

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

REGULAR MEETING
Monday, August 20, 2018
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.

PLEDGE OF ALLEGIANCE

SWEARING IN OF OCERS BOARD MEMBER – JEREMY VALLONE BY ROGER HILTON, OCERS BOARD MEMBER

PUBLIC COMMENTS

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 Board; and (2) any matter appearing on the Consent Agenda.

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

In addition, public comment on matters listed on this agenda will be taken 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 signing in on the Public Comment Sign-In Sheet located at the back of the room.

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-1A OPTION 4 RETIREMENT ELECTION](#)

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

- (1) Maritza Partida
- (2) R. David Spencer

C-1B OPTIONAL DEATH ALLOWANCE – MARGARET TORRES (DECEASED)

Recommendation: Find the member is permanently incapacitated from the duties of an Office Technician. Grant survivor benefits pursuant to Government Code Section 31781.1 (Optional Death Allowance) to the member's spouse, Valerio Soto Torres.

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

July 16, 2018

Recommendation: Approve minutes.

C-3 DISPOSITION OF EQUIPMENT

Recommendation: Approve disposition of small factor department printers and monitors that have been replaced.

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. 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 signing in on the Public Comment Sign-In Sheet located at the back of the room.

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

A-2 GOVERNANCE COMMITTEE OUTCOMES FROM JULY 10, 2018 MEETING

Presentation by Gina Ratto, General Counsel, OCERS

- Recommendation:** The Governance Committee recommends that the Board of Retirement:
- (1) Approve the revisions to the **Legislative Policy** as approved by the Governance Committee;
 - (2) Approve the **Extraordinary Expense Recovery Policy** with no substantive revisions;
 - (3) Approve the **Cost Impacting Policy** with no substantive revisions;
 - (4) Rescind the **Annual Disclosure Policy**; and
 - (5) Approve revisions to the **Travel Policy** as approved by the Governance Committee.

A-3 CHANGE STAFF ANALYST POSITION FROM AN EXTRA HELP POSITION TO A REGULAR FULL-TIME POSITION

Presentation by Steve Delaney, Chief Executive Officer and Brenda Shott, Assistant Chief Executive Officer Internal Operations and Cynthia Hockless, Director of Administrative Services, OCERS

Recommendation:

- 1) Approve a Regular Full-Time position, classified as Staff Analyst and remove the current Extra Help position, classified as Staff Analyst for a net change of zero to the total number of Board approved OCERS direct positions.
- 2) Authorize the CEO to send the attached memorandum to the County of Orange to request a change to the Staff Analyst position from Extra Help to Regular Full-Time.

A-4 OCERS SPONSORED LEGISLATION FOR 2019

Presentation by Steve Delaney, Chief Executive Officer and Gina Ratto, General Counsel, OCERS

Recommendation: Take appropriate action.

INFORMATION ITEMS

I-1 MEMBER MATERIALS DISTRIBUTED

Written Report

Application Notices
Death Notices

August 20, 2018
August 20, 2018

I-2 CEO FUTURE AGENDAS AND 2018 OCERS BOARD WORK PLAN

Written Report

I-3 LEGISLATIVE UPDATE

Written Report

I-4 OCERS BOARD CORRESPONDENCE REGARDING PUBLIC EMPLOYEE PENSION TRANSPARENCY ACT (PEPTA)

Written Report

I-5 2018 STRATEGIC PLANNING WORKSHOP AGENDA (SEPTEMBER 12-13, 2018)

Written Report

I-6 SACRS 2019 LEGISLATIVE PROPOSALS AND TIMELINE

Written Report

I-7 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS

Written Report

I-8 SECOND QUARTER BUDGET TO ACTUAL REPORT

Written Report

I-9 GENERAL MEMBER ELECTION UPDATE

Written Report

I-10 EVOLUTION OF THE UAAL (2018 EDITION)

Written Report

I-11 OCERS BY THE NUMBERS (2018 EDITION)

Written Report

I-12 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

I-13 AUDIT COMMITTEE OUTCOMES FROM JULY 17, 2018 MEETING

Written Report

I-14 BOARD COMMUNICATIONS

Written Report

I-15 COMMITTEE MEETING MINUTES

Written Report

- March 28, 2018 Governance Committee Minutes
- July 17, 2018 Audit Committee Minutes

I-16 2018 EMPLOYER AND EMPLOYEE PENSION COST COMPARISON

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

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.

DISABILITY/MEMBER BENEFITS AGENDA

10:00AM

OPEN SESSION

DISABILITY CONSENT AGENDA

All matters on the Disability 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 during agenda item DA-1.

