

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

GOVERNANCE COMMITTEE MEETING
January 25, 2018
1:00 p.m.

Members of the Committee

Shawn Dewane, Chair
Roger Hilton, Vice Chair
Chris Prevatt
David Ball

AGENDA

This agenda contains a brief general description of each item to be considered. The Committee may take action on any item listed on this Agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the Agenda.

PUBLIC COMMENT

Members of the public may address the Committee regarding matters not on this Agenda that are within the subject matter jurisdiction of the Committee, provided that no action can be taken on any item not appearing on this Agenda unless authorized by law. Members of the public may also comment on any matter appearing on this Agenda when that matter is called and prior to the Committee taking action on the item.

ACTION ITEMS

A. TRIENNIAL REVIEW OF THE TRAVEL POLICY

Presented by Gina M. Ratto, General Counsel

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

B. BOARD PERFORMANCE REVIEW POLICY

Presented by Gina M. Ratto, General Counsel

Recommendation: Discuss the Board Performance Review Policy; and approve, and recommend that the Board approve, revisions to the Policy based on the Committee's discussion.

C. BOARD AGENDA FORMAT

Presented by Gina M. Ratto, General Counsel

Recommendation: Discuss the format of the Board's agenda; and recommend that the Board approve revisions to the format based on the Committee's discussion.

COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

NOTICE OF NEXT MEETINGS

AUDIT COMMITTEE MEETING

January 30, 2018

1:30 P.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

REGULAR BOARD MEETING

February 13, 2018

9:00 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

All supporting documentation is available for public review in the retirement office during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday and 8:00 a.m. – 4:30 p.m. on Friday.

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at adminsupport@ocers.org or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

A

Memorandum

DATE: January 25, 2018
TO: Members of the Governance Committee
FROM: Gina M. Ratto, General Counsel
SUBJECT: TRIENNIAL REVIEW OF THE TRAVEL POLICY

Recommendation

Approve, and recommend that the Board of Retirement approve, revisions to the *Travel Policy*.

Background/Discussion

The Board of Retirement (including the Investment Committee) has formally adopted over 40 charters and policies and has established a review schedule that requires review of every charter and policy every three years. At its February and June 2015 meetings, on recommendation of the Governance Committee, the Board approved a streamlined procedure to more efficiently manage the scheduled review of the charters and policies. Pursuant to this process, certain of the charters and policies are to be first reviewed by the Governance Committee before presentation to the Board for approval.

The *Travel Policy* was adopted by the Board on December 16, 2002, and was last reviewed and revised on November 16, 2015. It is scheduled for review and approval by the Board, after review by the Governance Committee, in 2018.

Travel Policy

Staff has reviewed the *Travel Policy* and recommends the following revisions:

1. Add to paragraph 10, which is the list of conferences that are **pre-approved and unlimited in the number** that may be attended, conferences sponsored by firms that have contractual relationships with OCERS.
2. Add to paragraph 14, which is the list of conferences that are **pre-approved, but limited to three** in any one year if overnight travel is required, several conferences including those sponsored by:
 - a. Public Retirement Information Systems Management (PRISM);
 - b. Investment Management Consultants Association (IMCA);
 - c. SuperReturn;
 - d. Global ARC;
 - e. CIO Magazine;
 - f. Institutional Limited Partners Association (ILPA); and
 - g. Falk Marques Group.
3. Add to paragraph 31, language to clarify that OCERS will reimburse Board and staff members only up to the cost of a coach or economy class airline ticket.
4. Make several non-substantive and clarifying amendments.

The revisions are set forth in underlined/strikeout text in the attached copy of the policy.

Attachments

Submitted by:

A handwritten signature in blue ink that reads "Gina M. Ratto". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Gina M. Ratto
General Counsel

Purpose

1. Prudent oversight of a public sector pension plan requires that trustees and staff occasionally travel to business meetings and educational conferences or seminars, held in or outside of the state of California. Travel and related costs incurred in doing so not only represent legitimate expenses of the plan, but are a sound investment in the ongoing success of the organization in meeting the needs of the membership.
2. The purpose of the Travel Policy is to encourage and facilitate the pursuit of relevant educational and business related initiatives by trustees and staff. The policy is designed to assist them in meeting their fiduciary duties to administer the pension plan, ensure that expenditures incurred in the education and travel process are prudent and cost-effective, and to mitigate the risk of improprieties arising from travel or business related activities.

Content Requirements

3. As a general rule, and with the exception of public retirement system meetings discussed below, unless a conference/seminar agenda contains an average of five (5) hours of substantive educational content per day, attendance at the particular conference/seminar will not be approved and related travel expenses will not be reimbursed. Educational forums, conferences and seminars that routinely and consistently satisfy this requirement will automatically qualify for Board approval for attendance. The Chief Executive Officer will screen and determine those conferences or seminars that meet the five (5) hour requirement and provide a list thereof to the Board members and appropriate staff members. Authorization to attend and receive travel expense reimbursement for a client conference organized or sponsored by a single company or firm shall be restricted to those [conferences/forums](#) sponsored by firms who [have/maintain](#) a [contractual/professional](#) relationship with OCERS. Board members or staff members who [have/maintain](#) independent relationships with a conference sponsor are not automatically entitled to attend such conferences at OCERS' expense. The Board of Retirement shall consider each request individually regardless of any Board or staff affiliation.

Board Member

4. The term "Board Member" shall include a designee of the Treasurer, provided such person is designated in writing to act as the designee, has taken the oath of office and has filed the written designation with the County Clerk, County Auditor and OCERS.

Travel Authorization

5. Except as otherwise provided herein, reimbursement of travel expenses for a Board member to attend an educational conference or seminar (or other type of meeting or event) requires the prior approval of the Board of Retirement.
6. All reimbursement of travel expenses for an employee of OCERS to attend an educational conference or seminar (or other type of meeting or event) or for administrative purposes requires the prior approval of the Chief Executive Officer [or his or her designee](#).

~~5-7.~~ Travel on OCERS' business within the Southern California region by Board members or staff need not be approved in advance as long as overnight accommodations are not required. The Southern California region shall include the counties of Orange, Los Angeles, San Bernardino, Riverside, San Diego, Imperial, Ventura, Santa Barbara and Kern.

Limitation on Meeting for Business Purpose

~~6-8.~~ No more than four members of the Board, ~~or a Committee of the Board~~, are authorized to meet together for business purposes within the State of California unless there is appropriate public notice of the meeting. Attendance at educational conferences, seminars and social activities by more than four members of the Board is not a violation of this provision.

Cost of Administration

~~7-9.~~ Approved education and travel expenses for Board and staff members shall be direct costs of administration of OCERS (or directly charged to Investments in the case of education and travel expenses for Investments staff), shall be paid by OCERS and ~~shall~~ may not be paid through third party contracts or otherwise without express written authorization of the Board of Retirement. All approved travel and education expenses shall be included in the OCERS annual budget ~~and~~ approved by the Board of Retirement. Due Diligence expenses, as authorized by the Board, shall not be treated as costs of administration.

Attendance at Public Retirement System Meetings Pre-Approved Conferences and Meetings

~~8-10.~~ Board members and the OCERS staff members designated by the Chief Executive Officer are automatically authorized and encouraged to attend the following:

- a. Regular meetings of the State Association of County Retirement Systems (SACRS);
- b. The Annual Conference, the Annual Safety Conference, and the Annual Legislative Workshop of the National Conference on Public Employee Retirement Systems (NCPERS);
- c. CALAPRS annual General Assembly and Round Table meetings;
- d. Conferences of the National Association of State Retirement Administrators (NASRA);
- e. Conferences of the National Institute on Retirement Security (NIRS); ~~and~~

f. Conferences sponsored by the Board of Retirement's retained consultants and/or investment managers; and

f.g. Conferences sponsored by a firm that has a contractual relationship with OCERS.

