

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

**GOVERNANCE COMMITTEE MEETING
August 3, 2022
9:00 a.m.**

Members of the Committee

Arthur Hidalgo, Chair
Richard Oates, Vice-Chair
Shari Freidenrich
Adele Tagaloa

Pursuant to Assembly Bill 361, signed into law on September 16, 2021 as urgency legislation; Governor Newsom’s Proclamation of a State of Emergency on March 4, 2020, which Proclamation is still in effect; and Board of Retirement Resolution 2022-07, this meeting will be conducted by video/teleconference, in compliance with Government Code section 54953 as amended by Assembly Bill 361. In addition, members of the Committee and the public are welcome to participate in the meeting via Zoom from the OCERS Boardroom located at 2223 E. Wellington Ave., Santa Ana, CA. However, none of the other locations from which the Committee members participate by teleconference will be open to the public.

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone from any location. Members of the public who wish to provide comment during the meeting may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. Members of the public who participate in the meeting from the OCERS Boardroom and who wish to provide comment during the meeting may do so from the podium located in the OCERS Boardroom.

OCERS Zoom Video/Teleconference information	
<p>Join Using the Zoom App (Video & Audio)</p> <p>https://ocers.zoom.us/j/84667927432</p> <p>Meeting ID: 862 9476 6012 Passcode: 971558</p> <p>Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.</p>	<p>Join by Telephone (Audio Only)</p> <p>Dial by your location</p> <ul style="list-style-type: none"> +1 669 900 6833 US (San Jose) +1 253 215 8782 US (Tacoma) +1 346 248 7799 US (Houston) +1 929 436 2866 US (New York) +1 301 715 8592 US (Washington DC) +1 312 626 6799 US (Chicago) <p>Meeting ID: 862 9476 6012 Passcode: 971558</p>

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. The Committee may consider matters included on the agenda in any order, and not necessarily in the order listed.

OPEN SESSION

CALL MEETING TO ORDER AND ROLL CALL

PUBLIC COMMENT

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Committee; and (2) any matter appearing on the Consent Agenda. Members of the public who wish to provide comment at this time may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. When addressing the Committee, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes

May 3, 2022

ACTION ITEMS

NOTE: Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Committee’s discussion of the item. **Persons wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the room and deposit it in the Recording Secretary’s box located near the back counter.**

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

A-2 TRIENNIAL REVIEW OF THE TRAVEL POLICY

Presentation by Steve Delaney, Chief Executive Officer

Recommendation: Approve, and recommend the Board adopt, revisions to the Travel Policy.

A-3 TRIENNIAL REVIEW OF THE TRUSTEE EDUCATION POLICY

Presentation by Steve Delaney, Chief Executive Officer

Recommendation: Approve, and recommend the Board adopt, revision to the Trustee Education Policy.

A-4 TRIENNIAL REVIEW OF THE MONITORING AND REPORTING POLICY

Presentation by Steve Delaney, Chief Executive Officer

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

A-5 TRIENNIAL REVIEW OF THE MEMBER SERVICES CUSTOMER SERVICE POLICY

Presentation by Suzanne Jenike, Asst. CEO, External Operations

Recommendation: Approve, and recommend the Board adopt, revisions to the Member Services Customer Service Policy.

A-6 REVIEW OF THE BOARD OF RETIREMENT CHARTER

Presentation by Gina M. Ratto, General Counsel

Recommendation: Consider and thereafter recommend to the Board (1) whether to add a subsection to Section 9 of the Board of Retirement Charter to provide that “the Board may, in its discretion, extend the term of office of a sitting Chair and/or Vice Chair for one calendar year”; and (2) whether extending the term of office of the Chair and/or Vice Chair should require a supermajority vote of the Board.

COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT

NOTICE OF NEXT MEETINGS

DISABILITY COMMITTEE MEETING

August 15, 2022

8:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

REGULAR BOARD MEETING

August 15, 2022

9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

INVESTMENT COMMITTEE MEETING

August 24, 2022

9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS' website: <https://www.ocers.org/board-committee-meetings>. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS' website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.

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.

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

GOVERNANCE COMMITTEE MEETING

May 3, 2022

1:00 p.m.

MINUTES

The Chair called the meeting to order at 1:03 p.m.

Ms. Nih administered the roll call.

Present via Zoom Video conference pursuant to Government Code § 54953, as amended by AB 361:
Arthur Hidalgo, Chair; Richard Oates, Vice Chair; Adele Tagaloa

Also present via Zoom:

Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Manuel Serpa, Staff Attorney; Cynthia Hockless, Director of Human Resources; Jim Doezie, Contracts Administrator; Anthony Beltran, Audio Visual Technician; Bill Singleton, Paralegal; Carolyn Nih, Recording Secretary

Absent: Shari Freidenrich

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes

February 14, 2022

MOTION by Ms. Tagaloa, **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 BOARD OF RETIREMENT CHARTER (SECOND READING) AND POTENTIAL RELATED REVISION TO THE PROCUREMENT AND CONTRACTING POLICY

Presentation by Gina M. Ratto, General Counsel and Brenda Shott, Asst. CEO Internal Operations and Finance

Recommendation: Approve on a second reading and recommend the Board adopt the proposed revisions to the Board of Retirement Charter as presented.

Ms. Ratto reviewed changes as suggested from the February 2022 Governance Meeting.

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MOTION by Mr. Oates, **seconded** by Ms. Tagaloa, to approve staff recommendation with the addition of expanding language on item 15-E and sent for final approval by the full Board.

The motion passed **unanimously**.

A-3 PROPOSED REVISIONS OF THE PROTOCOL FOR HANDLING WORKPLACE COMPLAINTS AGAINST BOARD MEMBERS AND EXECUTIVES

Presentation by Gina M. Ratto, General Counsel

Recommendation: Approve and recommend that the Board of Retirement (Board) approve, proposed revisions to the Protocol for Handling Workplace Complaints Against Board Members and Executives.

Ms. Ratto reviewed changes as suggested from the February 2022 Governance Meeting.

MOTION by Ms. Tagaloa, **seconded** by Mr. Oates, to approve the staff recommendations.

The motion passed **unanimously** via acclamation vote (approved by General Counsel).

A-4 TRIENNIAL REVIEW OF THE MEMBER SERVICES CUSTOMER SERVICE POLICY

Presentation by Suzanne Jenike, Asst. CEO, External Operations

Recommendation: Approve and recommend the Board adopt the proposed revisions to the Member Services Customer Service Policy as presented.

Item was pulled by Ms. Jenike to be brought forward at the next meeting.

A-5 TRIENNIAL REVIEW OF THE RETIREMENT ENHANCEMENT REVIEW POLICY

Presentation by Suzanne Jenike, Asst. CEO, External Operations

Recommendation: Approve and recommend the Board adopt the proposed revisions to the Retirement Enhancement Review Policy as presented.

Ms. Jenike reviewed changes to basic document formatting and title to note “Spiking.”

MOTION by Mr. Oates, **seconded** by Ms. Tagaloa, to approve the staff recommendations.

The motion passed **unanimously**.

A-6 TRIENNIAL REVIEW OF THE PAY ITEM REVIEW POLICY

Presentation by Suzanne Jenike, Asst. CEO, External Operations

Recommendation: Approve and recommend the Board adopt the proposed revisions to the Pay Item Review Policy as presented.

Ms. Jenike reviewed changes to basic document formatting and document structure.

MOTION by Mr. Oates, **seconded** by Ms. Tagaloa, to approve the staff recommendations.

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The motion passed **unanimously**.

A-7 TRIENNIAL REVIEW OF THE WHISTLEBLOWER POLICY

Presentation by Cynthia Hockless, Director of Human Resources

Recommendation: Approve and recommend the Board of Retirement (Board) approve, proposed revisions to the Whistleblower policy.

Ms. Hockless presented, and Mr. Serpa shared changes from previous and updated policy.

MOTION by Ms. Tagalao, **seconded** by Mr. Oates, to approve the staff recommendations.

The motion passed **unanimously**.

A-8 FUTURE COMMITTEE MEETINGS

Recommendation: Approve dates for the meetings of the Governance Committee for the remainder of the year.

MOTION by Mr. Oates, **seconded** by Ms. Tagalao, to approve Wednesday, August 3, 2022, at 9:30 a.m. and Wednesday, October 19, 2022, at 9:30 a.m. for future Governance Committee meeting dates.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 COUNTY OF ORANGE BOARD OF SUPERVISORS BYLAWS TEMPLATE

Presentation by Steve Delaney, CEO

COMMITTEE MEMBER COMMENTS

None

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

None

COUNSEL COMMENTS

None

ADJOURNMENT at 2:12 p.m.

Submitted by:

Approved by:

Steve Delaney
Secretary to the Board

Arthur Hidalgo, Chair



Memorandum

DATE: August 3, 2022
TO: Members of the Governance Committee
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **TRIENNIAL REVIEW OF THE TRAVEL POLICY**

Recommendation

Approve, and recommend that the Board adopt, revisions to the Travel Policy.

Background/Discussion

The Board of Retirement (including the Investment Committee) has formally adopted over 60 policies and charters and has established a review schedule that requires review of every policy and charter every three years.

The Travel Policy was adopted by the Board on December 16, 2002, and was last reviewed and revised on October 21, 2019. It is scheduled for review and approval by the Board, after review by the Governance Committee, in 2022.

Proposed Revisions

All of the proposed revisions to the Travel Policy are non-substantive, clarifying or represent corrections to the names of conference sponsors.

The revisions are set forth in underlined/strikeout text in the attached copy of the policy. An unmarked version of the policy is also attached.

Attachments



Submitted by: SD

Steve Delaney
Chief Executive Officer



OCERS Board Policy Travel Policy

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. Exceptions to any provision of this policy for a Board member or the Chief Executive Officer require the pre-approval of the Board Chair or Vice Chair; and require the pre-approval of the Chief Executive Officer in the case of an exception for a staff member.

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.



