

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

REGULAR MEETING  
Monday, November 13, 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 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.

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. 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 on any matter that is within the subject matter jurisdiction of the Board during the noticed Public Comment period. 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

ACTION CONSENT AGENDA

All matters on the Action 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 [OPTION 4 RETIREMENT ELECTION](#)

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

- (1) Darren Sandberg
- (2) Andrew Ferguson

<b>ADMINISTRATION</b>
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**C-2**     [BOARD MEETINGS AND COMMITTEE MEETINGS](#)

Regular Board Meeting Minutes	October 16, 2017
Audit Committee Meeting	October 16, 2017
Governance Committee Minutes	October 24, 2017

**Recommendation:** Authorize meeting and approve minutes.

**C-3**     [GOVERNANCE COMMITTEE OUTCOMES FROM OCTOBER 24, 2017 MEETING](#)

**Recommendation:**

The Governance Committee recommends that the Board of Retirement adopt:

- (1) Revisions to the Securities Litigation Policy as approved by the Committee;
- (2) Revisions to the Investment Committee Charter as approved by the Committee; and
- (3) Revisions to the OCERS Rules of Parliamentary Procedure as approved by the Committee; and
- (4) Revisions to the Actuarial Valuation Policy.

**C-4**     [PROPOSED SACRS BY-LAWS AMENDMENT AND DIRECTION TO VOTING DELEGATE](#)

**Recommendation:** Direct the SACRS voting delegate and alternate delegates to vote “yes” on the proposed amendments to the SACRS By-Laws, which will be presented to the SACRS membership for a vote at the SACRS business meeting on November 17, 2017.

**INFORMATION CONSENT AGENDA**

The following matters are informational only and no action by the Board is necessary.

**C-5**     [MATERIAL DISTRIBUTED](#)

Application Notices	November 13, 2017
Death Notices	November 13, 2017

**C-6**     [WORKFORCE ANALYSIS OBSERVATIONS BY MANAGEMENT PARTNERS](#)

**C-7**     [CEO FUTURE AGENDAS AND 2017 OCERS BOARD WORK PLAN](#)

**C-8**     [QUIET PERIOD – NON-INVESTMENT CONTRACTS](#)

**C-9**     [THIRD QUARTER 2016 BUDGET TO ACTUALS REPORT](#)

**C-10** [THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017](#)

**C-11** [THIRD QUARTER BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN UPDATE](#)

**C-12** [BOARD COMMUNICATIONS](#)

**\* \* \* \* \* END OF CONSENT AGENDAS \* \* \* \* \***

### **INDIVIDUAL ITEMS AGENDA**

#### **ACTION ITEMS**

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

**I-2** [OCERS' ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2018](#)

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

**Recommendation:**

**1. Fiscal Year 2018 Staffing Plan**

Approve the 2018 Staffing Plan of 92 authorized positions, included as Appendix C of the 2018 Administrative Budget, which includes the addition of 12 positions (one of which is Extra Help) and new salary ranges for three new OCERS Direct positions as listed in Section III, page 7 of the 2018 Administrative Budget.

**2. Approve Compensation Philosophy Related Items**

- a. Performance/Salary Adjustments for OCERS' direct employees based on a rating scale of 3% for meets expectations, up to 5% for exceeds expectations, and up to 6% for exceptional performance;
- b. Pay item of 5.5% of salary for CFA, CPA, and future Board approved professional certifications.

**3. Adopt the Administrative Budget for Fiscal Year 2018 in the amount of \$25,508,054 which includes:**

- a. Personnel costs in the amount of \$13,925,194
- b. Services and supplies in the amount of \$10,487,860
- c. Capital expenditures in the amount of \$1,095,000

**I-3** [2018 OCERS BOARD MEETING CALENDAR](#)

*Presentation by Steve Delaney, Chief Executive Officer*

**Recommendation:** Approve the 2018 OCERS Board Meeting Calendar as well 2018 Calendar for the Investment Committee.

**INFORMATION ITEMS**

The following matters are informational only and no action by the Board is necessary.