In addition, the OCERS staff members designated by the Chief Executive Officer are automatically authorized and encouraged to attend the following:

~~g-h.~~ Annual Conference of the Public Pension Financial Forum (P2F2);

~~h-i.~~ Conferences of the National Association of Public Pension Attorneys (NAPPA); and

OCERS Board Policy Travel Policy

~~h.i.~~ Conferences sponsored by the Government Finance Officers Association (GFOA).

~~9.11.~~ ~~In addition, the s~~Staff members designated by the Chief Executive Officer and Board members who are appointed to serve on committees and/or the Board of Directors of the organizations named in paragraph ~~108~~ are automatically authorized to attend meetings of the committee(s) to which they have been appointed.

~~10.12.~~ Board members and the OCERS staff members designated by the Chief Executive Officer are automatically authorized to attend each of the following full curriculum pension management programs and courses on a one-time basis:

- a. Basic and advance educational programs sponsored by CALAPRS;
- b. Basic and advanced educational programs sponsored by SACRS;
- c. Basic and advanced investment programs ~~sponsored by~~~~held at~~ the Wharton School; provided, however, if the Wharton School does not offer an advanced investment program, the basic program may be taken a second time after three years of initially completing the program; and
- d. Global Financial Markets Institute, Inc. (various programs available).

~~11.13.~~ New Board members, other than those with prior experience administering a public retirement system or pension fund, are encouraged to attend one of the courses listed in paragraph ~~1240~~ within the first year after their election or appointment, ~~as the case may be.~~

~~12.14.~~ The ~~Chief Executive Officer~~~~CEO~~ has identified the following conferences/seminars that Board members and designated staff members are automatically authorized to attend, ~~subject to the limits set forth in paragraph 16,~~ at OCERS expense:

- a. ~~Public Employees Benefits Plan or the Annual Investment Institute conference~~~~Conferences and Programs (CAPP)~~ sponsored by the International Foundation of Employee Benefit Plans (IFEBP); ~~Conferences sponsored by the Institute for Fiduciary Education (IFE);~~
- b. Conferences sponsored by the Pension Real Estate Association (PREA);
- c. ~~Annual Public Funds Conference (the Public Fund Boards Forum)~~ sponsored by the International Institute for Research (IIR);
- ~~d.~~c. Conferences sponsored by Pension and Investments;
- ~~e.~~d. Conferences sponsored by the Pacific Pension Institute (PPI);
- ~~f.~~e. Forums sponsored by Institutional Investor;
- ~~g.~~f. Conferences sponsored by the Council of Institutional Investors (CII); ~~IFEBP-CAPP Program (Units 1 & 2);~~
- ~~h.~~g. Conferences sponsored by Institutional Real Estate, Inc. (IREI);
- ~~i.~~h. Conferences sponsored by the Opal Financial Group; ~~and~~
- i. Conferences sponsored by The Pension Bridge;
- j. ~~Conferences sponsored by Public Retirement Information Systems Management (PRISM);~~

- k. Conferences sponsored by the Investment Management Consultants Association (IMCA);
- l. Conferences sponsored by SuperReturn;
- m. Conferences sponsored by Global ARC;
- n. Conferences sponsored by CIO Magazine;
- o. Conferences sponsored by the Institutional Limited Partners Association; and
- j-p. Conferences sponsored by the Falk Marques Group.

13.15. The Chief Executive Officer shall provide newly elected or appointed Board members with a list of approved conferences scheduled to take place within the current calendar year.

Limitation on Attendance at Conferences and Seminars

14.16. A Board member is authorized to attend up to three ~~approved~~ events (i.e., conferences, seminars, meetings, or courses) that require overnight lodging} at OCERS expense each calendar year. Attendance at the pre-approved events ~~(i.e., conferences, seminars, meetings and courses)~~ listed in paragraphs ~~8, 9 and 10, 11 and 12~~ are not subject to the three-event limit imposed by this paragraph even if they require overnight travel.

15.17. Board members who want to attend ~~events (i.e., conferences, seminars, meetings and courses)~~ events (i.e., conferences, seminars, meetings and courses) that require overnight lodging} ~~and~~ that are not automatically authorized under paragraphs ~~10, 11, 12 8, 9, 10 and 1412~~ require advance approval by the Board. Staff members who want to attend ~~events (i.e., conferences, seminars, meetings and courses)~~ events (i.e., conferences, seminars, meetings and courses) that require overnight lodging} ~~and~~ that are not automatically authorized under paragraphs ~~10, 11, 12 8, 9, 10 and 1412~~ require advance approval by the Chief Executive Officer or his or her designee.

16.18. In cases where attendance at a particular conference, seminar or other event is limited, the CEO will identify those trustees who will be authorized to attend as follows:-

- a. first, by giving priority to those trustees who have not previously attended the specific conference, seminar or other event and, if needed, make selections by lottery of the interested trustees in this group;
- b. second, if additional opportunities to attend remain available, make selections by lottery of other interested trustees, and
- c. third, designate the remaining interested trustees as alternate attendees, who may attend in the event the trustees originally selected are unable to attend.

International Travel and Travel Outside the Continental United States

17.19. Travel by Board members to a destination outside the continental United States requires pre-approval by the Board. Travel by staff to a destination outside the continental United States requires pre-approval by the Chief Executive Officer and notification to the Board Chair.

Travel Reports

~~18-20.~~ The Chief Executive Officer shall submit a quarterly report on conference, seminar and educational course attendance ~~by and OCERS' expenditures covering~~ Board Member and staff ~~and OCERS' coststravel~~ related to such events. Such reports shall identify the individual (Board Member or staff), location, purpose and cost of travel. The Board of Retirement will review these reports in January, April, July and October of each calendar year. The report also shall include scheduled travel for the ensuing quarter.

Report on Conference or Seminar

~~19-21.~~ Board Members and staff who travel to conferences or seminars that are not automatically authorized in paragraphs ~~10, 11, 12 and 14~~, ~~9, 10 and 12~~ shall file with the Chief Executive Officer a report that briefly summarizes the information and knowledge gained that may be relevant to other Board Members or staff, provides an evaluation of the conference or seminar, and provides a recommendation concerning future participation. Reports by a Board Member or staff will be made on the Conference/Seminar Report form shown in the appendix. The Chief Executive Officer shall cause a copy of the report to be distributed to each Board Member and to the Chief Investment Officer.

Claims for Reimbursement

~~20-22.~~ Reimbursement for travel by a Board member or staff shall be submitted on OCERS Expense Reimbursement Forms accompanied by all supporting original receipts or documentation of the expense incurred. All expense claim forms will be reviewed and approved (or disapproved) in accordance with the provisions of this policy. The Board Chair shall approve expense claims for Board members and the Chief Executive Officer. The Vice Chair will approve expense claims for the Chair. The Chief Executive Officer ~~or his or her designee~~ will approve all expense claims for staff. All approvals are subject to ultimate review and concurrence by the Board of Retirement as part of the quarterly report process required in paragraph ~~20~~~~18~~.