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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 provided that 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, due diligence, 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. Conferences 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;
 - g. Conferences sponsored by the California Retired County Employees Association (CRCEA);
 - h. Conferences sponsored by the National Association of Police Organizations (NAPO); and
 - i. 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:



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- j. Annual Conference of the Public Pension Financial Forum (P2F2);
 - k. Conferences of the National Association of Public Pension Attorneys (NAPPA);
 - l. Conferences sponsored by the Government Finance Officers Association (GFOA); and
 - m. Conferences sponsored by CEM Benchmarking.
11. ~~Staff members designated by the Chief Executive Officer and~~ Board members and staff members designated by the Chief Executive Officer who are appointed or elected 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 or elected.
 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:
 - a. Basic and advance educational programs sponsored by CALAPRS – once during each Board member’s term, and one time only for OCERS staff members;
 - b. Basic and advanced educational programs sponsored by SACRS – once during each Board member’s term, and one time only for OCERS staff members;
 - c. Basic and advanced investment programs sponsored by the Wharton School -- one time only for Board members and staff; 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 are available; Board members and staff may attend each program only once.
 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 (IFEBCP);
 - 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;



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- i. Conferences sponsored by ~~The Pension Bridge~~ With Intelligence and all of its subsidiaries;
 - j. Conferences sponsored by the Investment ~~and Wealth Institute~~ Management Consultants Association (IMCA);
 - k. Conferences sponsored by SuperReturn;
 - l. Conferences sponsored by Global ARC;
 - m. Conferences sponsored by ~~CIO Magazine~~ Institutional Shareholder Services (ISS) Media Solutions and all of its subsidiaries;
 - n. Conferences sponsored by the Institutional Limited Partners Association;
 - o. Conferences sponsored by the ~~Falk Marques~~ Markets Group; ~~and~~
 - p. ~~Conferences sponsored by Gartner.~~ Conferences sponsored by Public Retirement Information Systems Management (PRISM); and
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 or 14 require advance approval by the Chief Executive Officer or his or her designee.
- 18. OCERS will not reimburse overnight lodging for travel within Orange County, regardless of whether the event is pre-approved under any of the provisions of this policy. An exception to this provision may be granted by the Board Chair or Vice Chair upon the request of, and showing of good cause by, a Board member or the Chief Executive Officer; and by the Chief Executive Officer upon the request of, and showing of good cause by, a staff member.
- 19. 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



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the event the trustees originally selected are unable to attend.



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International Travel and Travel Outside the Continental United States

20. Travel by Board members to a destination outside the continental United States requires pre-approval by the Board, regardless of whether the event is pre-approved under any of the provisions of this policy. 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 to attend a conference, seminar or meeting held outside the continental United States shall not be reimbursed by OCERS unless it can be demonstrated to the satisfaction of the Board (for travel by a Board member or the Chief Executive Officer) or the Chief Executive Officer (for travel by a staff member) that there is significant value to OCERS in attending, and comparable value cannot be obtained within the continental United States within a reasonable period of time.

Travel Reports

21. The Chief Executive Officer shall submit a quarterly report on conference, seminar and educational course attendance by Board members 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

22. Board Members and staff who travel to conferences or seminars that are not automatically authorized in paragraphs 10, 11, 12 or 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 will be included in the materials for the next meeting of the Board to be distributed to each Board Member and to the Chief Investment Officer.

Claims for Reimbursement

23. Reimbursement for travel by a Board member or staff shall be submitted ~~through~~ through OCERS ~~Expense Reimbursement Forms~~ expense management application 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 21.

Cash Advances

24. Cash advances will be provided upon request only for those conferences, seminars, meetings, and courses identified in paragraphs 10, 11, 12 or 14 of this policy as pre-approved by the Board and



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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

- 25. 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 90 days after the end of the calendar year in which the expense was incurred.

Expenses for Traveling Companions

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

Limitation on Time and Expense Allowance

- 27. Board and staff members will be reimbursed daily travel expenses, such as meals as outlined in paragraph 29, and gratuities as outlined in paragraph 42, for each day of travel when such travel is outside Orange County. 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 to the recipient by the Internal Revenue Service (IRS). Whenever feasible, Board and staff members are encouraged to travel on the same day of a one-day event and on the first and last days of a multiple-day event, rather than the day before or after, in order to save the System lodging and meal costs. 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

- 28. 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

- 29. **Meals While Attending Events that Require Overnight Travel.** Meals purchased by a Board or staff member while attending an event (i.e., conference, seminar, meeting or course) that requires overnight travel will be reimbursed at the actual and reasonable cost of the meals, including non-alcoholic beverages, tax and tip, (a) provided that both an itemized receipt and a charge receipt (when a payment card is used) are submitted, and (b) provided further that any meals included and already paid for by OCERS (such as through the conference registration fee) and meals paid for by a third party and subject to reporting requirements under the Political Reform Act will not be reimbursed. If an itemized receipt is not submitted, OCERS will reimburse the Board or staff member up to the GSA rate for that meal, upon request.



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30. **Reimbursement for Meals Consumed and Purchased During a Business-Purpose Meeting Where Travel is Not Involved.** Board and staff members will be reimbursed for the actual and reasonable expense of meals, including non-alcoholic beverages, tax and a reasonable tip, consumed and purchased during meetings where business is conducted during the course of the meal, and no overnight travel is required to attend the meeting. (See paragraph 29 for meal reimbursement during trips with overnight travel.) The Board or staff member must provide both an itemized receipt and a charge receipt (when a payment card is used) for all such meals. The names of the people who attended the business-purpose meeting and a brief description of the business discussed or conducted shall be submitted with the reimbursement request. 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.

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, 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 except in extraordinary circumstances, and then only with the approval of the Board Chair or Vice Chair where the traveler is a Board member or the Chief Executive Officer, or the approval of the Chief Executive Officer where the traveler is a staff member. In addition, for travel that exceeds 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~~through OCERS Expense Report Form~~expense management application~~ and will use the mileage calculator in the application or provide~~attach~~ 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



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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).

35. Board members who use their personal automobiles for transportation to OCERS (or to OCERS' offsite meeting locations) to attend meetings of the Board or committees of the Board or for the purpose of conducting other OCERS business will be reimbursed for actual mileage driven at the per-mile rate allowed by the IRS. The Board member will report such mileage [to the CEO's Executive Assistant who will submit the claim through an OCERS Expense Report Form-expense management application](#) and [will use the mileage calculator in the application or attach provide](#) documentation of the miles driven (e.g., copy of map and route).
36. A Board member or staff member who elects to use his/her personal automobile for travel will be reimbursed for mileage and parking fees up to an amount that does not exceed the cost of traveling by air, which will be calculated to include the most economical (least expensive) round-trip ticket between Orange County and the destination city, airline baggage fees, transportation to/from and parking fees at the local airport, and transportation between the destination airport and hotel/conference site.

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 (including attendance by a Board member at meetings of the Board or committees of the Board) 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. Board members and staff are required to obtain and purchase (and OCERS will reimburse) Loss Damage Waiver and Supplemental Liability Insurance when renting vehicles on OCERS' business. 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.



OCERS Board Policy Travel Policy



OCERS Board Policy Travel Policy

Porterage/Housekeeping/Other

- 41. OCERS will reimburse a maximum of \$15 per day of travel for porterage, housekeeping and non-meal related gratuities. Receipts are not required for these 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, except that OCERS will pay for NASRA-sponsored networking events that take place during, and are included in the agenda for, NASRA-sponsored conferences.

Staff Travel

- 44. 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

- 45. 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

- 46. The Retirement Board adopted this policy on December 16, 2002, and last revised on ~~October 21, 2019~~.

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

~~10/21/19~~

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



OCERS Board Policy Travel Policy

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. Exceptions to any provision of this policy for a Board member or the Chief Executive Officer require the pre-approval of the Board Chair or Vice Chair; and require the pre-approval of the Chief Executive Officer in the case of an exception for a staff member.

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.



OCERS Board Policy Travel Policy

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 provided that 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, due diligence, and travel expenses for Investments staff) 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.

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. Conferences 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;
 - g. Conferences sponsored by the California Retired County Employees Association (CRCEA);
 - h. Conferences sponsored by the National Association of Police Organizations (NAPO); and
 - i. 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:



OCERS Board Policy Travel Policy

- j. Annual Conference of the Public Pension Financial Forum (P2F2);
 - k. Conferences of the National Association of Public Pension Attorneys (NAPPA);
 - l. Conferences sponsored by the Government Finance Officers Association (GFOA); and
 - m. Conferences sponsored by CEM Benchmarking.
11. Board members and staff members designated by the Chief Executive Officer who are appointed or elected 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 or elected.
12. Board members and staff members designated by the Chief Executive Officer are automatically authorized to attend each of the following full curriculum pension management programs and courses:
- a. Basic and advance educational programs sponsored by CALAPRS – once during each Board member’s term, and one time only for OCERS staff members;
 - b. Basic and advanced educational programs sponsored by SACRS – once during each Board member’s term, and one time only for OCERS staff members;
 - c. Basic and advanced investment programs sponsored by the Wharton School -- one time only for Board members and staff; 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 are available; Board members and staff may attend each program only once.
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 (IFEBCP);
 - 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;



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-
- i. Conferences sponsored by WithIntelligence and all of its subsidiaries;
 - j. Conferences sponsored by the Investment and Wealth Institute;
 - k. Conferences sponsored by SuperReturn;
 - l. Conferences sponsored by Global ARC;
 - m. Conferences sponsored by Institutional Shareholder Services (ISS) Media Solutions and all of its subsidiaries;
 - n. Conferences sponsored by the Institutional Limited Partners Association;
 - o. Conferences sponsored by the Markets Group;
 - p. Conferences sponsored by Public Retirement Information Systems Management (PRISM); and
 - q. Conferences sponsored by Gartner.
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 or 14 require advance approval by the Chief Executive Officer or his or her designee.
18. OCERS will not reimburse overnight lodging for travel within Orange County, regardless of whether the event is pre-approved under any of the provisions of this policy. An exception to this provision may be granted by the Board Chair or Vice Chair upon the request of, and showing of good cause by, a Board member or the Chief Executive Officer; and by the Chief Executive Officer upon the request of, and showing of good cause by, a staff member.
19. 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.



OCERS Board Policy Travel Policy



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International Travel and Travel Outside the Continental United States

20. Travel by Board members to a destination outside the continental United States requires pre-approval by the Board, regardless of whether the event is pre-approved under any of the provisions of this policy. 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 to attend a conference, seminar or meeting held outside the continental United States shall not be reimbursed by OCERS unless it can be demonstrated to the satisfaction of the Board (for travel by a Board member or the Chief Executive Officer) or the Chief Executive Officer (for travel by a staff member) that there is significant value to OCERS in attending, and comparable value cannot be obtained within the continental United States within a reasonable period of time.

Travel Reports

21. The Chief Executive Officer shall submit a quarterly report on conference, seminar and educational course attendance by Board members 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

22. Board Members and staff who travel to conferences or seminars that are not automatically authorized in paragraphs 10, 11, 12 or 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. A copy of the report will be included in the materials for the next meeting of the Board.

Claims for Reimbursement

23. Reimbursement for travel by a Board member or staff shall be submitted through OCERS expense management application 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 21.

Cash Advances

24. Cash advances will be provided upon request only for those conferences, seminars, meetings, and courses identified in paragraphs 10, 11, 12 or 14 of this policy 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



OCERS Board Policy Travel Policy

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

25. 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 90 days after the end of the calendar year in which the expense was incurred.

