

Governance Committee Meeting  
February 8, 2017

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

**GOVERNANCE COMMITTEE MEETING  
February 8, 2017  
9:00 a.m.**

**MINUTES**

The Chair called the meeting to order at 9:03 a.m. Attendance was as follows:

**Present:** Chris Prevatt, Chair; David Ball, Vice Chair; Thomas E. Flanigan; Roger Hilton

**Staff:** Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Gina Ratto, Chief Legal Officer; Brenda Shott, Assistant CEO, Internal Operations; Brenda Vazquez, Recording Secretary; Anthony Beltran , Audio Visual Technician

**Guest:** Jeff Rieger, ReedSmith, Legal Counsel

**A. PROPOSED REVISIONS TO OCERS SECURITIES LITIGATION POLICY**

*Presented by Gina M. Ratto, Chief Legal Officer*

**Recommendation:** Approve and recommend that the Board adopt the revised *OCERS Securities Litigation Policy*.

Ms. Ratto presented to the Committee the proposed revisions to the *OCERS Securities Litigation Policy*.

A **motion** was made by Mr. Ball, **seconded** by Mr. Prevatt, to recommend the Board adopt the revised *OCERS Securities Litigation Policy* as presented.

During discussion, Mr. Hilton suggested that the Policy should specify the number (between two and five) of securities monitoring firms that OCERS will engage. Ms. Ratto agreed to include this change in the Policy.

The Committee then discussed limiting the authority of the Chief Executive Officer to approve settlements in securities litigation matters to situations where a decision on a proposed settlement must be made in a time frame that does not allow staff to bring the matter to the Board for approval.

Following discussion, an **amended motion** was made by Mr. Prevatt, **seconded** by Mr. Ball to approve and recommend that the Board adopt the revised *OCERS Securities Litigation Policy* with the revision to allow the Chief Executive Officer to approve and enter into a settlement on behalf of OCERS only in the event a decision on a settlement must be made in a time frame that does not allow staff to bring the proposed settlement to the Board for review and approval.

The **motion passed unanimously**.

**B. OCERS POLICY ON MEMBERSHIP ELIGIBILITY REQUIREMENTS (EXTRA HELP AND TEMPORARY EMPLOYEES)**

*Presented by Presented by Suzanne Jenike, Assistant CEO and Jeff Rieger, ReedSmith*

**Recommendation:** Approve and recommend that the Board adopt OCERS Board Policy on Membership Eligibility Requirements.

Mr. Rieger addressed the Committee and reviewed the background leading up to this presentation of the OCERS Board Policy on Membership Eligibility Requirements: Staff and Fiduciary Counsel provided draft language to the Governance Committee on August 17, 2016. At that meeting, the Committee directed staff to meet with a working group of employer and labor representatives to refine the language for the Policy. The working group met several times in 2016 and most recently on January 25, 2017. In addition, Staff received further input from the Governance Committee on September 22, 2016.

Staff and Fiduciary Counsel presented to the Committee the proposed Policy that they believe is acceptable to all parties who participated in the working group. Staff recommended an effective date of the Policy of January 1, 2018.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Ball to approve and recommend that the Board adopt the Policy with an effective date of January 1, 2018.

Mr. Hilton opened the floor for public comments.

John Latta, Orange County Professional Firefighters Association, addressed the Committee. He stated this Policy is a good middle point consensus. He urged the Board to support the Policy and believes it will help greatly when putting employees in bargaining units.

Nick Daftary, County of Orange County Counsel's office, addressed the Committee. He requested the Policy implementation date be July 1, 2018. He also requested that in item #6 there should be more flexibility in regards to being able to exclude an employee by giving notice of the reason to the Board for such exclusion.

Mr. Prevatt advised County Counsel that they had the option to come back to the Board for an extension if they felt they would not be able to meet the deadline date.

Heather Capps, County of Orange Superior Court, addressed the Committee. She asked that language be added under item #5 in regards to hiring an employee expected to work less than a year.

Following discussion, an **amended motion** was made by Mr. Prevatt, **seconded** by Mr. Ball to approve and recommend that the Board adopt *OCERS Board Policy on Membership Eligibility Requirements* with an effective date of January 1, 2018, and with the addition of a paragraph at the end of section 5 of the Policy to exclude from OCERS membership employees who are hired with an expectation that they will work less than a year.

The **motion passed unanimously.**

The meeting adjourned at 10:31 a.m.

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**PUBLIC COMMENTS:**

Incorporated in the minutes.

**COMMITTEE MEMBER COMMENTS**

Mr. Hilton thanked staff and all labor groups for their hard work on this policy.

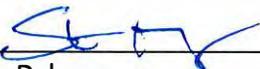
**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS:**

Thanked Ms. Jenike for all the hard work in making the Policy possible.

**COUNSEL COMMENTS:**

Ms. Ratto discussed dates for the next Governance Committee meeting. The next Committee meeting was set for April 5, 2017 at 9:00 a.m.

**Submitted by:**



Steve Delaney  
Secretary to the Board

**Approved by:**



Chris Prevatt, Chair