Cash Advances

~~21-23.~~ Cash advances will be provided upon request only for those conferences, seminars, meetings, and courses identified in ~~sections 8, 9, 10, and 12~~ ~~paragraphs 10, 11, 12 and 14 of this policy~~ as pre-approved by the Board and ~~Chief Executive Officer~~~~CEO~~. Any and all cash advances for travel and training shall be requested through the ~~Chief Executive Officer~~~~CEO's office~~. Cash advances are subject to approval by the Chair of the Board of Retirement and the ~~Chief Executive Officer~~~~CEO~~. Notice of all cash advances for travel and training shall be placed on the Consent Agenda for the next Regular Meeting of the Board of Retirement as an informational item.

Time Limit for Expense Claims

~~22-24.~~ Claims for reimbursement pursuant to this policy must be submitted within 30 days following return to Orange County. In no event will a claim for reimbursement be approved if submitted ~~over~~ 90 days after the end of the calendar year in which the expense was incurred.

Expenses for Traveling Companions

~~23-25.~~ Expenses of family members and/or traveling companions are not reimbursable by OCERS.

Limitation on Time and Expense Allowance

~~24-26.~~ Allowance for time and expense shall not exceed that which is reasonable and necessary as claimed by others to that precise destination whether by private automobile or common carrier. Expense reimbursements are limited to those items and amounts considered to be non-taxable income for the recipient by the Internal Revenue Service (IRS). Expense costs for extra days prior to or after a conference will be reimbursed only if such extension results in lower overall trip costs. For staff, cost comparisons for trip extensions shall include the cost of salary for any work days lost by the extension.

Travel and Lodging Cancellations

~~25-27.~~ Board Members and as well as staff are responsible for the timely cancellation of registration fees, travel and lodging reservations made on his/her behalf that will not be used, so that no unnecessary expense will be incurred by OCERS.

Meals

~~28.~~ Board members and staff will be reimbursed for actual and reasonable expense of meals consumed while traveling on business, including non-alcoholic beverages, tax, and tip for meal service that does not exceed a reasonable percentage. ~~A~~ Board members and/or staff must provide both an itemized receipt and the summary payment receipt (when a payment card is used) for all meals any meal that exceeds \$25.00 (excluding tax and tip).

~~29.~~ In the event an itemized receipt is lost or is not available, a Missing Receipt Form must be completed and submitted with the expense reimbursement claim. The Missing Receipt Form includes a certification that only allowable items are included in the request for reimbursement. Claims for reimbursements submitted with a Missing Receipt Form will be limited to the lesser of the actual amount paid (evidenced by the summary payment receipt) or the applicable per diem meal rate as published in the Meals and Incidental Expenses schedule by the General Services Administration (GSA).

~~26-30.~~ OCERS will not reimburse meals or expenses that would be considered taxable income to the recipient by the IRS. Meals purchased during one-day events with no overnight stay will not be reimbursed by OCERS unless there is a business purpose associated with the meal (e.g., business meeting conducted during the meal). The IRS considers meal expenses incurred during same-day travel, or meals away from tax home with no overnight stay, as taxable expenses.

Hotels

~~27-31.~~ Actual expenses for economical and practical lodging will be reimbursed. Reimbursement will be limited to a room considered to be in a standard class. Whenever possible, a request for a government or conference rate will be made.

28-32. If, at the conclusion of a business-related trip, it would be impractical for a Board member or staff member to return home the same day and arrive home prior to 10:00 p.m. California time (due to the distance that must be traveled, or the unavailability of a return flight) or if the traveler's work and travel time for the final day will exceed 12 hours, the Board member or staff member will be entitled to be reimbursed for one additional night of lodging.

Airline Travel

29-33. OCERS' Board members and staff will use good judgment to obtain airline tickets at competitive prices. OCERS will not reimburse a Board or staff member to fly business or first class; however, for travel that exceed four hours in length, additional legroom seats or premium economy fees will be reimbursed. An individual may, at his or her own expense, pay to upgrade travel to business or first class.

30-34. If a significant savings can be realized on the airline fare by having a Board member or staff member extend their stay to include a Saturday night, the Board or staff member, at his or her option, may extend his or her stay in order to realize such savings. OCERS will reimburse the additional lodging and meal costs resulting from an extended itinerary, not to exceed the savings in airline fare.

Automobile Mileage

31-35. A Board member or staff member who uses his/her personal automobile for transportation on OCERS business will keep records of the actual mileage driven on business, and will report such mileage on an OCERS Expense Report Form and will provide documentation of the miles driven (e.g., copy of map and route). Reimbursement will be made at the per-mile rate allowed by the Internal Revenue Service. Mileage will be reimbursed for only those miles incurred beyond the staff member's normal commute to his or her regular worksite (i.e., if an employee departs from or returns to his or her home instead of the regular worksite, only the mileage in excess of the normal daily commute will be reimbursed).

32-36. A Board member or staff member who elects to use his/her personal automobile for travel will be reimbursed for mileage to the point that does not exceed the cost of the most economical (least expensive) round-trip ticket between Orange County and the destination city.

Parking and Tolls

33-37. Parking and tolls will be reimbursed at current rates. A receipt is required for amounts over \$25.00.

Public Transportation

34-38. Use of taxis, hired cars, shared ride services (e.g., Uber, Lyft, Sidecar) and public transportation for OCERS business will be reimbursed at current rates. The most economical mode of transportation should be used whenever practicable; however, use of a transportation provider with multiple stops (e.g., shuttle) is not required. Public transportation is preferred. A receipt is required for amounts over \$25.00.

Car Rentals

35-39. The use of a rental car by a Board member or staff will be reimbursed when it is economically reasonable to rent a vehicle rather than use taxis, hired cars, shared ride services or public transportation. Rental car discounts must be used whenever possible and appropriate. If available, a compact vehicle will be requested, unless several Board members and/or staff will be using the vehicle together.

Incidental Business Expenses

36-40. Incidental business expenses reasonably incurred in connection with OCERS business, such as telephone, fax, Internet access, and similar business expenses, will be reimbursed. Receipts are required for all amounts.

Porterage/Housekeeping

37-41. Maximum reimbursement for porterage and housekeeping is \$5.00 per day (cumulative) of travel. Receipts are not required for porterage or housekeeping expenses.

Excluded Expenses

42. The following expenses will not be reimbursed: Alcoholic beverages, tobacco, in-room movies, barber shop, beauty shop, gifts, magazines, personal telephone calls and mini-bar charges. In the case of an extended trip longer than five business days or an emergency situation, laundry and dry cleaning expenses will be reimbursed.

38-43. OCERS will not reimburse or pay for charges for attendance at or participation in networking, social or entertainment type events (e.g., golf, cocktail parties, excursions, outings, etc.) that are in addition to or not included in the general conference registration fee.

Gifts

44. ~~FPPC regulations limit the ability of OCERS, individual~~ Board Members and certain staff designated in OCERS' Conflict of Interest Code are prohibited from receiving, and are required to report on their Forms 700, staff to accept gifts of travel, lodging and meals from third parties over certain amounts. Questions regarding in all cases, the evaluation of whether the gift can be accepted and gift the determination of the FPPC reporting requirements shall be directed to made by the Chief Executive Officer or in conjunction with general counsel and communicated to the intended recipient of the gift.

Staff Travel

39-45. In furtherance of this policy, the Chief Executive Officer shall have discretionary authority to approve staff travel as necessary to carry out the administrative responsibilities of OCERS, such as attendance at legislative meetings or hearings, conducting on-site visits as part of due diligence

evaluation of existing and proposed service providers, participating in continuing education programs, and other duties as directed.

Policy Review

40-46. This policy shall be reviewed every three years by the Governance Committee and may be amended by the Board of Retirement at any time.

