

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

GOVERNANCE COMMITTEE MEETING  
October 11, 2018  
9:30 a.m.

MINUTES

The Chair called the meeting to order at 9:30 a.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; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician

**CONSENT AGENDA**

**C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES**

Governance Committee Meeting Minutes

July 10, 2018

**ACTION ITEMS**

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

**A-2 PROPOSED RESCISSION OF THE ACCEPTANCE AND REPORTING OF GIFTS POLICY AND AMENDMENTS TO THE BOARD OF RETIREMENT CHARTER**

*Presented by Gina M. Ratto, General Counsel*

**Recommendation:** That the Governance Committee recommend to the Board that the Board:

- (1) Rescind the Acceptance and Reporting of Gifts Policy; and
- (2) Amend the Board of Retirement Charter to add key provisions of the Acceptance and Reporting of Gifts Policy.

Ms. Ratto presented item A-2 to the Governance Committee. Ms. Ratto explained that the operative provisions of the Policy are more appropriately included in the Board of Retirement Charter, and that once the Charter has been amended to include these provisions, the Policy is no longer needed and should be rescinded.

Accordingly, staff recommends that the Board of Retirement Charter be amended to add:

- A provision to the "Board Members" subcategory under "Duties and Responsibilities" to state that Board members will observe the reporting requirements with respect to personal financial interests and income and the limitations and reporting requirements with respect to gifts, as required by the Political Reform Act and the regulations of the Fair Political Practices Commission (*new Paragraph 5.e.*); and

- A new subcategory under “Duties and Responsibilities” titled, “Conflicts of Interest,” to provide that the Board will:
  - Adopt and maintain an OCERS Conflict of Interest Code and list of Designated Filers, and obtain the approval of both by the Board of Supervisors (*new Paragraph 9.a.*);
  - Review and update the OCERS Conflict of Interest Code every two years as required by the Political Reform Act (*new Paragraph 9.b.*); and
  - Designate the CEO as the OCERS Filing Officer who is responsible for ensuring Board members and Designated Filers are aware of and comply with the requirement of an annual disclosure of financial interests (Form 700) (*new Paragraph 9.c.*). (Note that the CEO Charter already states that the CEO is the OCERS Filing Officer.)

Following discussion, a motion was made by Mr. Ball, seconded by Mr. Hilton to approve, and recommend that the Board approve the staff recommendation.

**A-3 FIRST READING OF NEW POLICY: OVERPAID AND UNDERPAID PLAN CONTRIBUTIONS POLICY**  
*Presented by Suzanne Jenike, Asst. CEO, External Operations*

**Recommendation:** Take appropriate action.

Suzanne Jenike, Assistant CEO of External Operations, presented item A-3 to the Governance Committee. The Committee expressed concerns about the policy and directed this item back to staff for further analysis.

Following discussion, a motion was made by Mr. Ball, seconded by Mr. Hilton to send the policy back to staff for further analysis.

**A-4 FIRST READING OF NEW POLICY: WRITE OFF POLICY**  
*Presented by Suzanne Jenike, Asst. CEO, External Operations*

**Recommendation:** Take appropriate action.

Ms. Jenike presented item A-4 to the Committee. The proposed Write-Off Policy is designed to provide guidelines regarding when OCERS is permitted to forgo collection of amounts overpaid by or owing to OCERS, and when OCERS will not be required to make corrective distributions to OCERS members and/or their beneficiaries.

Ms. Jenike advised that this Policy will be reviewed every three years and reminded the Committee that the amount listed in the Write-Off Policy will be adjusted if needed.

Following discussion, a motion was made by Mr. Ball, seconded by Mr. Hilton to approve, and recommend that the Board approve the Write-Off Policy.

**COMMITTEE MEMBER COMMENTS**

None.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS:**

None.

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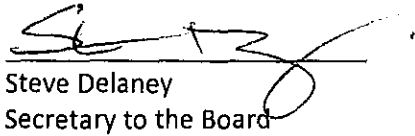
**COUNSEL COMMENTS:**

Ms. Ratto discussed bringing the personnel policies, Declining Payroll Policy and Withdrawing Plan Sponsor Policy to the next Governance Committee Meeting.

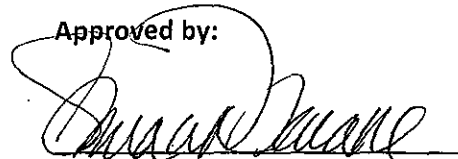
**ADJOURNMENT:**

The meeting adjourned at 10:44 a.m.

**Submitted by:**

  
Steve Delaney  
Secretary to the Board

**Approved by:**

  
Shawn Dewane, Chair