**I-4 CYPRESS PARKS AND RECREATION DISTRICT – OCERS UAAL**

*Presentation by Brenda Shott, Assistant Chief Executive Officer of Internal Operations*

**I-5 PEPRA OVERVIEW**

*Presentation by Suzanne Jenike, Assistant Chief Executive Officer of External Operations and Andy Yeung, Segal Consulting*

**I-6 DISCUSSION OF NEW 2017 MORTALITY PROJECTION SCALE AND IMPACT TO ACTUARIAL ASSUMPTIONS ADOPTED BY THE BOARD AT ITS OCTOBER MEETING**

*Presentation by Andy Yeung, Segal Consulting*

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

**DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA**

**11:00 A.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.**

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**DISABILITY CONSENT AGENDA**

All matters on the Disability 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.

**D-1: Elizabeth Ortiz**

Office Technician, Orange County Social Services Agency

Date of employer filed application for service and non-service connected disability retirement:  
05/12/2017

**Recommendation: Deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate. (General Member)**

**DISABILITY INDIVIDUAL AGENDA**

**D-2: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**D-3: Herman Carter**

Equipment Parts Clerk, Orange County Transportation Authority

Date of employee filed application for non-service connected disability retirement: 09/08/2015

**Recommendation: Grant service connected disability retirement with an effective date of September 8, 2015. (General Member)**

**D-4: Matthew Cetera**

Senior Mechanic, Orange County Sanitation District

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

Date of employee filed application for service and non-service connected disability retirement:  
05/12/2016

**Recommendation: Grant service connected disability retirement with an effective date of January 10, 2011, the day following the last day of regular compensation as a Senior Mechanic. 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 January 10, 2011, the date of the position change until the last day of compensation, November 27, 2014. (General Member)**

**D-5: Shaleen McDonald**

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

Date of employer filed application for service and non-service connected disability retirement:  
10/28/2016

Date of employee filed application for service and non-service connected disability retirement:  
11/29/2016

**Recommendation: Grant service connected disability retirement with an effective date of the day after the last day of regular compensation. (General Member)**

**D-6: Justina Soriano**

Coach Operator, Orange County Transportation Authority

Date of employer filed application for service and non-service connected disability retirement:  
08/15/2016

Date of employee filed application for service connected disability retirement: 09/28/2016

**Recommendation: Grant service connected disability with an effective date of August 22, 2016. (General Member)**

**D-7: Jacki Livingston**

Eligibility Technician, Orange County Social Services Agency

Date of employee filed application for service and non-service connected disability retirement:  
10/28/2015

**Recommendation: Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity. (General Member)**

**D-8: Dana Ohanesian**

**Recommendation: Affirm staff's determination to deny Mr. Ohanesian's request to have his 4.4730 years of Plan B (1.667% @ 57.5) while at the Orange County Vector Control District (OCVCD) upgraded to Plan J (2.7% @ 55).**

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**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**

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**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 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (GOVERNMENT CODE §54957(b))**

**Title: Chief Executive Officer**

Adjourn pursuant to Government Code section 54957(b) to evaluate the performance of the Chief Executive Officer

**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**

**November 29, 2017**

**9:00 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**2223 E. WELLINGTON AVENUE, SUITE 100**

**SANTA ANA, CA 92701**

**GOVERNANCE COMMITTEE MEETING**

**November 29, 2017**

**1:00 P.M. OR UPON ADJOURNMENT OF THE INVESTMENT COMMITTEE MEETING, WHICHEVER IS LATER**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**2223 E. WELLINGTON AVENUE, SUITE 100**

**SANTA ANA, CA 92701**

**INVESTMENT COMMITTEE MEETING**

**December 13, 2017**

**9:00 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**2223 E. WELLINGTON AVENUE, SUITE 100**

**SANTA ANA, CA 92701**

**AUDIT COMMITTEE MEETING**

**December 14, 2017**

**1:30 P.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**2223 E. WELLINGTON AVENUE, SUITE 100**

**SANTA ANA, CA 92701**

**REGULAR BOARD MEETING**

**December 18, 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](mailto: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.