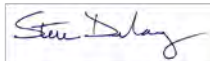
Policy History

41-47. The Retirement Board adopted this policy on December 16, 2002.

42-48. This policy was revised on June 18, 2007, March 24, 2008, March 22, 2010, June 21, 2010, June 18, 2012, February 19, 2013, January 21, 2014, February 17, 2015, ~~and~~ November 16, 2015, and February 13, 2018.

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.



11/16/15

Steve Delaney
Secretary of the Board

Date



Form

Report of Attendance at Conference or Seminar

Name of Member Attending: _____

Name of Conference/Seminar: _____

Location of Conference/Seminar: _____

Conference/Seminar Sponsor: _____

Dates of Attendance: _____

Total Cost of Attendance: _____

Brief Summary of Information and Knowledge Gained:

Evaluation of the Conference or Seminar:

Recommendation Concerning Future Attendance:

Signature

Return to: Executive Assistant

Copies to: Board Members
Chief Executive Officer
Assistant Chief Executive Officers

Purpose

1. Prudent oversight of a public sector pension plan requires that trustees and staff occasionally travel to business meetings and educational conferences or seminars, held in or outside of the state of California. Travel and related costs incurred in doing so not only represent legitimate expenses of the plan, but are a sound investment in the ongoing success of the organization in meeting the needs of the membership.
2. The purpose of the Travel Policy is to encourage and facilitate the pursuit of relevant educational and business related initiatives by trustees and staff. The policy is designed to assist them in meeting their fiduciary duties to administer the pension plan, ensure that expenditures incurred in the education and travel process are prudent and cost-effective, and to mitigate the risk of improprieties arising from travel or business related activities.

Content Requirements

3. As a general rule, and with the exception of public retirement system meetings discussed below, unless a conference/seminar agenda contains an average of five (5) hours of substantive educational content per day, attendance at the particular conference/seminar will not be approved and related travel expenses will not be reimbursed. Educational forums, conferences and seminars that routinely and consistently satisfy this requirement will automatically qualify for Board approval for attendance. The Chief Executive Officer will screen and determine those conferences or seminars that meet the five (5) hour requirement and provide a list thereof to the Board members and appropriate staff members. Authorization to attend and receive travel expense reimbursement for a client conference organized or sponsored by a single company or firm shall be restricted to those conferences sponsored by firms who have a contractual relationship with OCERS. Board members or staff members who have independent relationships with a conference sponsor are not automatically entitled to attend such conferences at OCERS' expense. The Board of Retirement shall consider each request individually regardless of any Board or staff affiliation.

Board Member

4. The term "Board Member" shall include a designee of the Treasurer, provided such person is designated in writing to act as the designee, has taken the oath of office and has filed the written designation with the County Clerk, County Auditor and OCERS.

Travel Authorization

5. Except as otherwise provided herein, reimbursement of travel expenses for a Board member to attend an educational conference or seminar (or other type of meeting or event) requires the prior approval of the Board of Retirement.
6. All reimbursement of travel expenses for an employee of OCERS to attend an educational conference or seminar (or other type of meeting or event) or for administrative purposes requires the prior approval of the Chief Executive Officer or his or her designee.

7. Travel on OCERS' business within the Southern California region by Board members or staff need not be approved in advance as long as overnight accommodations are not required. The Southern California region shall include the counties of Orange, Los Angeles, San Bernardino, Riverside, San Diego, Imperial, Ventura, Santa Barbara and Kern.

Limitation on Meeting for Business Purpose

8. No more than four members of the Board are authorized to meet together for business purposes within the State of California unless there is appropriate public notice of the meeting. Attendance at educational conferences, seminars and social activities by more than four members of the Board is not a violation of this provision.

Cost of Administration

9. Approved education and travel expenses for Board and staff members shall be direct costs of administration of OCERS (or directly charged to Investments in the case of education and travel expenses for Investments staff), shall be paid by OCERS and shall not be paid through third party contracts or otherwise without express written authorization of the Board of Retirement. All approved travel and education expenses shall be included in the OCERS annual budget approved by the Board of Retirement. Due Diligence expenses, as authorized by the Board, shall not be treated as costs of administration.

Pre-Approved Conferences and Meetings

10. Board members and the OCERS staff members designated by the Chief Executive Officer are automatically authorized and encouraged to attend the following:
 - a. Regular meetings of the State Association of County Retirement Systems (SACRS);
 - b. The Annual Conference, the Annual Safety Conference, and the Annual Legislative Workshop of the National Conference on Public Employee Retirement Systems (NCPERS);
 - c. CALAPRS annual General Assembly and Round Table meetings;
 - d. Conferences of the National Association of State Retirement Administrators (NASRA);
 - e. Conferences of the National Institute on Retirement Security (NIRS);
 - f. Conferences sponsored by the Board of Retirement's retained consultants and/or investment managers; and
 - g. Conferences sponsored by a firm that has a contractual relationship with OCERS.

In addition, the OCERS staff members designated by the Chief Executive Officer are automatically authorized and encouraged to attend the following:

- h. Annual Conference of the Public Pension Financial Forum (P2F2);
- i. Conferences of the National Association of Public Pension Attorneys (NAPPA); and
- j. Conferences sponsored by the Government Finance Officers Association (GFOA).

11. Staff members designated by the Chief Executive Officer and Board members who are appointed to serve on committees and/or the Board of Directors of the organizations named in paragraph 10 are automatically authorized to attend meetings of the committee(s) to which they have been appointed.
12. Board members and the OCERS staff members designated by the Chief Executive Officer are automatically authorized to attend each of the following full curriculum pension management programs and courses on a one-time basis:
 - a. Basic and advance educational programs sponsored by CALAPRS;
 - b. Basic and advanced educational programs sponsored by SACRS;
 - c. Basic and advanced investment programs sponsored by the Wharton School; provided, however, if the Wharton School does not offer an advanced investment program, the basic program may be taken a second time after three years of initially completing the program; and
 - d. Global Financial Markets Institute, Inc. (various programs available).
13. New Board members, other than those with prior experience administering a public retirement system or pension fund, are encouraged to attend one of the courses listed in paragraph 12 within the first year after their election or appointment.
14. The Chief Executive Officer has identified the following conferences/seminars that Board members and designated staff members are automatically authorized to attend, subject to the limits set forth in paragraph 16, at OCERS expense:
 - a. Conferences and Programs (CAPP) sponsored by the International Foundation of Employee Benefit Plans (IFEBP);
 - b. Conferences sponsored by the Pension Real Estate Association (PREA);
 - c. Conferences sponsored by Pension and Investments;
 - d. Conferences sponsored by the Pacific Pension Institute (PPI);
 - e. Forums sponsored by Institutional Investor;
 - f. Conferences sponsored by the Council of Institutional Investors (CII);
 - ;
 - g. Conferences sponsored by Institutional Real Estate, Inc. (IREI);
 - h. Conferences sponsored by the Opal Financial Group;
 - i. Conferences sponsored by The Pension Bridge;
 - j. Conferences sponsored by Public Retirement Information Systems Management (PRISM);
 - k. Conferences sponsored by the Investment Management Consultants Association (IMCA);
 - l. Conferences sponsored by SuperReturn;
 - m. Conferences sponsored by Global ARC;

- n. Conferences sponsored by CIO Magazine;
 - o. Conferences sponsored by the Institutional Limited Partners Association; and
 - p. Conferences sponsored by the Falk Marques Group.
15. The Chief Executive Officer shall provide newly elected or appointed Board members with a list of approved conferences scheduled to take place within the current calendar year.

