

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

**GOVERNANCE COMMITTEE MEETING  
March 1, 2019  
8:30 a.m.**

**MINUTES**

The Chair called the meeting to order at 8:46 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; Molly Murphy, Chief Investment Officer; 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

December 11, 2018

A **motion** was made by Mr. Prevatt, **seconded** by Mr. Hilton to approve the Minutes.

**ACTION ITEMS**

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

**A-2 MASTER FINAL AVERAGE SALARY PROJECT UPDATE AND PROPOSED POLICIES (SECOND READING)**

*Presented by Suzanne Jenike, Assistant CEO of External Operations*

**Recommendation:** Approve, and recommend that the Board approve, the following policies:

- Compensation Earnable Policy – codifies existing law and the Ventura Decision (Resolution 98-001) applicable to Legacy members
- Pensionable Compensation Policy – applicable to PEPRA members
- Retirement Enhancement “Spiking” Review Policy
- Pay Item Review Policy

Suzanne Jenike, Assistant CEO of External Operations, presented this item to the Committee. Ms. Jenike informed the Committee that Individual pay item spreadsheets have been distributed to each Employer/ Plan Sponsor. She also explained that staff has completed its initial determination regarding Compensation Earnable (Legacy) and Pensionable Compensation (PEPRA) and is working with individual

employers on any areas needing clarification and gathering their feedback. In addition, copies of the spreadsheets have been shared with the labor organizations and key stakeholder groups.

Staff also authored two circular letters regarding cash outs of Paid Time Off (PTO) and their appropriate reporting to OCERS. As of today's date all employers have received the circular letters and are taking the steps required to correct their reporting of PTO if applicable.

The Governance Committee did not recommend any changes.

A **motion** was made by Mr. Prevatt, **seconded** by Mr. Hilton to approve, and recommend that the Board approve, the four policies.

The Motion passed **unanimously**.

**A-3 PROPOSED AMENDMENTS TO THE BOARD OF RETIREMENT CHARTER, BOARD CHAIR CHARTER, AND BOARD VICE CHAIR CHARTER**

*Presented by Gina Ratto, General Counsel*

**Recommendation:** Approve, and recommend that the Board approve, the proposed amendments to the Board of Retirement Charter, Board Chair Charter, and Board Vice Chair Charter.

Gina Ratto, General Counsel, presented this item to the Committee. During a review of the Board's various charters, staff identified revisions to the Board of Retirement Charter, the Board Chair Charter and the Board Vice-Chair Charter that may effectuate improvements in governance. More specifically, staff proposed to the Governance Committee, and the Governance Committee approved and the following revisions to:

- Transfer the authority to appoint committee members from the Chair to the Vice Chair so that committees can be constituted prior to the end of the calendar year;
- Address how complaints or reports regarding a Board member's failure to comply with law or Board charters or policies will be handled;
- Delete references to the Board performance self-review; and
- Make other clarifying (non-substantive) changes to the Charters.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Hilton to approve and recommend that the Board approve, the proposed amendments to the Board of Retirement Charter, Board Chair Charter, and Board Vice Chair Charter.

The Motion passed **unanimously**.

**A-4 PROPOSED AMENDMENTS TO THE OCERS RULES OF PARLIAMENTARY PROCEDURE REGARDING APPROVAL OF COMMITTEE MEETING MINUTES**

*Presentation by Gina Ratto, General Counsel*

**Recommendation:** Approve, and recommend that the Board approve, proposed amendments to the OCERS Rules of Parliamentary Procedure to authorize new members of a committee to approve minutes of meetings that were held before they became members of the committee.

Ms. Ratto presented this item to the Committee. Since the membership of the committees of the Board typically changes every calendar year, new committee members may be asked to approve minutes of a meeting that occurred late in the previous year when the new members were not members of the committee. Staff recommended that the committee approve a revision to the OCERS Rules of

Governance Committee Meeting  
March 1, 2019

Parliamentary Procedure to authorize committee members to approve minutes of meetings that took place prior to their membership on the committee.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Hilton to approve, and recommend that the Board approve, proposed amendments to the OCERS Rules of Parliamentary Procedure.

The Motion passed **unanimously**.

**A-5 PROPOSED AMENDMENTS TO THE CEO CHARTER**  
*Presented by Steve Delaney, Chief Executive Officer*

**Recommendation:** Approve, and recommend that the Board approve, proposed amendments to the CEO Charter.

Steve Delaney, Chief Executive Officer, presented this item to the Committee. Staff recommended to the Governance Committee and the Committee approved one substantive revision to the CEO Charter to add authority for the CEO to act on matters in emergency situations.

In addition, the process of memorializing the charters for, and delegation from the CEO to, the Senior Executive staff resulted in several recommended changes to the CEO Charter that are for the purpose of clarifying the language of the CEO Charter. These recommended changes are not intended to be substantive in nature.

Following discussion, a **motion** was made by Mr. Prevatt, **seconded** by Mr. Hilton to approve, and recommend that the Board approve, the proposed amendments to the CEO Charter.

The Motion passed **unanimously**.

**INFORMATION ITEMS**

**I-1 SENIOR EXECUTIVES CHARTERS – CEO DELEGATION TO THE SENIOR EXECUTIVES**  
*Presented by Steve Delaney, Chief Executive Officer*

**I-2 REVIEW THE GOVERNANCE COMMITTEE CHARTER**  
*Presented by Gina Ratto, General Counsel*

**COMMITTEE MEMBER COMMENTS**

None.

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

None.

**COUNSEL COMMENTS**

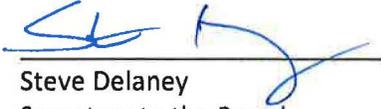
None.

**ADJOURNMENT**

The meeting adjourned at 10:05a.m.

Governance Committee Meeting  
March 1, 2019

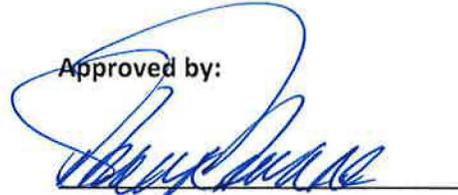
**Submitted by:**



---

Steve Delaney  
Secretary to the Board

**Approved by:**



---

Shawn Dewane, Chair