Expenses for Traveling Companions

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

Limitation on Time and Expense Allowance

27. Board and staff members will be reimbursed daily travel expenses, such as meals as outlined in paragraph 29, and gratuities as outlined in paragraph 42, for each day of travel when such travel is outside Orange County. 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 to the recipient by the Internal Revenue Service (IRS). Whenever feasible, Board and staff members are encouraged to travel on the same day of a one-day event and on the first and last days of a multiple-day event, rather than the day before or after, in order to save the System lodging and meal costs. 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

28. 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

29. **Meals While Attending Events that Require Overnight Travel.** Meals purchased by a Board or staff member while attending an event (i.e., conference, seminar, meeting or course) that requires overnight travel will be reimbursed at the actual and reasonable cost of the meals, including non-alcoholic beverages, tax and tip, (a) provided that both an itemized receipt and a charge receipt (when a payment card is used) are submitted, and (b) provided further that any meals included and already paid for by OCERS (such as through the conference registration fee) and meals paid for by a third party and subject to reporting requirements under the Political Reform Act will not be reimbursed. If an itemized receipt is not submitted, OCERS will reimburse the Board or staff member up to the GSA rate for that meal, upon request.



OCERS Board Policy Travel Policy

30. **Reimbursement for Meals Consumed and Purchased During a Business-Purpose Meeting Where Travel is Not Involved.** Board and staff members will be reimbursed for the actual and reasonable expense of meals, including non-alcoholic beverages, tax and a reasonable tip, consumed and purchased during meetings where business is conducted during the course of the meal, and no overnight travel is required to attend the meeting. (See paragraph 29 for meal reimbursement during trips with overnight travel.) The Board or staff member must provide both an itemized receipt and a charge receipt (when a payment card is used) for all such meals. The names of the people who attended the business-purpose meeting and a brief description of the business discussed or conducted shall be submitted with the reimbursement request. 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.

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, 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 except in extraordinary circumstances, and then only with the approval of the Board Chair or Vice Chair where the traveler is a Board member or the Chief Executive Officer, or the approval of the Chief Executive Officer where the traveler is a staff member. In addition, for travel that exceeds 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 through OCERS expense management application and will use the mileage calculator in the application or attach 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



OCERS Board Policy Travel Policy

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).

35. Board members who use their personal automobiles for transportation to OCERS (or to OCERS' offsite meeting locations) to attend meetings of the Board or committees of the Board or for the purpose of conducting other OCERS business will be reimbursed for actual mileage driven at the per-mile rate allowed by the IRS. The Board member will report such mileage to the CEO's Executive Assistant who will submit the claim through OCERS expense management application and will use the mileage calculator in the application or attach documentation of the miles driven (e.g., copy of map and route).
36. A Board member or staff member who elects to use his/her personal automobile for travel will be reimbursed for mileage and parking fees up to an amount that does not exceed the cost of traveling by air, which will be calculated to include the most economical (least expensive) round-trip ticket between Orange County and the destination city, airline baggage fees, transportation to/from and parking fees at the local airport, and transportation between the destination airport and hotel/conference site.

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Policy Review

- 45. 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

- 46. The Retirement Board adopted this policy on December 16, 2002, and last revised on .

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



Memorandum

DATE: August 3, 2022
TO: Members of the Governance Committee
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: TRIENNIAL REVIEW OF THE TRUSTEE EDUCATION POLICY

Recommendation

Approve, and recommend the Board adopt a revision to the Trustee Education Policy.

Background/Discussion

The Board of Retirement (including the Investment Committee) has formally adopted over 60 policies and charters and has established a review schedule that requires review of every policy and charter every three years.

The Trustee Education Policy was adopted by the Board on February 19, 2002, and was last reviewed and revised on October 21, 2019. It is scheduled for review and approval by the Board, after review by the Governance Committee, in 2022.

Proposed Revision

OCERS' Investment Team and I have reviewed the Trustee Education Policy. The recommended deletion reflects current status of OCERS Board training.

- Deletion of the OCERS Annual Education Forum as it is no longer offered

The revisions are set forth in underlined/strikeout text in the attached copy of the policy. An unmarked version of the policy is also attached.

Attachments

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



OCERS Board Policy Trustee Education Policy

Purpose

1. It is the policy of the Board of Retirement to ensure that individual Trustees have sufficient knowledge of the issues and challenges facing OCERS so as to craft policies to guide the administration of the plan and effectively monitor their implementation based on ongoing exposure to up-to-date benefit, financial, investment and policy information and together with staff are properly trained to perform their respective duties.
2. Effective January 1, 2013, Trustees are required to complete a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period in which the Trustee serves on the Board (Gov. Code § 31522.8).
3. Trustees are also required to complete two hours of ethics training every two years. (Gov. Code § 53235) Ethics training received as part of the 24 hours of Trustee education will satisfy this requirement.
4. Trustees are also required to complete two hours of harassment prevention training every two years. (Gov. Code § 12950.1) Harassment prevention training is in addition to the 24 hour education requirement set forth in Gov. Code § 31522.8.
5. To that end, each Trustee is encouraged to regularly participate in those educational opportunities that will enable competent discharge of the obligations of that position and meet the statutory requirements for continuing education.

Policy Objectives

6. The objective of this policy is to ensure that all Trustees have adequate opportunity to acquire the knowledge they need to carry out their fiduciary duties.

Policy Guidelines

7. Trustees agree to develop and maintain knowledge of relevant issues pertaining to the administration of OCERS throughout their terms.
8. Trustees agree to pursue appropriate education across a range of pension-related areas, rather than limiting their education to specific areas. General pension-related areas to be pursued include:
 - a. Pension funding;
 - b. Institutional investments and investment program management;
 - c. Investment performance measurement;
 - d. Actuarial science;
 - e. Benefits structure and administration;
 - f. Disability retirements;
 - g. Due process in benefit determinations;



OCERS Board Policy Trustee Education Policy

- h. Pension law;
 - i. Organizational structure, methods, and practices;
 - j. Budgeting;
 - k. Governance and fiduciary duty; and
 - l. Ethics.
9. Trustees agree that at least two hours of education they receive will qualify as ethics training relevant to the Trustees' public service. Subject matter that qualifies for ethics training includes, but is not limited to:
- a. Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
 - b. Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
 - c. Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.
 - d. Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.
10. Educational tools for trustees include, but are not limited to:
- a. External conferences, seminars, workshops, roundtables, courses or similar sessions (henceforth referred to collectively as "conferences");
 - b. Industry association meetings or events;
 - c. In-house educational seminars or briefings;
 - d. Periodicals, journals, textbooks and similar materials; and
 - e. Electronic media including CD ROM-based education, Internet-based education and video-based education.
11. On an ongoing basis, the Chief Executive Officer and the Chief Investment Officer will identify appropriate educational opportunities, based on the needs of individual Trustees or the Board as a whole, and include details of such in Board meeting information packages for Trustee consideration. Trustees are encouraged to suggest educational opportunities that may provide value to the Board of Retirement.
12. Standards for determining the appropriateness of a potential educational opportunity shall include:
- a. The extent to which the opportunity is expected to provide Trustees with the knowledge they need to carry out their roles and responsibilities;
 - b. The extent to which the opportunity meets the requirements of this policy; and



OCERS Board Policy

Trustee Education Policy

- c. The cost-effectiveness of the program in light of travel, lodging and related expenses.
- 13. Beginning January 1, 2013, Trustees will acquire a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period for which the Trustee serves on the Board.
 - a. Trustees will endeavor to complete 24 hours of education in the remainder of the first and second calendar year after appointment. For trustees who are appointed later in November or December, the first education year will commence on January 1 of the subsequent calendar year.
 - b. After the initial two years after assuming office, education hours will be tracked on a calendar year basis with each trustee required to complete 24 hours of education within each two year period.
 - c. OCERS staff will track hours on an odd and even year basis with trustees grouped according to the year of term commencement.
 - d. For example, if a trustee assumes office on April 1, 2016, he or she will be expected to complete 24 hours of education by December 31, 2017. Subsequent to January 1, 2018, his or her education will be tracked on a rolling basis with completion of the 24 hour requirement on December 31, 2019, 2021, 2023, etc.
- 14. Trustees will attempt to meet the following minimum goals:
 - a. To secure, over time, a useful level of understanding in each of the topic areas listed in paragraph 8 above;
 - b. To attend at least one conference annually. In accordance with a. above, Trustees are encouraged to attend conferences, on occasion, that address pension topics other than investments; and
 - c. Participate in any in-house educational seminars or briefings that are organized by the Chief Executive Officer and Chief Investment Officer including:
 - i. The educational component of the annual Strategic Planning Session;
 - ~~ii. The Education Forum;~~
 - ~~iii.~~ ii. Individual sessions at regular Board meetings; and
 - ~~iv.~~ iii. Workshops available to Board and staff members.
- 15. The Board shall maintain a record of Trustee compliance with this policy, and the Chief Executive Officer or his designee will ensure that the policy and annual compliance report are placed on the OCERS website.

Attendance at Conferences & Industry Association Meetings

- 16. Approval for attendance and reimbursement of travel expenses in connection with educational conferences and industry association meetings will be in accordance with the Travel Policy.
- 17. 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 the OCERS,



OCERS Board Policy Trustee Education Policy

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.

18. The Board will periodically review the programs, training or educational sessions that qualify for Trustee education.

Harassment Prevention Training

19. As an employer of over 5 employees, OCERS is required to provide two hours of harassment and abusive conduct prevention training to all "supervisory employees" every two years, and (effective calendar year 2020) one hour of prevention training to all nonsupervisory employees.
20. Trustees are considered "supervisory employees" for the purposes of the statute since Trustees may influence the terms and conditions of employment for OCERS employees.
21. The Chief Executive Officer working with the Legal Department and outside vendors will schedule appropriate training for Trustees every two years.

Orientation Program

22. Working with the Chief Investment Officer and OCERS' professional advisors, the Chief Executive Officer will hold an orientation program, covering the general topic areas outlined in paragraph 8 above, and designed to introduce new Trustees to all pertinent operations of the System and highlight the knowledge bases required of a Trustee. The aim of the orientation program will be to ensure that new Trustees are in a position to contribute fully to Board of Retirement and committee deliberations, and effectively carry out their fiduciary duties as soon as possible after joining the Board.
23. 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.
24. 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.
25. As part of the orientation process, new Trustees will, within 30 days of their election or appointment to the Board of Retirement:
 - a. Be briefed by the Chief Executive Officer on the history and background of OCERS;
 - b. Be oriented by the Chair on current issues before the Board;
 - c. Be introduced to members of senior management;
 - d. Be provided a tour of OCERS offices by the Chief Executive Officer;
 - e. Be briefed by the Board's fiduciary 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



OCERS Board Policy Trustee Education Policy

- f. Be provided with an iPad (or other electronic device) with access to a document repository containing the following:
 - i. A Trustee Reference Manual (the contents of which are listed in the Appendix);
 - ii. A listing of upcoming recommended educational opportunities; and
 - iii. Other relevant information and documentation deemed appropriate by the Chief Executive Officer.
- 26. During the course of their first 12 months on the Board of Retirement, new Trustees will endeavor to attend a seminar on the principles of pension management or a comparable program.
- 27. The Chief Executive Officer will review, and if necessary, update all orientation material. It is the responsibility of Trustees to maintain their Trustee Reference Manuals, by ensuring that they contain the most up to date materials. A master copy of the Trustee Reference Manual will be available for use by Trustees at the OCERS office.