Limitation on Attendance at Conferences and Seminars

16. A Board member is authorized to attend up to three events (i.e., conferences, seminars, meetings, or courses) that require overnight lodging at OCERS expense each calendar year. Attendance at the pre-approved events listed in paragraphs 10, 11 and 12 are not subject to the three-event limit imposed by this paragraph even if they require overnight travel.
17. Board members who want to attend events (i.e., conferences, seminars, meetings or courses) that require overnight lodging and that are not automatically authorized under paragraphs 10, 11, 12 or 14 require advance approval by the Board. Staff members who want to attend events (i.e., conferences, seminars, meetings or courses) that require overnight lodging and that are not automatically authorized under paragraphs 10, 11, 12 and 14 require advance approval by the Chief Executive Officer or his or her designee.
18. In cases where attendance at a particular conference, seminar or other event is limited, the CEO will identify those trustees who will be authorized to attend as follows:
- a. first, by giving priority to those trustees who have not previously attended the specific conference, seminar or other event and, if needed, make selections by lottery of the interested trustees in this group;
 - b. second, if additional opportunities to attend remain available, make selections by lottery of other interested trustees, and
 - c. third, designate the remaining interested trustees as alternate attendees, who may attend in the event the trustees originally selected are unable to attend.

International Travel and Travel Outside the Continental United States

19. Travel by Board members to a destination outside the continental United States requires pre-approval by the Board. Travel by staff to a destination outside the continental United States requires pre-approval by the Chief Executive Officer and notification to the Board Chair.

Travel Reports

20. The Chief Executive Officer shall submit a quarterly report on conference, seminar and educational course attendance by Board Member and staff and OCERS' costs related to such events. Such reports shall identify the individual (Board Member or staff), location, purpose and cost of travel. The Board of Retirement will review these reports in January, April, July and October of each calendar year. The report also shall include scheduled travel for the ensuing quarter.

Report on Conference or Seminar

21. Board Members and staff who travel to conferences or seminars that are not automatically authorized in paragraphs 10, 11, 12 and 14 shall file with the Chief Executive Officer a report that briefly summarizes the information and knowledge gained that may be relevant to other Board Members or staff, provides an evaluation of the conference or seminar, and provides a recommendation concerning future participation. Reports by a Board Member or staff will be made on the Conference/Seminar Report form shown in the appendix. The Chief Executive Officer shall cause a copy of the report to be distributed to each Board Member and to the Chief Investment Officer.

Claims for Reimbursement

22. Reimbursement for travel by a Board member or staff shall be submitted on OCERS Expense Reimbursement Forms accompanied by all supporting original receipts or documentation of the expense incurred. All expense claim forms will be reviewed and approved (or disapproved) in accordance with the provisions of this policy. The Board Chair shall approve expense claims for Board members and the Chief Executive Officer. The Vice Chair will approve expense claims for the Chair. The Chief Executive Officer or his or her designee will approve all expense claims for staff. All approvals are subject to ultimate review and concurrence by the Board of Retirement as part of the quarterly report process required in paragraph 20.

Cash Advances

23. Cash advances will be provided upon request only for those conferences, seminars, meetings, and courses identified in paragraphs 10, 11, 12 and 14 as pre-approved by the Board and Chief Executive Officer. Any and all cash advances for travel and training shall be requested through the Chief Executive Officer. Cash advances are subject to approval by the Chair of the Board of Retirement and the Chief Executive Officer. Notice of all cash advances for travel and training shall be placed on the Consent Agenda for the next Regular Meeting of the Board of Retirement as an informational item.

Time Limit for Expense Claims

24. Claims for reimbursement pursuant to this policy must be submitted within 30 days following return to Orange County. In no event will a claim for reimbursement be approved if submitted over 90 days after the end of the calendar year in which the expense was incurred.

Expenses for Traveling Companions

25. Expenses of family members and/or traveling companions are not reimbursable by OCERS.

Limitation on Time and Expense Allowance

26. Allowance for time and expense shall not exceed that which is reasonable and necessary as claimed by others to that precise destination whether by private automobile or common carrier. Expense reimbursements are limited to those items and amounts considered to be non-taxable income for

the recipient by the Internal Revenue Service (IRS). Expense costs for extra days prior to or after a conference will be reimbursed only if such extension results in lower overall trip costs. For staff, cost comparisons for trip extensions shall include the cost of salary for any work days lost by the extension.

Travel and Lodging Cancellations

27. Board Members and staff are responsible for the timely cancellation of registration fees, travel and lodging reservations made on his/her behalf that will not be used, so that no unnecessary expense will be incurred by OCERS.

Meals

28. Board members and staff will be reimbursed for actual and reasonable expense of meals consumed while traveling on business, including non-alcoholic beverages, tax, and tip for meal service that does not exceed a reasonable percentage. Board members and staff must provide both an itemized receipt and the summary payment receipt (when a payment card is used) for all meals.
29. In the event an itemized receipt is lost or is not available, a Missing Receipt Form must be completed and submitted with the expense reimbursement claim. The Missing Receipt Form includes a certification that only allowable items are included in the request for reimbursement. Claims for reimbursements submitted with a Missing Receipt Form will be limited to the lesser of the actual amount paid (evidenced by the summary payment receipt) or the applicable per diem meal rate as published in the Meals and Incidental Expenses schedule by the General Services Administration (GSA).
30. OCERS will not reimburse meals or expenses that would be considered taxable income to the recipient by the IRS. Meals purchased during one-day events with no overnight stay will not be reimbursed by OCERS unless there is a business purpose associated with the meal (e.g., business meeting conducted during the meal). The IRS considers meal expenses incurred during same-day travel, or meals away from tax home with no overnight stay, as taxable expenses.

Hotels

31. Actual expenses for economical and practical lodging will be reimbursed. Reimbursement will be limited to a room considered to be in a standard class. Whenever possible, a request for a government or conference rate will be made.
32. If, at the conclusion of a business-related trip, it would be impractical for a Board member or staff member to return home the same day and arrive home prior to 10:00 p.m. California time (due to the distance that must be traveled, or the unavailability of a return flight) or if the traveler's work and travel time for the final day will exceed 12 hours, the Board member or staff member will be entitled to be reimbursed for one additional night of lodging.

Airline Travel

33. OCERS' Board members and staff will use good judgment to obtain airline tickets at competitive prices. OCERS will not reimburse a Board or staff member to fly business or first class; however, for

travel that exceed four hours in length, additional legroom seats or premium economy fees will be reimbursed. An individual may, at his or her own expense, pay to upgrade travel to business or first class.

34. If a significant savings can be realized on the airline fare by having a Board member or staff member extend their stay to include a Saturday night, the Board or staff member, at his or her option, may extend his or her stay in order to realize such savings. OCERS will reimburse the additional lodging and meal costs resulting from an extended itinerary, not to exceed the savings in airline fare.

Automobile Mileage

35. A Board member or staff member who uses his/her personal automobile for transportation on OCERS business will keep records of the actual mileage driven on business, and will report such mileage on an OCERS Expense Report Form and will provide documentation of the miles driven (e.g., copy of map and route). Reimbursement will be made at the per-mile rate allowed by the IRS. Mileage will be reimbursed for only those miles incurred beyond the staff member's normal commute to his or her regular worksite (i.e., if an employee departs from or returns to his or her home instead of the regular worksite, only the mileage in excess of the normal daily commute will be reimbursed).
36. A Board member or staff member who elects to use his/her personal automobile for travel will be reimbursed for mileage to the point that does not exceed the cost of the most economical (least expensive) round-trip ticket between Orange County and the destination city.

