

Governance Committee Meeting
December 11, 2018

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

GOVERNANCE COMMITTEE MEETING
December 11, 2018
8:00 a.m.

MINUTES

The Chair called the meeting to order at 8:00 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; Cynthia Hockless; Director of Administrative Services; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes

October 11, 2018

A motion was made by Mr. Ball, seconded by Mr. Dewane to approve the minutes.

A-2 MASTER FINAL AVERAGE SALARY PROJECT UPDATE AND PROPOSED POLICIES AND PROCEDURES (FIRST READING)

Presented by Suzanne Jenike, Asst. CEO, External Operations

Recommendation: Take appropriate action.

Suzanne Jenike, Assistant CEO of External Operations, presented item A-2 to the Committee. The goal of this initiative is to have a comprehensive list of all pay items so that every element of pay that is transmitted to OCERS has been analyzed for pension attributes (e.g. pensionable or non-pensionable). Upon completion of the project OCERS staff, Employers and Members will have valuable resources showing all pay components, pension attributes, and legal criteria for determining pensionable pay going forward.

Mr. Ball suggested skipping to the areas of the item that required attention:

- Determine whether the Committee will review the comprehensive list of pay items prior to the list being presented to the Board of Retirement.
- Determine whether the policies and documents presented to the Committee today should be forwarded to the Board for review and approval or if staff should wait for full pay item list before proceeding.

- Determine corrective action for pay items currently being reported incorrectly as pensionable compensation for PEPRAs members (On Call and Canine Pay).

Following discussion, the Committee directed staff to bring the policies back to the Governance Committee for a second reading.

A-3 REVIEW OF PROPOSED REVISIONS TO THE OCERS EMPLOYEE HANDBOOK (PREVIOUSLY TITLED PERSONNEL POLICIES AND REGULATIONS OR PP&R)

Presented by Brenda Shott, Assistant CEO Finance and Internal Operations

Recommendation: Approve, and recommend that the Board approve, the revised OCERS Employee Handbook as presented.

Brenda Shott, Assistant CEO of Internal Operations, presented item A-3 to the Committee. Due to the long period of time that has elapsed since the PP&R was adopted, Staff formed a committee and consulted with outside legal counsel to develop a new Employee Handbook that included all personnel related policies. The new Employee Handbook was developed using the existing PP&R as its basis, with updates to several provisions to reflect current practices and laws. In addition, there were some proposed changes to the existing policies that Staff believed would better support and reflect OCERS Mission, Vision and Values, OCERS' culture, and address areas that can be improved.

Staff formatted the new Employee Handbook as a compendium of individual policies that would be more easily amended or updated individually in the future, without the need to update the entire Employee Handbook.

The Committee discussed multiple sections of the Handbook including the At Will Policy, Annual Leave, Discipline, Grievance/Appeals, Merit Increases and Probation. The Committee expressed their comments and directed this item back to staff for further amendments, including dividing it into two documents, one applicable to County employees and the other to OCERS Direct employees.

A-4 UNDERPAID AND OVERPAID PLAN CONTRIBUTIONS POLICY (SECOND READING)

Presented by Suzanne Jenike, Asst. CEO, External Operations

Recommendation: Approve and recommend that the Board approve the Underpaid and Overpaid Plan Contributions Policy as presented.

Ms. Jenike presented item A-4 to the Committee. The Committee had a first reading of the Policy on October 11, 2018 and gave staff direction for potential revisions.

A **motion** was made by Mr. Prevatt, **seconded** by Mr. Hilton to approve and recommend that the Board approve the Underpaid and Overpaid Plan Contributions Policy with the proposed revisions.

A-5 TRIENNIAL REVIEW OF THE WHISTLEBLOWER POLICY

Presented by Cynthia Hockless, Director of Administrative Services

Recommendation: Approve and recommend that the Board approve the Whistleblower Policy as presented.

Cynthia Hockless, Director of Administrative Services, presented item A-5 to the Committee. An additional portion by Reed Smith was added to the Whistleblower Policy.

Following discussion, a **motion** was made by Mr. Prevatt , **seconded** by Mr. Hilton to approve and recommend that the Board approve the Whistleblower Policy as presented.

A-6 TRIENNIAL REVIEW OF THE MONITORING AND REPORTING POLICY

Presented by Steve Delaney, Chief Executive Officer

Recommendation: Approve and recommend that the Board approve revisions to the Monitoring and Reporting Policy as presented.

Mr. Delaney presented Item A-6 to the Committee.

Following discussion, a **motion** was made by Mr. Prevatt , **seconded** by Mr. Hilton to recommend that the Board approve the revisions to the Monitoring and Reporting Policy as presented.

INFORMATION ITEMS

I-1 SENIOR EXECUTIVE CHARTERS

Presented by Steve Delaney, Chief Executive Officer

There were no comments.

I-2 UPDATE RE: WITHDRAWING PLAN SPONSOR POLICY AND THE DECLINING PAYROLL POLICY

Presented by Suzanne Jenike, Asst. CEO, External Operations

There were no comments.

COMMITTEE MEMBER COMMENTS

None.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS:

None.

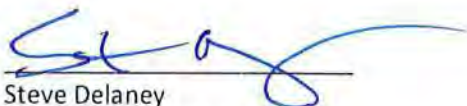
COUNSEL COMMENTS:

None.

ADJOURNMENT:

The meeting adjourned at 10:44 a.m.

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Shawn Dewane, Chair