Policy Review

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

Policy History

- 29. This policy was adopted by the Board of Retirement on February 19, 2002.
- 30. The policy was revised on May 16, 2005, March 24, 2008, June 18, 2012, November 19, 2012, July 20, 2015, and December 19, 2016, September 25, 2019

Secretary's Certificate

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

10/21/19

Date

Steve Delaney
Secretary of the Board



OCERS Board Policy

APPENDIX 1

Trustee Reference Manual

A Trustee Reference Manual will include the following materials:

- a. OCERS Board Handbook;
- b. Relevant sections of the *County Employees Retirement Law of 1937*;
- c. The Brown Act and Proposition 162;
- d. Most recent plan description and member handbook;
- e. Copies of Board policies;
- f. Most recent Annual Report;
- g. Most recent actuarial valuation and financial statements;
- h. Most recent actuarial experience study;
- i. Most recent asset/liability study;
- j. Most recent investment performance report;
- k. Most recent Business Plan and budget;
- l. Organizational chart;
- m. Names and phone numbers of the trustees and the Chief Executive Officer;
- n. Listing of current committee assignments;
- o. Listing of current service providers; and
- p. Glossary of key pension administration terms and definitions.



OCERS Board Policy Trustee Education Policy

Purpose

1. It is the policy of the Board of Retirement to ensure that individual Trustees have sufficient knowledge of the issues and challenges facing OCERS so as to craft policies to guide the administration of the plan and effectively monitor their implementation based on ongoing exposure to up-to-date benefit, financial, investment and policy information and together with staff are properly trained to perform their respective duties.
2. Effective January 1, 2013, Trustees are required to complete a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period in which the Trustee serves on the Board (Gov. Code § 31522.8).
3. Trustees are also required to complete two hours of ethics training every two years. (Gov. Code § 53235) Ethics training received as part of the 24 hours of Trustee education will satisfy this requirement.
4. Trustees are also required to complete two hours of harassment prevention training every two years. (Gov. Code § 12950.1) Harassment prevention training is in addition to the 24 hour education requirement set forth in Gov. Code § 31522.8.
5. To that end, each Trustee is encouraged to regularly participate in those educational opportunities that will enable competent discharge of the obligations of that position and meet the statutory requirements for continuing education.

Policy Objectives

6. The objective of this policy is to ensure that all Trustees have adequate opportunity to acquire the knowledge they need to carry out their fiduciary duties.

Policy Guidelines

7. Trustees agree to develop and maintain knowledge of relevant issues pertaining to the administration of OCERS throughout their terms.
8. Trustees agree to pursue appropriate education across a range of pension-related areas, rather than limiting their education to specific areas. General pension-related areas to be pursued include:
 - a. Pension funding;
 - b. Institutional investments and investment program management;
 - c. Investment performance measurement;
 - d. Actuarial science;
 - e. Benefits structure and administration;
 - f. Disability retirements;
 - g. Due process in benefit determinations;



OCERS Board Policy

Trustee Education Policy

- h. Pension law;
 - i. Organizational structure, methods, and practices;
 - j. Budgeting;
 - k. Governance and fiduciary duty; and
 - l. Ethics.
9. Trustees agree that at least two hours of education they receive will qualify as ethics training relevant to the Trustees' public service. Subject matter that qualifies for ethics training includes, but is not limited to:
- a. Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
 - b. Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
 - c. Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.
 - d. Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.
10. Educational tools for trustees include, but are not limited to:
- a. External conferences, seminars, workshops, roundtables, courses or similar sessions (henceforth referred to collectively as "conferences");
 - b. Industry association meetings or events;
 - c. In-house educational seminars or briefings;
 - d. Periodicals, journals, textbooks and similar materials; and
 - e. Electronic media including CD ROM-based education, Internet-based education and video-based education.
11. On an ongoing basis, the Chief Executive Officer and the Chief Investment Officer will identify appropriate educational opportunities, based on the needs of individual Trustees or the Board as a whole, and include details of such in Board meeting information packages for Trustee consideration. Trustees are encouraged to suggest educational opportunities that may provide value to the Board of Retirement.
12. Standards for determining the appropriateness of a potential educational opportunity shall include:
- a. The extent to which the opportunity is expected to provide Trustees with the knowledge they need to carry out their roles and responsibilities;
 - b. The extent to which the opportunity meets the requirements of this policy; and



OCERS Board Policy

Trustee Education Policy

- c. The cost-effectiveness of the program in light of travel, lodging and related expenses.
- 13. Beginning January 1, 2013, Trustees will acquire a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period for which the Trustee serves on the Board.
 - a. Trustees will endeavor to complete 24 hours of education in the remainder of the first and second calendar year after appointment. For trustees who are appointed later in November or December, the first education year will commence on January 1 of the subsequent calendar year.
 - b. After the initial two years after assuming office, education hours will be tracked on a calendar year basis with each trustee required to complete 24 hours of education within each two year period.
 - c. OCERS staff will track hours on an odd and even year basis with trustees grouped according to the year of term commencement.
 - d. For example, if a trustee assumes office on April 1, 2016, he or she will be expected to complete 24 hours of education by December 31, 2017. Subsequent to January 1, 2018, his or her education will be tracked on a rolling basis with completion of the 24 hour requirement on December 31, 2019, 2021, 2023, etc.
- 14. Trustees will attempt to meet the following minimum goals:
 - a. To secure, over time, a useful level of understanding in each of the topic areas listed in paragraph 8 above;
 - b. To attend at least one conference annually. In accordance with a. above, Trustees are encouraged to attend conferences, on occasion, that address pension topics other than investments; and
 - c. Participate in any in-house educational seminars or briefings that are organized by the Chief Executive Officer and Chief Investment Officer including:
 - i. The educational component of the annual Strategic Planning Session;
 - ii. Individual sessions at regular Board meetings; and
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- 15. The Board shall maintain a record of Trustee compliance with this policy, and the Chief Executive Officer or his designee will ensure that the policy and annual compliance report are placed on the OCERS website.

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OCERS Board Policy

Trustee Education Policy

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

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Harassment Prevention Training

- 19. As an employer of over 5 employees, OCERS is required to provide two hours of harassment and abusive conduct prevention training to all “supervisory employees” every two years, and (effective calendar year 2020) one hour of prevention training to all nonsupervisory employees.
- 20. Trustees are considered “supervisory employees” for the purposes of the statute since Trustees may influence the terms and conditions of employment for OCERS employees.
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- 22. Working with the Chief Investment Officer and OCERS’ professional advisors, the Chief Executive Officer will hold an orientation program, covering the general topic areas outlined in paragraph 8 above, and designed to introduce new Trustees to all pertinent operations of the System and highlight the knowledge bases required of a Trustee. The aim of the orientation program will be to ensure that new Trustees are in a position to contribute fully to Board of Retirement and committee deliberations, and effectively carry out their fiduciary duties as soon as possible after joining the Board.
- 23. 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.
- 24. 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.
- 25. As part of the orientation process, new Trustees will, within 30 days of their election or appointment to the Board of Retirement:
 - a. Be briefed by the Chief Executive Officer on the history and background of OCERS;
 - b. Be oriented by the Chair on current issues before the Board;
 - c. Be introduced to members of senior management;
 - d. Be provided a tour of OCERS offices by the Chief Executive Officer;
 - e. Be briefed by the Board’s fiduciary 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
 - f. Be provided with an iPad (or other electronic device) with access to a document repository



OCERS Board Policy Trustee Education Policy

containing the following:

- i. A Trustee Reference Manual (the contents of which are listed in the Appendix);
 - ii. A listing of upcoming recommended educational opportunities; and
 - iii. Other relevant information and documentation deemed appropriate by the Chief Executive Officer.
26. During the course of their first 12 months on the Board of Retirement, new Trustees will endeavor to attend a seminar on the principles of pension management or a comparable program.
27. The Chief Executive Officer will review, and if necessary, update all orientation material. It is the responsibility of Trustees to maintain their Trustee Reference Manuals, by ensuring that they contain the most up to date materials. A master copy of the Trustee Reference Manual will be available for use by Trustees at the OCERS office.

Policy Review

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

Policy History

- 29. This policy was adopted by the Board of Retirement on February 19, 2002.
- 30. The policy was revised on May 16, 2005, March 24, 2008, June 18, 2012, November 19, 2012, July 20, 2015, and December 19, 2016, September 25, 2019

Secretary's Certificate

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

10/21/19

Date

Steve Delaney
Secretary of the Board



OCERS Board Policy

APPENDIX 1

Trustee Reference Manual

A Trustee Reference Manual will include the following materials:

- a. OCERS Board Handbook;
- b. Relevant sections of the *County Employees Retirement Law of 1937*;
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- f. Most recent Annual Report;
- g. Most recent actuarial valuation and financial statements;
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- i. Most recent asset/liability study;
- j. Most recent investment performance report;
- k. Most recent Business Plan and budget;
- l. Organizational chart;
- m. Names and phone numbers of the trustees and the Chief Executive Officer;
- n. Listing of current committee assignments;
- o. Listing of current service providers; and
- p. Glossary of key pension administration terms and definitions.



Memorandum

DATE: August 3, 2022
TO: Members of the Governance Committee
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: TRIENNIAL REVIEW OF THE MONITORING AND REPORTING POLICY

Recommendation

Approve, and recommend the Board adopt, revisions to the Monitoring and Reporting Policy.

Background/Discussion

The Board of Retirement (including the Investment Committee) has formally adopted over 60 policies and charters and has established a review schedule that requires review of every policy and charter every three years.

The Monitoring and Reporting Policy was adopted by the Board on October 15, 2001, and was last reviewed and revised on January 16, 2019. It is scheduled for review and approval by the Board, after review by the Governance Committee, in 2022.

Proposed Revisions

OCERS' Investment Team and I have reviewed the Monitoring and Reporting Policy. The recommended revisions are mostly clarifying and non-substantive and are noted below.

- Reflect the reporting changes due to Investment Committee no longer meeting monthly
- Deletion of the Annual Report as it is already reflected within the Audited Financial Statement Reporting
- Addition of vendor reviews
- Clarifies that the CEO prepares the Board Communications policy review in January

The revisions are set forth in underlined/strikeout text in the attached copy of the policy. An unmarked version of the policy is also attached.

