

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

GOVERNANCE COMMITTEE MEETING
June 8, 2017
10:00 a.m.

MINUTES

The Chair called the meeting to order at 10:03 a.m. Attendance was as follows:

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

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

A. PROPOSED REVISIONS TO THE BUDGET APPROVAL POLICY
Presented by Brenda Shott, Assistant CEO, Internal Operations

Recommendation: Recommend that the Board of Retirement approve revisions to the Budget Approval Policy that would exclude investment management related fees from the annual administrative budget.

Ms. Shott presented revisions to the *Budget Approval Policy* in light of the Board's direction to staff to determine a more effective way to track, report, and manage investment management fees. Staff recommends that OCERS discontinue budgeting for investment management fees and related expenses as part of the annual administrative budget process. Revisions to the *Budget Approval Policy* were presented to clarify this recommended change. Ms. Shott informed the Committee that she forwarded the proposed revisions to Ms. Freidenrich and reported that Ms. Freidenrich was not in favor of removing investment management fees from the annual budget.

Following discussion, a **motion** was made by Mr. Ball, **seconded** by Mr. Prevatt, to move forward to the Board the proposed revisions to the *Budget Approval Policy*.

The **motion passed unanimously.**

B. SCHEDULED REVIEW OF POLICIES

Ms. Ratto gave an introduction to the three policies up for review.

1. Planning Policy
Presented by Steve Delaney, Chief Executive Officer

Recommendation: Approve, and recommend that the Board approve, proposed revisions to the Planning Policy.

Mr. Delaney gave an overview of the revisions made to the *Planning Policy*. The revisions are intended to clarify OCERS' strategic and business planning processes.

Following discussion, a **motion** was made by Mr. Ball, **seconded** by Mr. Dewane, to move forward to the Board the proposed revisions to the *Planning Policy*.

The **motion passed unanimously.**

2. Quiet Period Policy

Presented by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend that the Board approve, proposed revisions to the Quiet Period Policy.

Ms. Ratto gave an overview of the proposed revisions to the *Quiet Period Policy*. She explained that the proposed revisions will extend the policy to all OCERS' contracts for services and to communications with all parties who are financially interested in those contracts. The proposed revisions also clarify the types of communications that are not prohibited under the policy.

Mr. Prevatt asked Ms. Ratto to add a provision to the policy to make the CEO responsible for notifying the Board members and staff of pending solicitations.

Mr. Hilton requested the language in the policy be modified to reflect, "*Board members*" rather than, "*Board and Investment Committee members*".

Following discussion, a **motion** was made by Mr. Ball, **seconded** by Mr. Dewane, to move forward to the Board the proposed revisions to the *Quiet Period Policy*.

The **motion passed unanimously.**

3. Disability Retirement Reemployment Policy

Presented by Suzanne Jenike, Assistant CEO, External Operations

Recommendation: Approve, and recommend that the Board approve, proposed revisions to the Disability Retirement Reemployment Policy.

Ms. Ratto reported that staff does not recommend any changes to the *Disability Retirement Reemployment Policy*.

Mr. Ball asked if AB 283 would require any changes in OCERS processes. Ms. Ratto responded no -- OCERS' current evaluation process for peace officer disability retirement determinations meets the requirements of AB 283 so no changes would be necessary if the bill passes.

Following discussion, a **motion** was made by Mr. Ball, **seconded** by Mr. Prevatt, to move forward to the Board the proposed revisions to the *Disability Retirement Reemployment Policy*.

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The **motion passed unanimously.**

C. OCERS' PROCESSES FOR ACCOUNTS PAYABLE, EXPENSE REIMBURSEMENT AND APPROVALS THEREOF

Presented by Gina M. Ratto, General Counsel

Recommendation: Take appropriate action.

Ms. Ratto explained this item was placed on the agenda at Mr. Dewane's request.

Mr. Dewane addressed the Committee and staff. He asked questions regarding OCERS' processes for approving accounts payable items and expense reimbursements, how items are recorded on expense reports and reported and the wire transfer process.

Ms. Shott answered Mr. Dewane's questions.

Following discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Prevatt, to receive and file.

The **motion passed unanimously.**

D. BOARD AND COMMITTEE AGENDA FORMAT

Presented by Gina M. Ratto, General Counsel

Recommendation: Take appropriate action.

Ms. Ratto explained this item was placed on the agenda at Mr. Dewane's request.

Mr. Dewane addressed the Committee and staff. He asked questions regarding the processes for placing items on an agenda, pulling items from an agenda, and taking public comments.

The Committee and staff addressed Mr. Dewane's questions and explained the processes.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Dewane, to receive and file.

The **motion passed unanimously.**

Meeting adjourned at 11:00 a.m.

PUBLIC COMMENTS:

None

COMMITTEE MEMBER COMMENTS

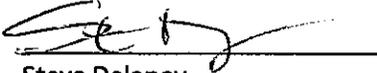
CHIEF EXECUTIVE OFFICER/STAFF COMMENTS:

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COUNSEL COMMENTS:

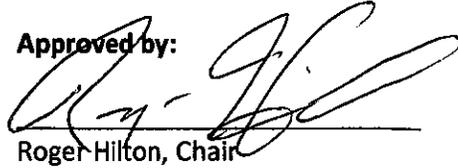
The next Committee meeting was set for September 5, 2017 at 9:30 a.m.

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Roger Hilton, Chair