTER TO A HEARING OFFICER TO GATHER ADDITIONAL EVIDENCE AND FOR FURTHER ANALYSIS OF THE RECORD REGARDING PERMANENT INCAPACITY AND JOB CAUSATION. (GENERAL MEMBER) (D-7)

D-8: Carole Barber

Information Processing Technician, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:
05/16/2016

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT WITHOUT PREJUDICE DUE TO THE MEMBER'S FAILURE TO COOPERATE. (GENERAL MEMBER) (D-8)

D-9: Donald Ferl

Construction Inspector, Orange County Sanitation District

Date of employer filed application for service and non-service connected disability retirement:
12/12/2016

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT WITHOUT PREJUDICE DUE TO THE MEMBER'S FAILURE TO COOPERATE. (GENERAL MEMBER) (D-9)

D-10: Edith Hartzler

Office Technician, Orange County Social Services Agency

Date of employer filed application for service and non-service connected disability retirement:
04/11/2016

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT WITHOUT PREJUDICE DUE TO THE MEMBER'S FAILURE TO COOPERATE. (GENERAL MEMBER) (D-10)

D-11: Roy Hendy

Senior Mechanic, Orange County Sanitation District

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

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT WITHOUT PREJUDICE DUE TO THE MEMBER'S FAILURE TO COOPERATE. (GENERAL MEMBER) (D-11)

D-12: Michael Marroquin

Deputy Sheriff II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:
04/01/2016

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT WITHOUT PREJUDICE DUE TO THE MEMBER'S FAILURE TO COOPERATE. (SAFETY MEMBER) (D-12)

D-13: Guillermina Sanchez

Sheriff's Special Officer II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement:
09/02/2016

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT WITHOUT PREJUDICE DUE TO THE MEMBER'S FAILURE TO COOPERATE. (GENERAL MEMBER) (D-13)

D-14: Donald Wendt

Kennel Attendant I, Orange County Community Resources

Date of employer filed application for service and non-service connected disability retirement:
08/05/2016

STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT WITHOUT PREJUDICE DUE TO THE MEMBER'S FAILURE TO COOPERATE. (GENERAL MEMBER) (D-14)

D-15: Jose Luis Saavedra

Maintenance Crew Supervisor IV, Orange County Public Works

Date of employee application for service and non-service connected disability retirement:
10/18/2012

STAFF RECOMMENDATION IS TO ADOPT THE FINDINGS AND RECOMMENDATIONS OF THE HEARING OFFICER AND GRANT THE APPLICANT'S APPLICATION FOR SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF JULY 27, 2012. (GENERAL MEMBER) (D-15)

D-16: Craig Casey

Fire Captain, Orange County Fire Authority

Date of employee filed application for service connected disability retirement:
10/07/2010

STAFF RECOMMENDATION IS FOR THE BOARD TO ADOPT THE FINDINGS AND RECOMMENDATIONS OF THE HEARING OFFICER AND DENY THE APPLICANT'S APPLICATION FOR SERVICE CONNECTED DISABILITY RETIREMENT. (SAFETY MEMBER) (D-16)

D-17: Lydia Gonzalez

STAFF RECOMMENDATION IS TO APPROVE THE MEMBER'S PETITION FOR REASSIGNMENT OF THE HEARING OFFICER ASSIGNED TO HER BENEFIT DETERMINATION APPEAL. (GENERAL MEMBER) (D-17)

D-18: David Rocha

STAFF RECOMMENDATION IS TO AFFIRM STAFF'S DETERMINATION THAT MR. ROCHA'S RETIREMENT ALLOWANCE WAS CALCULATED PROPERLY AND DENY MEMBER'S APPEAL. (GENERAL MEMBER) (D-18)

D-19: 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. (SAFETY MEMBER) (D-19)

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

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 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.

**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
July 27, 2017
9:00 A.M.**

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

**INVESTMENT MANAGER MONITORING SUBCOMMITTEE MEETING
August 3, 2017
9:00 A.M.**

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

**REGULAR BOARD MEETING
August 21, 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.