Parking and Tolls

37. Parking and tolls will be reimbursed at current rates. A receipt is required for amounts over \$25.00.

Public Transportation

38. Use of taxis, hired cars, shared ride services (e.g., Uber, Lyft, Sidecar) and public transportation for OCERS business will be reimbursed at current rates. The most economical mode of transportation should be used whenever practicable; however, use of a transportation provider with multiple stops (e.g., shuttle) is not required. A receipt is required for amounts over \$25.00.

Car Rentals

39. The use of a rental car by a Board member or staff will be reimbursed when it is economically reasonable to rent a vehicle rather than use taxis, hired cars, shared ride services or public transportation. Rental car discounts must be used whenever possible and appropriate. If available, a compact vehicle will be requested, unless several Board members and/or staff will be using the vehicle together.

Incidental Business Expenses

40. Incidental business expenses reasonably incurred in connection with OCERS business, such as telephone, fax, Internet access, and similar business expenses, will be reimbursed. Receipts are required for all amounts.

Porterage/Housekeeping

41. Maximum reimbursement for porterage and housekeeping is \$5.00 per day (cumulative) of travel. Receipts are not required for porterage or housekeeping expenses.

Excluded Expenses

42. The following expenses will not be reimbursed: Alcoholic beverages, tobacco, in-room movies, barber shop, beauty shop, gifts, magazines, personal telephone calls and mini-bar charges. In the case of a trip longer than five business days or an emergency situation, laundry and dry cleaning expenses will be reimbursed.
43. OCERS will not reimburse or pay for charges for attendance at or participation in networking, social or entertainment type events (e.g., golf, cocktail parties, excursions, outings, etc.) that are in addition to or not included in the general conference registration fee.

Gifts

44. Board Members and certain staff designated in OCERS' Conflict of Interest Code are prohibited from receiving, and are required to report on their Forms 700, gifts of travel, lodging and meals from third parties over certain amounts. Questions regarding whether the gift can be accepted and gift reporting requirements shall be directed to the Chief Executive Officer or general counsel.

Staff Travel

45. In furtherance of this policy, the Chief Executive Officer shall have discretionary authority to approve staff travel as necessary to carry out the administrative responsibilities of OCERS, such as attendance at legislative meetings or hearings, conducting on-site visits as part of due diligence evaluation of existing and proposed service providers, participating in continuing education programs, and other duties as directed.

Policy Review

46. This policy shall be reviewed every three years by the Governance Committee and may be amended by the Board of Retirement at any time.

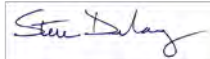
Policy History

47. The Retirement Board adopted this policy on December 16, 2002.

48. This policy was revised on June 18, 2007, March 24, 2008, March 22, 2010, June 21, 2010, June 18, 2012, February 19, 2013, January 21, 2014, February 17, 2015, November 16, 2015, and February 13, 2018.

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.



Steve Delaney
Secretary of the Board

Date



Form

Report of Attendance at Conference or Seminar

Name of Member Attending: _____

Name of Conference/Seminar: _____

Location of Conference/Seminar: _____

Conference/Seminar Sponsor: _____

Dates of Attendance: _____

Total Cost of Attendance: _____

Brief Summary of Information and Knowledge Gained:

Evaluation of the Conference or Seminar:

Recommendation Concerning Future Attendance:

Signature

Return to: Executive Assistant

Copies to: Board Members
Chief Executive Officer
Assistant Chief Executive Officers

B

Memorandum

DATE: January 25, 2018
TO: Members of the Governance Committee
FROM: Gina M. Ratto, General Counsel
SUBJECT: BOARD PERFORMANCE REVIEW POLICY

Recommendation

Discuss the **Board Performance Review Policy**; and approve, and recommend that the Board of Retirement approve, revisions to the Policy based on the Committee's discussion.

Background/Discussion

The Board adopted the **Board Performance Review Policy** ("Policy") on February 19, 2002, and the Policy was last revised on November 14, 2016. Both the immediate past and current Chairs of the Board have asked that the Governance Committee review the Policy and determine whether the Policy should be retained; and if it is retained, how the process set forth in the Policy can be improved.

Attached is the Policy, which includes the questionnaire that is sent to the Board members every year. The process set forth in the Policy contemplates that every January, the Board Chair will distribute the questionnaire to all members of the Board; and the Board will discuss the results of the survey at the Board meeting in February. The assessment is of the performance of the Board as whole, and not an assessment of individual Board members. In addition, the Chairs of the Governance Committee and Audit Committee are asked to recap their committee's activities during the year and to comment of the effectiveness of their committees. The Policy permits the Board to employ the services of third party to assist in the Board's discussion of the performance review.

Staff informally polled the CEOs of 13 CERL and city retirement systems to ask whether the boards of their systems have a self-assessment/self-review process. Ten of 13 systems responded; none currently engages in a board self-assessment/self-review process; two are actively discussing implementing a process, and both of these systems are working with an external board governance consultant for this purpose.

Attachment

Submitted by:



Gina M. Ratto
General Counsel

Objectives

1. The objectives of this policy are to provide a process whereby the Board of Retirement may engage in self-review and discussion for the purposes of continuously improving its own effectiveness as a fiduciary body.

Principles

2. Review of the Board of Retirement's performance is performed most effectively by the Board members themselves.
3. All Board members should participate in the review process.
4. The scope of the review process and any resulting actions should be strictly limited to the operations and decision-making practices of the Board itself. Issues pertaining to the operations of the Retirement System will fall within the scope of other Board policies, such as the Planning Policy and the Chief Executive Officer Performance Evaluation Policy.

Guidelines

Roles and Responsibilities

5. The Board of Retirement will be responsible for the implementation of these procedures.
6. The Chair and Vice Chair will be responsible for coordinating and assisting in the review process.

Procedures

7. In preparation for the review, in January of each year, the Chair will ensure that the Board Performance Review Questionnaire is distributed to each Board member. Board members will complete the questionnaire and return it to either the Chair or to a designated third party within the time frame specified by the Chair.
8. The Board review will be placed on the agenda for the February Board meeting. The Chair will distribute to Board members both comments and observations from the completed surveys to facilitate discussion at the meeting.
9. The Board may employ the services of a third party to assist in the Board's discussion of the performance review.
10. The Board of Retirement discussions and any resulting actions will be recorded in the minutes of the February Board meeting.

Policy Review

11. The Board of Retirement will review this policy at least once every three years to ensure that it remains relevant and appropriate.

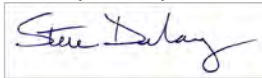
OCERS Board Policy
Board Performance Review

Policy History

- 12. The Board of Retirement adopted this policy on February 19, 2002.
- 13. The policy was amended April 16, 2007, May 26, 2009, January 21, 2014, July 20, 2015, and November 14, 2016.

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.



11/14/16

Steve Delaney
Secretary of the Board

Date

Board Performance Review Questionnaire

1. What does the Board do well?

2. What does the Board not do well?

3. How might Board meeting time be better managed?

Other suggestions or comments that might lead to improved performance by the Board.

4. Audit and Governance Committee Chairs: Please (a) provide a recap of your committee's activities during the year and (b) comment on your committee's effectiveness.

Name (optional)

Date

C

Memorandum

DATE: January 25, 2018
TO: Members of the Governance Committee
FROM: Gina M. Ratto, General Counsel
SUBJECT: BOARD AGENDA FORMAT

Recommendation

Discuss the format of the Board's agenda; and recommend that the Board approve revisions to the format based on the Committee's discussion.

