

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

**GOVERNANCE COMMITTEE MEETING
January 25, 2018
1:00 p.m.**

MINUTES

The Chair called the meeting to order at 1:04 p.m. Attendance was as follows:

Present: Shawn Dewane, Chair; Roger Hilton, Vice Chair; David Ball; Chris Prevatt

Staff: Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Lee Fink, Deputy General Counsel; Brenda Shott, Assistant CEO, Internal Operation; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician

PUBLIC COMMENTS:

None.

A. TRIENNIAL REVIEW OF THE TRAVEL POLICY

Presented by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend that the Board approve, revisions to the Travel Policy as presented.

Ms. Ratto presented several additions to the *Travel Policy* to the Governance Committee including several additions to the list of pre-approved conferences and several clarifying revisions with respect to reimbursement of meals during one day travel, receipt requirements, permissible air travel, and networking/social events held during conferences.

Following discussion, a **motion** was made by Mr. Ball, **seconded** by Mr. Prevatt, directing staff to bring the policy back to the Governance Committee with the following revisions:

1. Change meal reimbursement during travel to the GSA per diem rate, but retain reimbursement for actual and reasonable meals during business-purpose meetings where travel is not involved;
2. Reimburse portage, housekeeping and other gratuities at the rate of up to 15 dollars per day (in addition to meal per diem);
3. Add a provision that overnight lodging for travel within Orange County will not be reimbursed except upon a showing of good cause and approval of the Board Chair/Vice-Chair (for Board members and the CEO) or the CEO (for OCERS staff);
4. Permit reimbursement of business or first class airfare in extraordinary circumstances with approval of the Board Chair/Vice-Chair (for Board members and the CEO) or the CEO (for OCERS staff);
5. Require the purchase of insurance in connection with car rentals;
6. Permit reimbursement/payment of NASRA-sponsored networking events that take place during and are included on the agendas for NASRA-sponsored conferences; and

7. Add a provision that permits the Board Chair or Vice-Chair to grant an exception to any provision of the Travel Policy for another Board member or the CEO, and permits the CEO to grant an exception to any provision of the Travel Policy for OCERS staff.

*The motion passed **unanimously**.*

B. BOARD PERFORMANCE REVIEW POLICY

Presented by Gina M. Ratto, General Counsel

Recommendation: Discuss the Board Performance Review Policy; and approve, and recommend that the Board approve, revisions to the Policy based on the Committee's discussion.

At the request of the immediate-past and current Board Chairs, the Committee discussed the Board Performance Review Policy, which requires Board members to engage in an annual review of the performance of the Board as a whole with a goal of continuously improving its effectiveness. Staff polled CEOs of 13 CERL and city retirement systems to ask whether the board of their systems have a self-assessment/self-review process. The results of the poll revealed no system currently engages in a board self-assessment/self-review process, although two are in the process of engaging an external consultant and considering implementing a self-review process.

During discussion, the Committee acknowledged that the Board Performance Review Policy has not been effective. In addition, as noted by the Committee, Board member responsibilities **to prepare for, attend and participate in meetings of the Board** are already set forth in the OCERS Board Charter, and therefore the Board Performance Review Policy is redundant and unnecessary.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Ball to rescind the Policy.

Mr. Ball suggested a friendly amendment to the motion, which was accepted by Mr. Prevatt. The amended **motion** was made by Mr. Prevatt, **seconded** by Mr. Ball, to recommend that the Board repeal the Board Performance Review Policy based on the Committee's conclusion that the Policy has not been effective, and further, based on the fact that the Board Charter already adequately sets forth the responsibilities of Board members **to prepare for, attend and participate in meetings of the Board**.

*The motion **passed unanimously***

The Committee directed staff to set forth, in the agenda item that will be presented to the Board in connection with this action, the provisions of the Board Charter that set forth the responsibilities of Board members to prepare for, attend and participate in meetings of the Board; and to review and bring forward any necessary revisions to any existing charters and policies that reference the Board Performance Review Policy.

C. BOARD AGENDA FORMAT

Presented by Gina M. Ratto, General Counsel

Recommendation: Discuss the format of the Board's agenda; and recommend that the Board approve revisions to the format based on the Committee's discussion.

Ms. Ratto noted that several changes to the format for the Board's Agenda have already been made including:

1. A separate category of **Consent Agenda** items for matters that require Board action, but for which unanimous approval is anticipated to be by one motion for all matters.
2. A separate category of **Action Items** for matters that require Board action, for which discussion is expected, for which a separate motion is indicated, and for which unanimous approval is not necessarily anticipated.
3. A separate category of **Information Items** that follows after the Action Items for matters that do not require Board action. Each item specifies whether staff plans to make a presentation or only a written report is contemplated.

Mr. Dewane explained his reasoning for his recommendation that Public Comment be moved to the beginning of the agenda. He stated that the goal of this Board Agenda format change was to further formalize the process and more tightly focus the Board's time and attention on items that are more timely relevant and actionable.

Following discussion, a **motion** was made by Mr. Hilton, **seconded** by Mr. Prevatt to approve, and recommend that the Board immediately implement for all future Board and committee meetings, the new agenda format as discussed by the Committee.

*The motion **passed unanimously***

The meeting adjourned at 2:47 pm.

COMMITTEE MEMBER COMMENTS

None.


CHIEF EXECUTIVE OFFICER/STAFF COMMENTS:

Mr. Delaney thanked the Governance Committee for their hard work.

COUNSEL COMMENTS:

None.

Submitted by:


Steve Delaney
Secretary to the Board

Approved by:


Shawn Dewane, Chair