Attachments

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



OCERS Board Policy Monitoring and Reporting

Background

1. In keeping with the duty of the Board of Retirement to oversee the activities and performance of OCERS, the Board has established this Monitoring and Reporting Policy, which sets out the Board's expectations concerning the reports it is to receive on a regular basis.

Principles

2. Although it is prudent for the Board of Retirement to delegate certain of its responsibilities, it must nevertheless supervise those to whom it has delegated responsibilities using defined reporting and monitoring processes.

Guidelines

3. The Board of Retirement will be provided the routine reports outlined in Appendix 1 with a frequency also set out in Appendix 1. The Board will be provided other ad hoc reports as required.
4. Appendix 1 of this Policy will address the routine reporting needs of the Board of Retirement across a range of reporting areas including:
 - a. Governance;
 - b. Investments;
 - c. Funding;
 - d. Member Services and Disability;
 - e. Administration; and
 - f. Audit.
5. Board members are expected to review all reports provided to the Board of Retirement, and to question management about any issues of concern contained in any such report.
6. Management will work continuously to improve the format and content of routine reports provided to the Board to ensure they meet the needs of the Board, provide adequate and timely information and are understandable.
7. Routine reports will not only address performance measurement, but also compliance with OCERS' policies and procedures.

Investment Reports

8. For the purposes of Board reporting, investment performance of the Fund will be measured by an independent performance measurement firm.
9. Investment performance reports will be prepared in accordance with the *Performance Presentation Standards* prescribed by the CFA Institute, or comparable standards.
10. Investment performance benchmarks will be specified within the investment policy statement.



OCERS Board Policy Monitoring and Reporting

- 11. The primary performance benchmarks used to evaluate the performance of public market investments will be based on passive market indices or similar generally accepted benchmarks. For the alternative assets, appropriate benchmarks as specified within the investment policy statement will be used to evaluate performance. Peer comparisons of total fund performance will be considered when reviewing the performance of the investment program, but shall not constitute the primary investment benchmark.

Other Reports

- 12. Where feasible, performance measurement on administration and other matters – such as service quality to members – may be delegated to independent third-parties; however, due to the lack of standard measurement techniques and benchmarks, much of the performance measurement function may be performed internally for the foreseeable future. If available, appropriate peer group comparisons may be used as benchmarks in assessing the performance of the benefit administration function.

Policy Review

- 13. The Board of Retirement will review this policy, including Appendix 1, at least once every three (3) years to ensure that it remains relevant and appropriate.

Policy History

- 14. The Board of Retirement adopted this policy on Monday, November 18, 2002.
- 15. The policy was revised May 16, 2005, May 19, 2008, December 19, 2011, October 20, 2014, ~~and~~ January 16, 2019 and August 3, 2022.

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

01/16/19

Date



Appendix 1

Governance Reports

Standard Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Trustee Education	Summarizes the activities of the Board of Retirement with respect to education.	Quarterly	Chief Executive Officer
CEO Evaluation	Summarizes the performance assessment of the CEO	Annually	Chair / Vice Chair/ Designated Third Party

Investment Reports

Standard Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Investment Performance	Enables Investment Committee to assess investment performance for total fund, each asset class, and by investment manager.	Quarterly	Investment Consultant
Investment Manager Portfolio Compliance	Enables Investment Committee to review investment manager compliance with respect to investment guidelines.	Quarterly	Investment Staff Team
Performance Review of Alternative Investments	Enables Investment Committee to evaluate performance of alternative investment classes such as private equity, venture capital and natural resource investments.	Semi-annually	Private Equity/Private Real Assets Consultant
Performance Review of Real Estate Investments	Enables Investment Committee to assess the performance of the system's real estate investments.	Quarterly Semi Annually	Real Estate Consultant
Portfolio Allocations	Enables Investment Committee to monitor the portfolio and the asset allocations.	Monthly Quarterly	Investment Staff Team



Appendix 1

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Portfolio Risk Review	Enables Investment Committee to assess risks in the system's portfolio and current macro risks.	Quarterly	Risk Consultant
Investment Manager Compliance Report	Facilitates periodic review of Committee's Watch list and staff's portfolio surveillance activity.	Quarterly	Investment Staff <u>Team</u>
Asset Class and Sector Reviews	Assures periodic Investment Committee review of the structure and manager performance within sub asset classes.	1 or 2 per quarter	General Investment Consultants, Private Equity and Real Estate <u>Investment Team and Respective Asset Class Consultant</u>

Other Investment Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Annual review of CAFR investment items	Provides public information for review of various investment expenses and risk exposures.	Annually	Investment and Finance Staff
Annual Fee Report	Enables Investment Committee to monitor and evaluate OCERS' manager fees for prior calendar year by manager and by asset class.	Annually	CI <u>Investment Team</u>
Annual Proxy Voting Report	Facilitates Board's ongoing oversight of OCERS' proxy voting policy, summary of OCERS' proxy voting, and key governance trends for current proxy voting season.	Annually	Proxy Voting Service Provider <u>Investment Team</u>
Annual Vendor Reviews	Facilitates Board's ongoing oversight of OCERS' vendors such as custodian, cash overlay, etc.	Annually	Investment Team
Annual Vendor Reviews	Facilitates Board's ongoing oversight of OCERS' vendors such as custodian, cash overlay, etc.	Annually	Investment Team



Appendix 1

Funding Reports

Standard Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Actuarial Valuation	Establishes the financial position of the pension plan on a going concern and solvency basis, and determines the rates of contribution.	Annually	Consulting Actuary
Experience Analysis	Reviews the appropriate long-term economic assumptions such as investment return and wage and price inflation, and demographic assumptions such as disability rates and mortality rates.	Every three years	Consulting Actuary
Asset / Liability Study	A study of the relationship between OCERS's assets and liabilities to determine the appropriateness of OCERS' asset allocation policy.	At least every five years	Consulting Actuary / Investment Consultant

Member Services and Disability

Standard Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Applications for Retirement	Report on members who have applied for retirement	Monthly	Member Services
Payees who have died	Identifies payees who have died	Monthly	Member Services
Disability applications	Report on disability applications processed during the preceding year	Yearly	Disability



Appendix 1

Audit

Standard Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Actuarial Audit	An independent review of the validity of the analyses and methodologies used in preparing OCERS' actuarial valuation.	At least every five years	Independent Actuary
Business Continuity/ Disaster Recovery	Report on staff activities to ensure OCERS' preparedness	Quarterly	Assistant CEO of Internal Operations
Cybersecurity	Report on staff activities regarding cybersecurity	Quarterly	Director of Cybersecurity
Financial statements audit reports: "OCERS' Report to the Audit Committee for the Year Ended December 31, 20XX" and "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards"	The external auditor's report on communications with the Audit Committee, including significant findings and other matters. The second report describes the scope of audit testing of internal control, compliance, and the results of testing.	Annually	External Auditor
Audit Plan	A description of planned audits and projects of Internal Audit approved by the Audit Committee.	At least annually	Internal Audit
Ethics, Compliance, and Fraud Hotline Usage Report	A description of the reports submitted using a third party hotline.	At least annually	Internal Audit



Appendix 1

Administrative Reports

Standard Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Business Plan and Strategic Plan	Summarizes the status of each initiative contained in the Business Plan and sets out the multi-year Strategic Plan.	Annually	CEO
Budget	Operational Budget for both Administration and Investment.	Annually	CEO
Budget Variance	Summarizes the status of material variances from the operational budget.	Quarterly	Assistant CEO, Internal Operations
Financial Reports	Quarterly report on the financial position of OCERS, covering unaudited financial statements, progress on the audited financial statements, expenses and recaptured commissions.	Quarterly	Assistant CEO, Internal Operations
Audited Financial Statements & Auditor's Opinion	The audited financial statements, which indicate the financial position of OCERS.	Annually	Independent Auditor
Form 700 Filing Requirements	List of positions that are Designated Filers (under the OCERS Conflict of Interest Code) required to file Form 700 annually.	Annually in January	OCERS Form 700 Filing Officer
Vendor Contracts	List of all vendor contracts above \$50,000 annually with those due for renewal highlighted.	Annually	Budget Officer
Board Communications	Communications Policy Fact Sheet summarizes the policy for all Board communications.	Annually in January	CEO Board Secretary



OCERS Board Policy Monitoring and Reporting

Background

1. In keeping with the duty of the Board of Retirement to oversee the activities and performance of OCERS, the Board has established this Monitoring and Reporting Policy, which sets out the Board's expectations concerning the reports it is to receive on a regular basis.

Principles

2. Although it is prudent for the Board of Retirement to delegate certain of its responsibilities, it must nevertheless supervise those to whom it has delegated responsibilities using defined reporting and monitoring processes.

Guidelines

3. The Board of Retirement will be provided the routine reports outlined in Appendix 1 with a frequency also set out in Appendix 1. The Board will be provided other ad hoc reports as required.
4. Appendix 1 of this Policy will address the routine reporting needs of the Board of Retirement across a range of reporting areas including:
 - a. Governance;
 - b. Investments;
 - c. Funding;
 - d. Member Services and Disability;
 - e. Administration; and
 - f. Audit.
5. Board members are expected to review all reports provided to the Board of Retirement, and to question management about any issues of concern contained in any such report.
6. Management will work continuously to improve the format and content of routine reports provided to the Board to ensure they meet the needs of the Board, provide adequate and timely information and are understandable.
7. Routine reports will not only address performance measurement, but also compliance with OCERS' policies and procedures.

Investment Reports

8. For the purposes of Board reporting, investment performance of the Fund will be measured by an independent performance measurement firm.
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OCERS Board Policy Monitoring and Reporting

- 11. The primary performance benchmarks used to evaluate the performance of public market investments will be based on passive market indices or similar generally accepted benchmarks. For the alternative assets, appropriate benchmarks as specified within the investment policy statement will be used to evaluate performance. Peer comparisons of total fund performance will be considered when reviewing the performance of the investment program, but shall not constitute the primary investment benchmark.

Other Reports

- 12. Where feasible, performance measurement on administration and other matters – such as service quality to members – may be delegated to independent third-parties; however, due to the lack of standard measurement techniques and benchmarks, much of the performance measurement function may be performed internally for the foreseeable future. If available, appropriate peer group comparisons may be used as benchmarks in assessing the performance of the benefit administration function.

