

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

**GOVERNANCE COMMITTEE MEETING
Thursday, May 8, 2025
9:30 a.m.**

MINUTES

The Chair called the meeting to order at 9:31 a.m.

Recording Secretary noted the attendance of Mr. Hilton, Mr. Oates, and Chair Hidalgo.

Attendance was as follows:

Present: Arthur Hidalgo, Chair; Roger Hilton, Vice-Chair; Richard Oates, Board Member; Shari Freidenrich, Board Member.

Also present: Steve Delaney, CEO; Manuel Serpa, General Counsel; David Kim, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Cynthia Hockless, Director of Human Resources; Ivan Cao, Staff Attorney; Michelle Pak, Audio Visual Technician; Rebeca Gonzalez-Verdugo, Recording Secretary; Jeff Lamberson, Director of Member Services; Jennifer Reyes, Finance Manager; Jenny Sadoski, Director of IT; Marielle Horst, Executive Secretary; Amanda Evenson, Executive Secretary; Carolyn Nih, Executive Secretary; Will Tsao, Director of Enterprise Project Management Office; Joon Kim, Staff Attorney; Rosie Baek, Staff Attorney; Philip Lam, Director of Internal Audit.

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes

March 20, 2025

MOTION by Mr. Hilton, **seconded** by Mr. Oates, to approve the Minutes.

The motion passed **unanimously**.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 TRIENNIAL REVIEW OF THE PROTOCOL FOR HANDLING WORKPLACE COMPLAINTS AGAINST BOARD MEMBERS AND EXECUTIVES

Presentation by Manuel Serpa, General Counsel

Recommendation: Approve and recommend that the Board adopt the Protocol for Handling Workplace Complaints Against Board Members and Executives with no revisions.

After discussion, the Committee directed staff to return the Policy to them for further development before consideration at the next Governance Committee meeting.

The Committee directed staff to clarify the role of fiduciary counsel during an investigation and the process for Board members to engage independent counsel.

Ms. Freidenrich arrived at 9:47 a.m.

A-3 TRIENNIAL REVIEW OF THE RETIREMENT ENHANCEMENT REVIEW POLICY

Presentation by David Kim, Assistant CEO, External Operations

Recommendation: Approve and recommend that the Board adopt the revisions to the Retirement Enhancement Review Policy.

MOTION by Mr. Hilton, **seconded** by Ms. Freidenrich, to adopt staff's recommendations.

The motion passed **unanimously**.

A-4 TRIENNIAL REVIEW OF THE WHISTLEBLOWER POLICY

Presentation by Manuel Serpa, General Counsel

Recommendation: Approve and recommend that the Board adopt the revisions to the Whistleblower Policy.

MOTION by Mr. Hilton, **seconded** by Mr. Oates, to adopt staff's recommendations.

The motion passed **unanimously**.

A-5 TRIENNIAL REVIEW OF THE MONITORING AND REPORTING POLICY

Presentation by Steve Delaney, CEO

Recommendation: Approve and recommend that the Board adopt the revisions to the Monitoring and Reporting Policy.

MOTION by Mr. Oates, **seconded** by Mr. Hilton, to adopt staff's recommendations and provide direction to staff to request Fiduciary Counsel to review the policy before Board approval at the following Board meeting to make additional clarifying edits and to verify the list of reports is up to date.

The motion passed **unanimously**.

A-6 TRIENNIAL REVIEW OF TRUSTEE EDUCATION POLICY

Presentation by Cynthia Hockless, Director of HR

Recommendation: Approve and recommend that the Board adopt the revisions to the Trustee

Education Policy.

MOTION by Mr. Oates, **seconded** by Mr. Hilton, to adopt staff's recommendations with the following changes:

- ~~22. "Prior to a Trustee's first official meeting with the Board of Retirement, he or she will endeavor to attend a Board meeting or a standing committee meeting in the role of an observer."~~
- ~~23. "Within 30 days of a trustee's election or appointment to the Board, the Chair will designate an incumbent member of the Board to provide the new Trustee an orientation to current Board governance practices."~~
24. e. "Be briefed by the General Counsel on their fiduciary duties, conflict of interest guidelines, the County Employees Retirement Law of 1937, Proposition 162, The Brown Act, and other pertinent legislation, and Board policies and charters; and"

The motion passed **unanimously**.

The Committee recessed for break at 10:20 a.m.

The Committee reconvened from break at 10:37 a.m.

Recording Secretary noted the attendance of Mr. Hilton, Mr. Oates, Ms. Freidenrich, and Chair Hidalgo.

A-7 OFF-CYCLE REVIEW OF THE BOARD MEMBER TRAVEL POLICY

Presentation by Manuel Serpa, General Counsel

Recommendation: Approve and recommend that the Board approve revisions to the Board Member Travel Policy as presented and adopt the Employee Travel Policy.

MOTION by Mr. Oates, **seconded** by Mr. Hilton, to adopt staff's recommendations with the following changes:

4. "The Chief Executive Officer (CEO) will screen and provide a list of suitable conferences or seminars to the Board members at each regular meeting of the Board."
24. "If a non-meal itemized receipt is lost or unavailable, a Missing Receipt Form must be completed and submitted with the reimbursement claim (meal-related receipts are addressed in paragraph 33)."
26. "... Notice of all cash advances exceeding \$500 for travel and training shall be placed on the agenda for the next Regular Meeting of the Board of Retirement as an informational item a report."
30. "... Failure to do so may result in further action, including suspension of future travel approvals."
42. "Whenever possible, a request for a government rate or lowest reasonable rate will be made."
- 43.

The motion passed **unanimously**.

A-8 OFF-CYCLE REVIEW OF THE SECURITIES LITIGATION POLICY

Presentation by Ivan Cao, Staff Attorney

Recommendation: Approve and recommend that the Investment Committee adopt the revisions to the Securities Litigation Policy.

MOTION by Mr. Oates, **seconded** by Mr. Hilton, to adopt staff's recommendations.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 UPDATE ON THE OVERPAID AND UNDERPAID CONTRIBUTIONS POLICY AND PAY ITEM REVIEW POLICY

Presentation by David Kim, Assistant CEO, External Operations, and Manuel Serpa, General Counsel

Mr. Serpa informed the Committee of the updates that were approved at the April 21st meeting of the Board of Retirement as per the direction of the Governance Committee.

In the Overpaid and Underpaid Contributions Policy, per the direction of the Governance Committee, Section 10 a. was further revised to clarify that the provision applies only when the total amount owed does not exceed \$100.

In the Pay Item Review Policy, per Governance Committee direction, the policy now clarifies that OCERS will provide written guidance only to the requestor and respond to requests for guidance on items subject to consideration in upcoming negotiations.

COMMITTEE MEMBER COMMENTS

None

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

None


COUNSEL COMMENTS

None


ADJOURNMENT

Chair adjourned meeting at 11:33 a.m.

Submitted by:

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Manuel Serpa
General Counsel/Staff Liaison

DocuSigned by:

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Steve Delaney
Chief Executive Officer/Secretary

Approved by:

Signed by:

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Arthur Hidalgo
Chair