DC-1 DISABILITY APPLICATION-DANIEL CHAVEZ

Deputy Sheriff I, Orange County Sheriff's Department, Safety Member

Recommendation: Grant service connected disability retirement with an effective date of July 5, 2017.

DC-2 DISABILITY APPLICATION-KIRBY ROUCHER

Deputy Sheriff I, Orange County Sheriff's Department, Safety Member

Recommendation: Grant service connected disability retirement with an effective date of July 7, 2017.

DC-3 DISABILITY APPLICATION-CHRISTOPHER ROELLE

Firefighter, Orange County Fire Authority, Safety Member

Recommendation: Grant service connected disability retirement with an effective date of September 2, 2016.

DC-4 DISABILITY APPLICATION-RICHARD VAN AUKEN

Fire Captain, Orange County Fire Authority, Safety Member

Recommendation: Grant service connected disability retirement with an effective date of February 1, 2018.

DC-5 DISABILITY APPLICATION-JENNIFER DAUGHERTY

Paralegal, Orange County Public Defender's Office, General Member

Recommendation: Grant service connected disability retirement with an effective date of September 16, 2016.

DC-6 DISABILITY APPLICATION-PATRICIA KOVARS

Marriage Family Therapist II, Health Care Agency, General Member

Recommendation: Grant service connected disability retirement with an effective date of November 24, 2017.

DC-7 DISABILITY APPLICATION-AMALIA NETTO

Eligibility Technician, Orange County Social Services Agency, General Member

Recommendation: Grant service connected disability retirement with an effective date of January 2, 2009, the day following the last day of regular compensation as an Eligibility Technician. 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 2, 2009, the date of the position change until February 18, 2016 the last day of compensation for the new position.

DC-8 DISABILITY APPLICATION-DAWN HERNANDEZ

Deputy Public Administrator II, Orange County District Attorney's Office, General Member

Recommendation: Grant service connected disability retirement with an effective date of February 19, 2016.

DC-9 DISABILITY APPLICATION-DANIEL QUINTANA

Laborer, Orange County Waste and Recycling, General Member

Recommendation: Grant non-service connected disability retirement with an effective date of December 7, 2017.

CLOSED SESSION

(Government Code sections 54957 and 54956.9)

The Board will adjourn to Closed Session pursuant to Government Code sections 54957 or 54956.9 to discuss matters relating to member applications or appeals. The member may request that the discussion relating to his or her application or appeal take place in Open Session.

ACTION ITEMS

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

DA-2: DISABILITY APPLICATION-JAMES MORELL

Research Attorney, Orange County Superior Court, General Member

Recommendation: Staff recommends that the Board, pursuant to California Government Code Section 31534(b):

1. Review the Hearing Officer's Proposed Findings of Fact, Conclusions of Law, and Recommended Decision ("Hearing Officer's Report") as a summary of testimony and evidence in the case;
2. Based on such evidence, adopt the following Conclusions of Law:
 - Government Code Section 31460.1 (effective January 1, 1991; repealed May 11, 1992) excluded from the definition of "compensation" cash payments to employees that are part of a flexible benefit plan;
 - The Orange County Board of Supervisors adopted Government Code section 31460.1 by Resolution 90-1551;
 - The 1992 repeal of Government Code section 31460.1 did not invalidate Board Resolution 90-1551;

- Board Resolution 98-001 was validated by the court-approved 2002 Settlement Agreement (defined below) and excludes from compensation earnable flexible benefits paid in cash to the extent paid to members retiring on and after January 1, 1991; and
 - Applicant, James Morell (Morell) is not exempt from the terms of the 2002 Settlement Agreement;
3. Enter its Decision upholding staff's calculation of Morell's retirement allowance, which excluded flexible benefits from final average salary; and
 4. Direct staff to prepare Final Findings of Fact, Conclusions of Law and Decision and serve them on Morell. Morell will have ten days from such service to file and serve written objections with the Board. The matter will be placed on the agenda of the next available regular meeting of the Board at which time the Board will take final action.

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

**August 30, 2018
9:00 A.M.**

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

STRATEGIC PLANNING WORKSHOP

**September 12-13, 2018
8:00 A.M.**

**EMBASSY SUITES BY HILTON SANTA ANA ORANGE COUNTY AIRPORT
1325 EAST DYER ROAD
SANTA ANA, CA 92705**

DISABILITY COMMITTEE MEETING

**October 2, 2018
10:00 A.M.**

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

**REGULAR BOARD MEETING
October 15, 2018
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.