Policy Review

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Policy History

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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

01/16/19

Date



Appendix 1

Governance Reports

Standard Reports

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Standard Reports

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Investment Performance	Enables Investment Committee to assess investment performance for total fund, each asset class, and by investment manager.	Quarterly	Investment Consultant
Investment Manager Portfolio Compliance	Enables Investment Committee to review investment manager compliance with respect to investment guidelines.	Quarterly	Investment -Team
Performance Review of Alternative Investments	Enables Investment Committee to evaluate performance of alternative investment classes such as private equity, venture capital and natural resource investments.	Semi-annually	Private Equity/Private Real Assets Consultant
Performance Review of Real Estate Investments	Enables Investment Committee to assess the performance of the system's real estate investments.	Semi Annually	Real Estate Consultant
Portfolio Allocations	Enables Investment Committee to monitor the portfolio and the asset allocations.	Quarterly	Investment Team



Appendix 1

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Portfolio Risk Review	Enables Investment Committee to assess risks in the system's portfolio and current macro risks.	Quarterly	Risk Consultant
Investment Manager Compliance Report	Facilitates periodic review of Committee's Watch list and staff's portfolio surveillance activity.	Quarterly	Investment Team
Asset Class and Sector Reviews	Assures periodic Investment Committee review of the structure and manager performance within sub asset classes.	1 or 2 per quarter	Investment Team and Respective Asset Class Consultant

Other Investment Reports

<u>ISSUE</u>	<u>REPORT DESCRIPTION AND PURPOSE</u>	<u>FREQUENCY</u>	<u>PREPARED BY</u>
Annual Fee Report	Enables Investment Committee to monitor and evaluate OCERS' manager fees for prior calendar year by manager and by asset class.	Annually	Investment Team
Annual Proxy Voting Report	Facilitates Board's ongoing oversight of OCERS' proxy voting policy, summary of OCERS' proxy voting, and key governance trends for current proxy voting season.	Annually	Investment Team
Annual Vendor Reviews	Facilitates Board's ongoing oversight of OCERS' vendors such as custodian, cash overlay, etc.	Annually	Investment Team



Appendix 1

Funding Reports

Standard Reports

ISSUE	REPORT DESCRIPTION AND PURPOSE	FREQUENCY	PREPARED BY
Actuarial Valuation	Establishes the financial position of the pension plan on a going concern and solvency basis, and determines the rates of contribution.	Annually	Consulting Actuary
Experience Analysis	Reviews the appropriate long-term economic assumptions such as investment return and wage and price inflation, and demographic assumptions such as disability rates and mortality rates.	Every three years	Consulting Actuary
Asset / Liability Study	A study of the relationship between OCERS's assets and liabilities to determine the appropriateness of OCERS' asset allocation policy.	At least every five years	Consulting Actuary / Investment Consultant

Member Services and Disability

Standard Reports

ISSUE	REPORT DESCRIPTION AND PURPOSE	FREQUENCY	PREPARED BY
Applications for Retirement	Report on members who have applied for retirement	Monthly	Member Services
Payees who have died	Identifies payees who have died	Monthly	Member Services
Disability applications	Report on disability applications processed during the preceding year	Yearly	Disability



Appendix 1

Audit

Standard Reports

ISSUE	REPORT DESCRIPTION AND PURPOSE	FREQUENCY	PREPARED BY
Actuarial Audit	An independent review of the validity of the analyses and methodologies used in preparing OCERS' actuarial valuation.	At least every five years	Independent Actuary
Business Continuity/ Disaster Recovery	Report on staff activities to ensure OCERS' preparedness	Quarterly	Assistant CEO of Internal Operations
Cybersecurity	Report on staff activities regarding cybersecurity	Quarterly	Director of Cybersecurity
Financial statements audit reports: "OCERS' Report to the Audit Committee for the Year Ended December 31, 20XX" and "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards"	The external auditor's report on communications with the Audit Committee, including significant findings and other matters. The second report describes the scope of audit testing of internal control, compliance, and the results of testing.	Annually	External Auditor
Audit Plan	A description of planned audits and projects of Internal Audit approved by the Audit Committee.	At least annually	Internal Audit
Ethics, Compliance, and Fraud Hotline Usage Report	A description of the reports submitted using a third party hotline.	At least annually	Internal Audit



Appendix 1

Administrative Reports

Standard Reports

ISSUE	REPORT DESCRIPTION AND PURPOSE	FREQUENCY	PREPARED BY
Business Plan and Strategic Plan	Summarizes the status of each initiative contained in the Business Plan and sets out the multi-year Strategic Plan.	Annually	CEO
Budget	Operational Budget for both Administration and Investment.	Annually	CEO
Budget Variance	Summarizes the status of material variances from the operational budget.	Quarterly	Assistant CEO, Internal Operations
Financial Reports	Quarterly report on the financial position of OCERS, covering unaudited financial statements, progress on the audited financial statements, expenses and recaptured commissions.	Quarterly	Assistant CEO, Internal Operations
Audited Financial Statements & Auditor's Opinion	The audited financial statements, which indicate the financial position of OCERS.	Annually	Independent Auditor
Form 700 Filing Requirements	List of positions that are Designated Filers (under the OCERS Conflict of Interest Code) required to file Form 700 annually.	Annually in January	OCERS Form 700 Filing Officer
Vendor Contracts	List of all vendor contracts above \$50,000 annually with those due for renewal highlighted.	Annually	Budget Officer
Board Communications	Communications Policy Fact Sheet summarizes the policy for all Board communications.	Annually in January	CEO



Memorandum

DATE: August 3, 2022
TO: Members of the Governance Committee
FROM: Suzanne Jenike, Asst. CEO, External Operations
SUBJECT: TRIENNIAL REVIEW OF THE MEMBER SERVICES CUSTOMER SERVICE POLICY

Recommendation

Approve and recommend the Board adopt the proposed revisions to the Member Services Customer Service Policy

Background/Discussion

The Member Services Customer Service Policy was adopted on November 16, 2015 and revised October 15, 2018. The team has reviewed the policy and we believe the only update needed at this time is to expand the definition of member communication to include both calls and emails.

Submitted by:



SJ-APPROVED

Suzanne Jenike
Asst. CEO, External Operations



OCERS Board Policy

Member Services Customer Service Policy

Background

1. The Board's mission is to provide the highest quality of customer service to OCERS members, retirees and beneficiaries, in a cost effective and prudent manner.

Policy Objectives

2. Establish measurable goals to manage the customer service levels provided by Member Services staff to plan participants.

Policy Guidelines

3. Develop quantifiable goals for measuring customer service levels:
 - a. Customer interactions – positive responses to surveys – goal is 95% positive;
 - b. Benefit Recalculations – unplanned benefit recalculations should be less than 5% of the total;
 - c. Payroll initiations within one full month of separation;
 - d. Benefit estimates are available real time 24/7 via member self-service portal;
 - e. Retirement can be initiated electronically via member self-service portal;
 - f. Member Statements are available real time 24/7 via member self-service portal; and
 - g. Member ~~calls-communications (calls and emails)~~ are returned the same business day or within 24 hours. Staff will also update their voicemail and email automatic reply messages to indicate approximate turnaround time in situations when it is known that greater than 24 hours is needed to return calls and emails.
4. Regularly monitor goals to ensure ongoing achievement of customer service levels.
5. Annually evaluate goals and make adjustments as needed.

Policy Review

6. The Board shall review this policy at least every 3 years to ensure that it remains relevant and appropriate.

Policy History

7. This policy was adopted by the Board of Retirement on November 16, 2015 and revised October 15, 2018 and [MONTH][DAY], 2022.



OCERS Board Policy

Member Services Customer Service Policy

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

10/15/18

Date



OCERS Board Policy

Member Services Customer Service Policy

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 - e. Retirement can be initiated electronically via member self-service portal;
 - f. Member Statements are available real time 24/7 via member self-service portal; and
 - g. Member communications (calls and emails) are returned the same business day or within 24 hours. Staff will also update their voicemail and email automatic reply messages to indicate approximate turnaround time in situations when it is known that greater than 24 hours is needed to return calls and emails.
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Policy Review

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Policy History

7. This policy was adopted by the Board of Retirement on November 16, 2015 and revised October 15, 2018 and [MONTH][DAY], 2022.



OCERS Board Policy

Member Services Customer Service Policy

Secretary's Certificate

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

A handwritten signature in blue ink that reads "Steve Delaney". The signature is written in a cursive style and is positioned above a horizontal line.

Steve Delaney
Secretary of the Board

_____ Date



Memorandum

DATE: August 3, 2022
TO: Members of the Governance Committee
FROM: Gina M. Ratto, General Counsel
SUBJECT: REVIEW OF THE BOARD OF RETIREMENT CHARTER

Recommendation

Consider and thereafter recommend to the Board (1) whether to add a subsection to Section 9 of the Board of Retirement Charter to provide that “the Board may, in its discretion, extend the term of office of a sitting Chair and/or Vice Chair for one calendar year”; and (2) whether extending the term of office of the Chair and/or Vice Chair should require a supermajority vote of the Board.

Background/Discussion

The Governance Committee reviewed and approved revisions to the Board of Retirement Charter at its meeting on May 3, 2022. The revisions were subsequently presented to the Board for approval at its June 20, 2022 meeting.

On June 20, 2022, the Board approved all of the recommended revisions to the Charter with one exception. The Board directed the Committee to:

- (1) Reconsider the proposed revision that would have added a subsection to Section 9 of the Board of Retirement Charter stating that “[t]he Board may, in its discretion, extend the term of office of a sitting Chair and/or Vice Chair for one calendar year”, and
- (2) If so, consider whether extending the term of office of the Chair and/or Vice Chair should require a supermajority vote of the Board.

Board of Retirement By-Laws

The Board’s By-Laws (copy attached) state, in Section 3, “The Board, in its discretion, may elect to extend the term of office of a sitting Chairperson and/or Vice-Chairperson for one additional calendar year.”

Revisions to the By-Laws must be approved by the Board of Supervisors; however, staff believes it is within the authority of the Board to add to its Charter a requirement of a supermajority vote of its members in order to extend the term of office of a sitting Chair and/or Vice Chair without revising the By-Laws.

A copy of the Board of Retirement Charter as approved by the Board on June 20, 2022 is attached.

Attachments

- (1) OCERS By-Laws
- (2) Board of Retirement Charter

Submitted by:

Gina M. Ratto
General Counsel



OCERS OCERS' By-Laws

Article I. Administration

1. Name

The association is established pursuant to the County Employees Retirement Act of 1937 and shall be known as the "Orange County Employees Retirement System", hereinafter referred to as "OCERS".

2. Definitions of Board

The term "Board" shall refer to the Board of Retirement unless otherwise stated.

3. Election of Officers

The Board shall have a Chairperson and a Vice- Chairperson, each of whom will serve a one-year term of office, which corresponds with the calendar year. The person who holds the office of Vice-Chairman on the last day of the Calendar year shall automatically succeed to the office of Chairperson effective the first day of the following calendar year. At its last regular Board meeting in December, the Board shall elect a new Vice-Chairperson, who shall serve in that capacity beginning in January of the following year until the end of that calendar year, at which time he or she shall succeed to the office of Chairperson. The Chairperson and Vice-Chairperson shall both be members of the Board, and shall be from different "groups" as hereinafter defined.

