

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

**GOVERNANCE COMMITTEE MEETING
September 5, 2017
9:30 a.m.**

MINUTES

The Chair called the meeting to order at 9:35 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; Lee Fink, Deputy General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician

**1. CONFERENCE REGARDING SIGNIFICANT EXPOSURE TO LITIGATION (ONE MATTER)
(GOVERNMENT CODE SECTION 54956.9)
Adjourn pursuant to Government Code section 54956.9(d)(2)**

Recommendation: Take appropriate action.
No reportable action taken.

**A. PROPOSED REVISIONS TO THE ADMINISTRATIVE HEARING PROCEDURES
*Presented by Gina M. Ratto, General Counsel and Lee K. Fink, Deputy General Counsel***

Recommendation: Approve, and recommend that the Board of Retirement approve, changes to OCERS' processes and procedures relating to appeals of disability retirement and other benefit determinations.

Mr. Fink presented the Committee with staff recommendations for revisions to the Disability Adjudication Process and the Benefit Adjudication Process designed to make the appeals process more efficient and timely, improve customer service, and enhance protection of OCERS members' rights. Staff identified several concerns with the existing process, including the desire for additional protection of member confidentiality, efficient use of staff and Board resources, and the need for improved customer service including timeliness and transparency of the process.

Staff's recommendations include transparent timelines for action on disability applications; the member's right to an Administrative Hearing attaching after the staff recommendation, rather than after the Board Action; the member having the right to either a full hearing or an expedited administrative review; the case being placed on a consent agenda when the member does not appeal a staff recommendation; the Legal Department taking responsibility for managing the entire administrative hearing and appeal process; timelines for the hearing process incorporated into the Administrative Hearing Procedures Policy (i.e. Hearing Rules); elimination of extraneous steps in the appeal process; and Closed Sessions and/or Closed Hearings on disability matters.

During discussion, the Committee proposed additional modifications to the process and directed staff to return with additional information and recommendations on matters including the use of a committee of the Board to review disability applications before an appeal and the use of a Medical Advisor. The Committee asked staff to consider whether any change was needed to the process for appointing hearing officers to ensure member confidence in impartiality; whether the use of an expedited administrative review process would increase the number of appeals; and statistics regarding the number of appeals and the number of matters where the Board decision is changed after a hearing.

The Committee directed that staff return at the next Governance Committee to address these suggestions and questions.

No reportable action taken.

B. PROPOSED REVISIONS TO OCERS' RULES OF PARLIAMENTARY PROCEDURE

Presented by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend that the Board of Retirement approve, proposed revisions to the *OCERS Rules of Parliamentary Procedure*.

Ms. Ratto presented the Committee with proposed revisions to the *OCERS Rules of Parliamentary Procedure*.

1. Public comment

Ms. Ratto presented a revision to paragraph 3.e. to state that it is the prerogative of the presiding officer to determine the timing of public comment on any motion – that is, whether comment is taken before or during the Board members' discussion of the motion. The Committee discussed whether it was better to have all public comment taken before discussion by the Board.

2. Adjournment of Meetings

Ms. Ratto proposed add section 3.k to clarify that the presiding officer has the responsibility to adjourn each meeting at the conclusion of the agenda, and by unanimous consent. The presiding officer may state (for example), "If there is no objection, this meeting will be adjourned;" and after a pause for objection, if there is no objection, "The meeting is adjourned."

3. "Receive and File" Items

Ms. Ratto proposed a revision to paragraph 5.a to clarify that the Board and its committees will make use of consent agendas whenever feasible and that reports that are included on the agenda and presented as "information items" (as distinguished from "action items") may be accepted without action by the Board or committee.

4. Voting protocols for Alternate Seventh Member of the Board

Ms. Ratto proposed the addition of a new section 17 to clarify the voting role of the alternate seventh member (i.e. alternate elected member from a safety service). Mr. Prevatt expressed his concern about the portion of the revision stating that the alternate seventh member must always vote in place of the elected seventh member, even when the elected seventh member is present and the alternate seventh member is sitting for an absent elected member since this interpretation would result in fewer people

being able to vote in some instances. Mr. Prevatt asked staff to determine how other CERL systems interpret the statute.

Following discussion, a **motion** was made by Mr. Ball, **seconded** by Mr. Prevatt, to approve staff recommendation with the exception of the addition of the proposed new section 17, and for staff to present additional information on the proposed section 17 at a future meeting.

The **motion passed unanimously.**

C. REGULAR REVIEW OF POLICIES

Annual Disclosure Policy

Presented by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend that the Board of Retirement approve, proposed revisions to the Annual Disclosure Policy.

Ms. Ratto reviewed the *Annual Disclosure Policy* and recommended one revision to update the title of "Assistant CEO, External & Legal Operations" to "General Counsel."

Following discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Prevatt, to approve staff's recommendation.

The **motion passed unanimously.**

The meeting was adjourned at 12:17pm.

PUBLIC COMMENTS:

None.

COMMITTEE MEMBER COMMENTS

None.

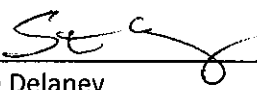
CHIEF EXECUTIVE OFFICER/STAFF COMMENTS:

None.

COUNSEL COMMENTS:

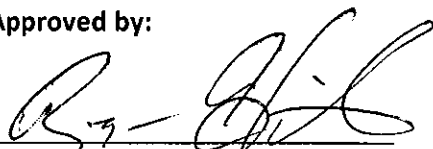
The next Governance Committee meeting was set for October 24, 2017 at 9:30 a.m.

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Roger Hilton, Chair