Background/Discussion

Over the past few months, staff has been exploring with the Board new formats for the Board's agenda. At the December Board meeting, the Board Chair asked that the Governance Committee review the format of the Board's agenda and recommend revisions for the Board's consideration.

The Brown Act (Act) has few requirements regarding the content of agendas for public meetings, and no requirements regarding format. The agenda must contain a brief description (generally limited to 20 words) of each item to be discussed or transacted at the meeting, including items to be discussed in closed session. The Act is clear that discussion items must be placed on the agenda in addition to items that may be the subject of action by the body. The purpose of the brief general description is to inform interested members of the public about the subject matter under consideration so that they can determine whether to monitor or participate in the meeting.

Board Agenda for January 2018 (example)

Attached as an example is the Board agenda for its January 2018 meeting. The changes that were incorporated into this most recent version of the Board's agenda include:

1. Separate category of **Consent Agenda** items for matters that require Board action, but for which unanimous approval is anticipated to be by one motion for all matters.
2. Separate category of **Action Items** for matters that require Board action, for which discussion is expected, for which a separate motion is indicated and for which unanimous approval is not necessarily anticipated.
3. Separate category of **Information Items** for matters that do not require Board action. Each item specifies whether staff plans to make a presentation or only a written report is contemplated. (Staff will always be available to respond to questions about the written reports.)
4. **Action Items precede the Information Items** so that the Board's time is appropriately spent first in connection with matters that warrant discussion and require action by the Board.
5. **Public Comment** for matters not appearing on the agenda but which are within the subject matter jurisdiction of the Board (acknowledging that no action may be taken by the Board) appears at the end

of the agenda. Staff recommends the Committee discuss moving Public Comment to the beginning of the agenda. (Note that under the Brown Act, the Board must also give the public opportunity to give comment in connection with any item on the agenda before the Board takes action on such item.)

6. Consistent with the Board's adopted Rules of Parliamentary Procedure, the agenda states that **Public Comment** will be limited to three minutes per speaker.

Committee Chair Proposed Agenda Format (example)

Also attached is a proposed format for the Board's agenda prepared by the Chair of the Governance Committee.

You will note on the agenda a category of agenda items titled, "ITEMS RECEIVED TOO LATE TO BE AGENDIZED." The Act does allow a body to discuss a matter not included on the agenda under certain limited circumstances. First, the Act requires that prior to discussing a matter not previously placed on an agenda, the item must be publicly identified. Next, the body must determine either (1) by majority vote that an emergency situation exists, or (2) by two-thirds vote of the members of the body present at the meeting (or unanimous vote if less than two-thirds of the body are present at the meeting) that there is a need to take immediate action and that the need for action came to the attention of the agency (i.e., including staff) after the agenda was posted.

The Committee Chair also included a few suggestions, as comments, in the attached proposed agenda format. Among others, these suggestions include:

- Limiting public comment to two minutes.
- Limiting verbal reports by committees to only where a verbal report is required by law.
- Giving members of the body only one opportunity to speak in connection with verbal reports.
- Setting a time certain for adjournment.

Attachments

Submitted by:



Gina M. Ratto
General Counsel

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

REGULAR MEETING
Tuesday, January 16, 2018
9:00 a.m.

AGENDA

The Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board of Retirement may take action on any item included in the following agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Board of Retirement may consider matters included on the agenda in any order, and not necessarily in the order listed.

The Board of Retirement encourages your participation. The public, plan members, beneficiaries, and/or representatives may speak to any subject matter contained in the agenda at the time the item is addressed. Persons wishing to address items on the agenda should provide written notice to the Secretary of the Board prior to the Board's discussion on the item by filling out the Public Comment Form located in the back of the room. Members of the public may also comment on any matter that is within the subject matter jurisdiction of the Board during the noticed Public Comment period. When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

Pledge of Allegiance

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Board Member or a member of the public requests separate action on a specific item.

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

Recommendation: Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.

(1) N/A

ADMINISTRATION

C-2 BOARD MEETINGS AND COMMITTEE MEETINGS

Audit Committee Meeting Minutes
Regular Board Meeting Minutes

December 14, 2017
December 18, 2017

Recommendation: Authorize meeting and approve minutes.

C-3 AUDIT COMMITTEE OUTCOMES FROM DECEMBER 14, 2017 MEETING

The Audit Committee recommends that the Board of Retirement:

- (1) Receive and file the Audit of OCERS' Travel Expense Reports.
- (2) Receive and file the Hotline Update.
- (3) Receive and file the Status of 2017 Internal Audit Plan.
- (4) Approve the 2018 Risk Assessment and 2018 Audit Plan.

C-4 2017 OCERS YEAR IN REVIEW: COMMUNICATION PLAN

Recommendation: Approve the 2017 Year in Review Communication Plan.

ACTION ITEMS

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

A-2 GOVERNANCE COMMITTEE OUTCOMES REGARDING REFORM OF THE ADMINISTRATIVE HEARING PROCESS

Presentation by Gina M. Ratto, General Counsel, and Lee Fink, Deputy General Counsel

The Governance Committee recommends that the Board of Retirement:

- (1) Creation of a Disability Committee;
- (2) The Disability Committee Charter;
- (3) The Adjudication Policy and Administrative Hearing Rules for Disability and Non-Disability Benefits to supersede and replace the existing Administrative Hearing Procedures Policy and OCERS Administrative Procedure on Appeals; and
- (4) Revisions to the Hearing Officer Selection Policy.

INFORMATION ITEMS

The following matters are informational only and no action by the Board is necessary. However, as stated above, the Board may discuss and take action on any item included in the agenda.

I-1 MEMBER MATERIALS DISTRIBUTED

Written report only

Application Notices
Death Notices

January 16, 2018
January 16, 2018

- I-2 CEO FUTURE AGENDAS AND 2018 OCERS BOARD WORK PLAN**
Written report only
- I-3 QUIET PERIOD – NON-INVESTMENT CONTRACTS**
Written report only
- I-4 FOURTH QUARTER 2017 EDUCATION AND TRAVEL EXPENSE REPORT**
Written report only
- I-5 BOARD COMMUNICATIONS POLICY FACT SHEET**
Written report only
- I-6 DISABILITY RETIREMENT STATISTICS – 2017 REPORT**
Written report only
- I-7 OVERPAID AND UNDERPAID PLAN BENEFITS – 2017 REPORT**
Written report only
- I-8 2018 OCERS BOARD OF RETIREMENT COMMITTEE ASSIGNMENTS**
Written report only
- I-9 2017 FORM 700 DESIGNATED FILERS LIST AND FACT SHEETS AND OCERS ANNUAL DISCLOSURE FORM**
Written report only
- I-10 PUBLIC PENSION COORDINATING COUNCIL (PPCC) STANDARDS AWARD FOR FUNDING AND ADMINISTRATION AWARD**
Written report only
- I-11 BOARD COMMUNICATIONS**
Written report only
- I-12 OCERS INNOVATIONS AND EMPLOYEE STAFF AWARDS**
Presentation by Steve Delaney, Chief Executive Officer, OCERS

DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA

11:00 A.M.

NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO DISCUSS MATTERS RELATING TO THE MEMBER'S APPLICATION OR APPEAL, PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.