The Board, in its discretion, may elect to extend the term of office of a sitting Chairperson and/or Vice-Chairperson for one additional calendar year.

If, prior to the expiration of his or her term, the Chairperson should become disabled, or is no longer a member of the Board, and/or is no longer eligible to hold office for any reason, the Vice-Chairperson shall automatically succeed to the office of Chairperson and shall serve out the remainder of that calendar year.

Any prior decision of the Board to extend the term of office of the preceding Chairperson and/or Vice-Chairperson shall not be applicable to the succeeding Chairperson and/or Vice-Chairperson.

If there is a vacancy in the office of Vice-Chairperson, the Board shall hold a special election to elect a new Vice-Chairperson, who shall serve until the end of the Chairperson's term of office, at which time such Vice-Chairperson shall succeed to the office of Chairperson, as provided for in these By-Laws.

If, for any reason, the Chairperson is absent from a meeting of the Board, the Vice-Chairperson will act as the Chairperson during such absence.

Any election conducted to carry out the provisions of this Section #3 shall be by majority vote of the Board.

For purposes of this section, all Board members shall be considered to be members of one of two "groups." The elected member group shall include those members of the Board who are elected by the members of the Retirement System; i.e., the two general member representatives, the retired member representative, and the safety member representative. The appointed member group shall include the four members appointed by the County Board of Supervisors and the County Treasurer. The alternate member of the Board is ineligible to hold office as Chairperson or Vice-Chairperson of the Board.



OCERS OCERS' By-Laws

4. Retirement Administrator

The Retirement Administrator shall be appointed by the Board in accordance with Government Code Section 31522.2 and shall be responsible for the management of the retirement office, including the day-to-day activities of the Retirement System. The Administrator shall serve as Secretary to the Board of Retirement. In the absence of the Administrator, the Assistant Administrator shall serve.

5. Expenses of Administration

The Board of Retirement shall adopt an annual budget covering the entire expenses of administration of OCERS, which shall be charged against the earnings of the Retirement System in accordance with Government Code Section 31580.2, and other appropriate statutes.

Article II. Meetings

1. Regular Meetings

Time and Place of regular meetings of the Board shall be specified by resolution of the Board.

2. Special Meeting

A special meeting of the Board may be called by the Chairperson or by five members of the Board. Notice of a special meeting shall be posted in a public place, and delivered to each member of the Board not less than twenty-four (24) hours prior to the meeting. Notice of a special meeting shall be in writing and shall specify the date, time and place of the meeting and the business to be transacted. Delivery of written notice may be dispensed with as to any member of the Board who has filed with the Retirement Administrator a waiver of such notice, or as to any member of the Board who is actually present when the meeting begins.

3. Order of Business

At regular and special meetings of the Board, business will be transacted in the order specified in the posted agenda unless the Chairperson or Board directs otherwise.

4. Appearance Before the Board

On any matter which appears on the agenda, or which the public brings up during the public discussion, the Board of Retirement through its Chairperson may limit discussion as to each individual.

On disability matters which are on the agenda, any applicant or the applicant's attorney is limited to a ten (10) minute presentation; opposing counsel is limited to a seven (7) minute argument; and applicant or applicant's attorney is limited thereafter to a three (3) minute rebuttal.

5. Quorum

Five members of the Board of Retirement shall constitute a quorum.



OCERS OCERS' By-Laws

6. Decisions

The Board shall make decisions by majority vote of those Board members present and voting, unless a different vote requirement is specified by law or these By- Laws. On a roll call vote, the Chairperson of the Board shall vote last. The alternate member shall vote on behalf of his/her representation unit as described in California Government Code Sections 31470.25 and 31470.4.

7. Communications and Requests

Communications and requests to the Board shall be made in writing and the substance of such requests and action of the Board of Retirement shall be noted in the Minutes.

8. Minutes

The Secretary shall cause to be recorded in the Minutes the time and place of each meeting of the Board of Retirement, the names of members present, all official acts of the Board and the votes of individual members, except when the action is unanimous. When requested, a member's dissent, approval or abstention with his/her reason, if given, shall be recorded. The Secretary shall cause the Minutes to be written and presented for approval at the next regularly scheduled meeting. The Minutes submitted by the Secretary and signed by the Secretary and the Chairperson shall be a part of the permanent records of the Board.

9. Committees of the Board

With the exception of the Investment Committee, the Chairperson shall appoint committees as deemed necessary to carry out the business of the Board. A quorum for a Committee meeting shall consist of two Board Members. Committee meetings will be open to the public, except for meetings of ad-hoc advisory committees consisting of less than a quorum of the full Board. A Chairperson and Vice-Chairperson for each Committee will be appointed by the Board of Retirement Chairperson.

10. Investment Committee

The Investment Committee will be comprised of the full Board. A quorum for an Investment Committee meeting shall consist of five Board Members. Investment Committee meetings will be open to the public. A Chairperson and Vice-Chairperson will be appointed by the Board of Retirement Chairperson.

Article III. Subpoena

1. The Chairperson and Secretary of the Board are hereby authorized to issue and sign subpoenas for documents and/or attendance at hearings authorized by the Board, upon request of a party to the hearing.
2. Witnesses subpoenaed will be provided a witness fee plus reimbursement for necessary travel. The amount to be paid and the party responsible for payment shall be established by Board policy.



OCERS OCERS' By-Laws

Article IV. Amendments

1. These By-Laws may be amended from time to time by two-thirds (2/3) vote of the Retirement Board and are subject to Board of Supervisor's approval.
2. Any proposed amendment to these By-Laws shall be first placed on a Board meeting agenda as a discussion item only. No action may be taken at that meeting to approve the proposed amendment; however, the Board may direct staff to change or modify the proposed amendment. After a proposed By-Law amendment has been discussed at a meeting of the Board, and after such proposed amendment has been changed or modified as directed by the Board, the proposed amendment will then be placed on the agenda for the next regular Board meeting, at which time the Board may take action to approve or not approve the proposed amendment.

Article V. By-Laws Effective

These By-Laws shall supersede and replace any and all previous By-Laws of the Board, which govern the administrative procedure of the Board. These By-Laws become effective when adopted by a two-thirds (2/3) vote of the Retirement Board and approved by the Board of Supervisors.

Article VI. Repeals

All former By-Laws are hereby repealed. The foregoing By-Laws become effective when adopted by the Board of Retirement by two-thirds (2/3) vote of the Retirement Board and approved by the Board of Supervisors.

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify:

That the foregoing By-Laws were adopted as amended by the Board of Retirement as the By-Laws of the System on November 19, 2012, and approved by the Board of Supervisors on February 26, 2013, the same do now constitute the By-Laws of the System..

Steve Delaney, Secretary of the Board

2/26/2013

Date



OCERS Board Charter

Board of Retirement

Introduction

1. The Board of Retirement of OCERS (Board) is committed to carrying out its policy and oversight role in accordance with the highest standards of fiduciary practice. The Board recognizes the need to clearly delineate the responsibilities of the various decision-making bodies involved in the governance and management of OCERS. Accordingly, the Board has established this charter, which sets out its duties and responsibilities in governing the retirement system (System).

Duties and Responsibilities

Board Members

2. Under the California Constitution and the County Employees' Retirement Law of 1937, members of the Board have plenary authority and fiduciary responsibility for investment of moneys and administration of the System, and must discharge their duties with respect to the System solely in the interest of, and for the exclusive purposes of providing benefits to, members of the System and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the System. Members of the Board function together as a nine-member Board (with one alternate member), exercising their collective judgment.
3. In carrying out their duties, Board Members must act "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims." (Cal. Const., art. XVI, §17(c)¹; Gov. Code §31595(b)².)
4. In order to prudently discharge their responsibilities, each Board Member is expected to participate in the activities of the Board and its committees, and to commit the time and effort necessary to knowledgeably, effectively and efficiently administer the affairs of the System.
5. Each Board Member will:
 - a. Be familiar and comply with OCERS' governing laws, rules, regulations, charters and policies.
 - b. Endeavour to attend all regular meetings of the Board and committees on which the Board Member serves. The Board meets regularly once each month, subject to adjustment from time to time. Regular meetings of the Board and the Investment Committee are generally expected to last most of the day. Committees generally meet less frequently than monthly, and meetings of committees other than the Investment Committee generally last between two and four hours.
 - c. Be prepared in advance for informed discussion at each meeting. Preparation for regular Board and Investment Committee meetings can require between one and eight hours.
 - d. Comply with the OCERS Trustee Education Policy and state law, which require that



OCERS Board Charter Board of Retirement

Board Members complete a minimum of 24 hours of Board Member education within the first two years of assuming office and every subsequent two-year period in which the Board Member serves on the Board (Gov. Code §31522.8³); two hours of ethics training every two years (Gov. Code §53235⁴); and two hours of harassment prevention training every two years (Gov. Code §12950.1⁵); and take advantage of educational opportunities in areas necessary for OCERS' prudent administration, including but not limited to investments, benefit administration, fiduciary duties, ethics and conflicts of interest, actuarial matters, pension funding, disability evaluation, fair hearings, open meetings and sound governance. In-house programs and outside conferences and seminars are available for this purpose. The time commitment for Board Member education is usually five days per year. Some travel may be required.

- e. Comply with the very strict limitations and reporting requirements with respect to personal financial interests, income and gifts, as required by the Political Reform Act and the regulations of the Fair Political Practices Commission (FPPC); and annually file a Statement of Economic Interests (Form 700) with the County.
 - f. Be familiar with the several helpful publications that are updated annually by the FPPC and that explain the Form 700 and the limitations on and reporting requirements with respect to personal financial interests, income and gifts, including without limitation the Fact Sheet for Local Officials and Employees entitled, "Limitations and Restrictions on Gifts, Honoraria, Travel and Loans"; the annual Form 700 Reference Pamphlet; the Form 700 FAQs; and the Expanded Statement of Economic Interests Fact Sheet, all of which can be found on the following FPPC website: <https://www.fppc.ca.gov/>.
 - g. Treat members of OCERS' staff and all persons having business with OCERS with civility, courtesy, respect and dignity.
6. Board Members should treat each other with civility, courtesy, respect and dignity.
 7. Unless expressly waived by the Board, no Board Member will solicit or accept employment as a member of OCERS direct staff while he or she is a Member of the Board and for a period of three years following the termination of their service as a Member of the Board.
 8. If a Board Member is unwilling or incapable of committing to and discharging the foregoing duties and responsibilities, he or she should consider resigning from the Board for the benefit of the System and the Board.