DISABILITY INDIVIDUAL AGENDA

D-1: James Bau

Sergeant, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement: 10/28/2016

Date of employee filed application for service connected disability retirement: 12/30/2016

Recommendation: Grant service connected disability retirement with an effective date of November 18, 2016. (Safety Member)

D-2: Ryan Bowsher

Deputy Sheriff II, Orange County Sheriff's Department

Date of employer filed application for service and non-service connected disability retirement: 11/04/2016

Date of employee filed application for service and non-service connected disability retirement: 12/20/2016

Recommendation: Grant service connected disability retirement with an effective date of the day after the last day of regular compensation. (Safety Member)

D-3: Emilio Mondragon

Coach Operator, Orange County Transportation Authority

Date of employer filed application for service and non-service connected disability retirement: 06/10/2016

Date of employee filed application for service connected disability retirement: 06/12/2017

Recommendation: Grant service connected disability retirement with an effective date of June 10, 2016. (General Member)

D-4: Walter Rejon

Coach Operator, Orange County Transportation Authority

Date of employer filed application for service and non-service connected disability retirement: 10/10/2016

Date of employee filed application for service and non-service connected disability retirement: 11/18/2016

Recommendation: Grant service connected disability with an effective date of the day after the last day of regular compensation. (General Member)

D-5: Izabel Rivera

Deputy Juvenile Correctional Officer II, Probation Department

Date of employee filed application for service and non-service connected disability retirement: 02/06/2017

Recommendation Grant service connected disability retirement with an effective date of November 11, 2016, the day following the last day of regular compensation as a Deputy Juvenile Correctional Officer II. Find the Applicant is capable of performing other duties in the service of the County of Orange pursuant to Government Code Section 31725.65. Grant a supplemental disability retirement payment allowance in the amount of the salary difference between the higher and lower paying positions effective November 11, 2016, the date of the position change until the day Ms. Rivera wishes to retire. (Safety Member)

D-6: Dortha Ronan

Lieutenant, Orange County Sheriff's Department

Date of employee filed application for service connected disability retirement: 06/17/2016

Recommendation Grant service connected disability with an effective date of June 17, 2016. (Safety Member)

D-7: Dean Weckerle

Sergeant, Orange County Sheriff's Department

Date of employee filed application for service connected disability retirement: 07/18/2016

Recommendation Grant service connected disability retirement with an effective date of August 5, 2016. (Safety Member)

D-8: Maxine Perry

Recommendation: Adopt the findings and recommendations of the Hearing Officer and Grant Applicant's application for service connected disability retirement with an effective date of the day after the last day of regular compensation.

D-9: Lisa Coley

Recommendation: Adopt the findings and recommendations of the Hearing Officer and find that at the time of her death, Lisa Coley, was legally married to Jerel Manning, therefore, Mr. Manning is entitled to a continuation of the disability allowance awarded to Ms. Coley as he is the surviving spouse.

PUBLIC COMMENTS: At this time members of the public may address the Board of Retirement regarding any items within the subject matter jurisdiction of the Board, provided that no action may be taken on non-agendized items unless authorized by law.

BOARD MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)

NOTICE OF NEXT MEETINGS

INVESTMENT COMMITTEE MEETING

January 24, 2018

9:00 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

AUDIT COMMITTEE MEETING

January 30, 2018

1:30 P.M.

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

**REGULAR BOARD MEETING
February 13, 2018
9:00 A.M.**

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

All supporting documentation is available for public review in the retirement office during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday and 8:00 a.m. – 4:30 p.m. on Friday.

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at adminsupport@ocers.org or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

AGENDA
REGULAR MEETING BOARD OF
RETIREMENT
ORANGE COUNTY EMPLOYEE
RETIREMENT SYSTEM
2223 E Wellington Ave. Ste 100 Santa Ana, CA 92701
714-558-6200
Wednesday, January 3, 2018– 5:30 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

RECOMMENDATION: Adopt resolution determining need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda (requires two-thirds vote of the Board members present, or, if less than two-thirds of the members are present, a unanimous vote of those members present.)

VISITOR PARTICIPATION

Time has been reserved at this point in the agenda for persons wishing to comment for up to two minutes to the Board of Directors on any item that is not listed on the agenda, but within the subject matter jurisdiction of the District. By law, the Board of Directors is prohibited from taking action on such public comments. As appropriate, matters raised in these public comments will be referred to District staff or placed on the agenda of an upcoming Board meeting.

At this time, members of the public may also offer public comment for up to two minutes on any item on the Consent Calendar. While members of the public may not remove an item from the Consent Calendar for separate discussion, a Director may do so at the request of a member of the public.

Non-Agendized Matters: Members of the public are invited to address the Board on matters which are not on the Agenda. Each speaker is limited to two (2) minutes. The Board will set aside thirty (20) minutes for public comments.

Agendized Matters: Members of the public may comment on Agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to (2) two minutes

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

CONSENT CALENDAR (ITEMS NO. 1 - 4)

All matters on the Consent Calendar are to be approved by one motion, without separate discussion on these items, unless a Board member or District staff request that specific items be removed from the Consent Calendar for separate consideration.

Comment [SPD1]: Limit comments to 2 minutes, can always increase but can't decrease during the hearing. This is only for items that are not on today's agenda. Public comment on today's agenda items will be heard at the time the item is called and before the board begins deliberation.

Comment [SPD2]: All items to be approved in one motion. Agendize all items where a committee has reached consensus and recommends approval

1.

RECOMMENDATION:

ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD DECEMBER 15 (ITEMS NO. XX - XX)

Comment [SPD3]: Example: RECOMMENDED FOR APPROVAL – as part of of the descriptive language to introduce the item.

2.

END OF CONSENT CALENDAR

MATTERS FOR CONSIDERATION

Comment [SPD4]: Only matters where a Vote of the entire Board is necessary and that is actionable. Examples: matters that have not been hear by Committee or have come up and require urgency. Please include the “Staff Recommendation” first when introducing the topic.

3.

INFORMATIONAL ITEMS

4. COMMITTEE/CONFERENCE/MEETING REPORTS

- ▶ December 15 – Property Management Committee (Chair Sheldon)
- ▶ Reports on Committees/Conferences/Meetings Attended at District Expense

Comment [SPD5]: - Verbal reports only when required by law, otherwise list them in written format to comply.

7. VERBAL REPORTS

- PRESIDENT'S REPORT
- CEO'S REPORT
- CFO'S REPORT
- TRUSTEE'S REPORTS
- GENERAL COUNSEL REPORT

Comment [SPD6]: One opportunity to speak. Otherwise subject matter and commentary become redundant.

Comment [SPD7]: Comment by the Board President: "Heads up, don't forget about our workshop." "Senator Feinstein will be visiting..."etc.

Comment [SPD8]: Wrap up the meeting...keep the board on task – Policy.

Comment [SPD9]: Market wrap up and look ahead.

Comment [SPD10]: Comments that are: "Timely, Relevant and Actionable only"

Comment [SPD11]: Only if necessary

Comment [SPD12]: Recess to closed session, read out by the General Counsel

5. RECESS TO CLOSED SESSION

- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(d)(1)] – 2 cases:

RECONVENE IN OPEN SESSION

ADJOURNMENT

Comment [SPD13]: Set a time certain for adjournment: my suggestion is 12:00 noon. This provides certainty for planning for all parties concerned.

Agenda Posting: In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA and on the OCWD website: www.ocwd.com not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Assistant District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District's website: www.ocwd.com.

Accommodations to the Disabled: Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714)378-3233, by email at jdurant@ocwd.com by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

Availability of Agenda Material: As a general rule, agenda reports or other written documentation that has been prepared or organized with respect to each item of business listed on the agenda can be reviewed at www.ocwd.com. Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office.