Governance

9. The Board will:
 - a. Approve, and amend as necessary, the mission statement of OCERS;
 - b. Adopt regulations or By-Laws, consistent with the County Employees Retirement Law of 1937, Government Code, Title 3, Division 4, Part 3, Chapter 3 and 3.9, Government Code Sections 31450 - 31899.10 as amended, the California Public



OCERS Board Charter Board of Retirement

Employees' Pension Reform Act of 2013, Government Code sections 7522 – 7522.74 as amended, and other applicable law;

- c. Adopt and amend as necessary policies to ensure appropriate governance practices and review each on a triennial basis.
- d. Adopt and amend as necessary charters describing the roles and responsibilities of the Board, the committees of the Board, the Chief Executive Officer, the Board Chair, the Board Vice Chair, and the Committee Chairs;
- e. In cooperation with and upon the recommendation of the Chief Executive Officer, adopt and amend as necessary the charter describing the roles and responsibilities of the Chief Investment Officer;
- f. During the last regularly scheduled meeting of the Board for each calendar year, elect a Vice Chair for a term beginning on the first day of the following calendar year. The person holding the office of Vice Chair as of the last day of the calendar year will automatically succeed to the office of Chair effective the first day of the following calendar year. In the event the person holding the office of Vice Chair as of the last day of the calendar year declines to accede to the office of Chair, a Chair will be elected during the last scheduled meeting of the Board for a term beginning on the first day of the following calendar year;
- g. If, prior to the expiration of their term, the Chair becomes disabled or otherwise incapable of continuing to serve as Chair, or is no longer a member of the Board, or is no longer eligible to hold office for any reason, the Vice Chair will automatically succeed to the office of Chair and will serve out the remainder of that calendar year. In the event the person holding the office of Vice Chair declines to accede to the office of Chair, the Board will hold a special election to elect a new Chair who will serve out the remainder of that calendar year.
- h. If there is a vacancy in the office of Vice Chair, the Board will hold a special election to elect a new Vice Chair, who will serve until the end of the Vice Chair's term of office, at which time such Vice Chair will succeed to the office of Chair, as provided for above.
- i. In any election of the Vice Chair, strive to elect a Vice Chair that is (1) an elected Board Member when the Chair is an appointed Board Member; and (2) an appointed Board Member when the Chair is an elected Board Member; and in any election of the Chair, strive to elect a Chair that is (1) an elected Board Member when the Vice Chair is an appointed Board Member; and (2) an appointed Board Member when the Vice Chair is an elected Board Member.
- j. As provided in OCERS By-Law, establish committees of the Board as deemed necessary to carry out the business of the Board;
- k. Initiate, support, oppose or take a neutral position regarding legislative proposals affecting OCERS; and



OCERS Board Charter Board of Retirement

- I. Authorize and approve any actions concerning claims, disputes, demands or legal proceedings that may affect the functions, investments, benefits or funding of OCERS and the Board.

Conflicts of Interest

10. The Board will:
 - a. Adopt and maintain an OCERS Conflict of Interest Code and list of Designated Filers, and obtain the approval of both by the County Board of Supervisors;
 - b. Review and update the OCERS Conflict of Interest Code every two years as required by the Political Reform Act; and
 - c. Designate the CEO as the OCERS Filing Officer who is responsible for ensuring Board Members and Designated Filers are aware of and comply with the requirement of an annual disclosure of financial interests (Form 700).

Investments and Funding

11. The Board has exclusive control of the investments of the Fund. The assets of OCERS are trust funds and, as such, the Board will manage the Fund (Gov. Code §31595⁶):
 - a. Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering OCERS;
 - b. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and
 - c. By diversifying the investments of OCERS so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.
12. The Board will conduct a study of the relationship between the assets and liabilities of OCERS not less than every three years.
13. The Board will approve an Investment Policy Statement that includes investment objectives, and will review and confirm or amend such policy statement at least every three years and following the completion of any asset/liability study of OCERS.
14. The Board will approve broad investment strategies for achieving the investment objectives of OCERS.

Benefits Administration

15. The Board will:
 - a. Adopt Board policies necessary to promote effective administration of member benefits;



OCERS Board Charter Board of Retirement

- b. Authorize the Chief Executive Officer to approve all qualified members who apply for service retirement (Gov. Code §31670⁷);
- c. Determine the merits of applications for disability benefits, making necessary determinations of service connection and permanency of incapacity (Gov. Code §31720⁸);
- d. Act on member appeals of decisions made by OCERS staff;
- e. Annually determine whether there has been an increase or decrease in the cost of living as provided in Gov. Code §31870.1⁹, and consider and determine whether to approve a Supplemental Targeted Adjustment for Retirees (STAR) cost of living adjustment (Gov. Code §31874.3(c)¹⁰);
- f. Determine eligibility of safety members when in doubt; and
- g. Periodically review approved disabilities as appropriate.

Operations

16. The Board will:
- a. Adopt a business and strategic plan and any updates thereto;
 - b. Adopt an annual Operating Budget within the statutory limit and approve any changes thereto (Gov. Code §31580.2¹¹);
 - c. Ensure that all required contributions to the Fund are collected in a timely manner;
 - d. Ensure that all required distributions from the Fund are made in a timely manner;
 - e. Establish OCERS principal business offices;
 - f. Approve leasehold and purchase agreements in connection with OCERS principal business offices; and
 - g. Approve operational control policies to ensure efficient delivery of member benefits and services.

Financial, Actuarial and Accounting

17. The Board will:
- a. Ensure that appropriate accounting, actuarial and internal financial control policies are established;
 - b. Approve the annual actuarial valuation and the actuarial assumptions contained therein, upon the advice of the actuary and other experts as required, and transmit to the Orange County Board of Supervisors a recommendation to implement such changes in the contribution rates of the county and districts, and members, as are necessary (Gov. Code §§31453 - 31454.6¹²);
 - c. Approve the annual financial statements;
 - d. Ensure a financial audit is conducted at least annually (Gov. Code § 31593¹³);



OCERS Board Charter Board of Retirement

- e. Ensure an actuarial experience study is conducted at least every three years; and
- f. Ensure an actuarial audit is conducted at least every five years.

Human Resources

18. The Board will:
- a. Upon recommendation of the Personnel Committee, consider and approve revisions to the OCERS Compensation Policy and adopt human resources policies, as determined to be in the best interests of OCERS; and
 - b. Ensure that appropriate succession plans are in place to provide continuity in OCERS management.

Communications

19. The Board will:
- a. Ensure effective communications with all significant interest groups;
 - b. Ensure that an Annual Financial Report is issued to members;
 - c. Ensure that Member Statements are available on OCERS' website and that OCERS makes paper copies available upon request; and
 - d. Conduct internal and external communications in accordance with the Board Communications Policy.

Key Appointments

20. The Board will appoint staff and Named Service Providers (as defined in the Board's Procurement and Contracting Policy) as necessary to assist the Board in carrying out its responsibilities, including:
- a. The CEO (Gov. Code § 31522.11¹⁴);
 - b. The actuary;
 - c. The actuarial auditor upon recommendation of the Audit Committee;
 - d. The financial auditor upon recommendation of the Audit Committee;
 - e. Legal counsel (also referred to as the Board's fiduciary counsel) retained to represent and advise the Board (Gov. Code § 31529.5¹⁵);
 - f. Investment consultants retained to advise the Board;
 - g. Human resource consultants retained to assist the Board with issues pertaining to the CEO; and
 - h. Other service providers the Board may choose to retain.



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Monitoring and Reporting

21. The Board will ensure that appropriate monitoring and reporting practices are established within OCERS.
22. As a general rule, the Board will comply with all Board policies. If the Board takes an action contrary to one of its policies, it will state in the Board minutes the reasons for doing so. At such time, the Board will also request that a review of the policy be undertaken.
23. The Board will annually:
 - a. Review the CEO's job performance;
 - b. Review the funded status of OCERS;
 - c. Review OCERS's internal financial and operating controls;
 - d. Review the investment performance of the Fund and the performance of the investment managers of the Fund; and
 - e. Review the quality of service delivered to OCERS members.
24. The Board will review the actuarial experience of OCERS not less than every three years.
25. The Board will review the results of an actuarial audit of OCERS at least every five years.
26. The Board will review progress toward the implementation of OCERS business plan on a semi-annual basis.
27. The Board will review Board policies every three years or as set out in each policy.
28. The Board will review the OCERS Operating Budget on a quarterly basis.
29. With the assistance of the CEO, the Board (or a committee of the Board) will review, at least biennially, the performance of its advisors including the actuary, the financial auditor, the investment consultants, and fiduciary counsel.
30. The Board will provide for appropriate monitoring of compliance with applicable laws and regulations.

Charter Review

31. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.

Charter History

32. This Charter was adopted by the Board of Retirement on November 18, 2002 and amended on August 22, 2011, January 21, 2014, January 20, 2015, July 20, 2015, May 15, 2017, October 15, 2018, March 18, 2019 and June 20, 2022.



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Secretary's Certificate

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

06/20/2022

Steve Delaney
Secretary of the Board

Date



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ENDNOTES

- ¹ Cal. Const., art. XVI, §17: [Law section \(ca.gov\)](#)
- ² Gov. Code §31595: [Law section \(ca.gov\)](#)
- ³ Gov. Code §31522.8: [Law section \(ca.gov\)](#)
- ⁴ Gov. Code §53235: [Law section \(ca.gov\)](#)
- ⁵ Gov. Code §12950.1: [Law section \(ca.gov\)](#)
- ⁶ Gov. Code §31595: [Law section \(ca.gov\)](#)
- ⁷ Gov. Code §31670: [Law section \(ca.gov\)](#)
- ⁸ Gov. Code §31720: [Law section \(ca.gov\)](#)
- ⁹ Gov. Code §31870.1: [Law section \(ca.gov\)](#)
- ¹⁰ Gov. Code §31874.3: [Law section \(ca.gov\)](#)
- ¹¹ Gov. Code §31580.2: [Law section \(ca.gov\)](#)
- ¹² Gov. Code §31453: [Law section \(ca.gov\)](#); Gov. Code §31453.5: [Law section \(ca.gov\)](#); Gov. Code §31453.6: [Law section \(ca.gov\)](#); Gov. Code §31454: [Law section \(ca.gov\)](#); Gov. Code §31454.1: [Law section \(ca.gov\)](#); Gov. Code §31454.5: [Law section \(ca.gov\)](#); Gov. Code §31454.6: [Law section \(ca.gov\)](#)
- ¹³ Gov. Code §31593: [Law section \(ca.gov\)](#)
- ¹⁴ Gov. Code §31522.11: [Law section \(ca.gov\)](#)
- ¹⁵ Gov. Code §31529.5: [Law section \(ca.gov\)](#)