

**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.**

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 2022-04, 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: 846 6792 7432 Passcode: 645225</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: 846 6792 7432 Passcode: 645225</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

February 14, 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 attending the meeting in person and wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the Boardroom 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 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.

A-3 TRIENNIAL REVIEW 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.

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.

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.

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.

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.

A-8 FUTURE COMMITTEE MEETINGS

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

INFORMATION ITEMS

I-1 COUNTY OF ORANGE BOARD OF SUPERVISORS BYLAWS TEMPLATE

Presentation by Steve Delaney, CEO

COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT

Orange County Employees Retirement System
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Governance Committee Meeting - Agenda

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NOTICE OF NEXT MEETINGS

DISABILITY COMMITTEE MEETING

**May 16, 2022
8:30 A.M.**

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

REGULAR BOARD MEETING

**May 16, 2022
9:30 A.M.**

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

INVESTMENT COMMITTEE MEETING

**May 25, 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.

Governance Committee Meeting
February 14, 2022

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

**GOVERNANCE COMMITTEE MEETING
February 14, 2022
10:00 a.m.**

MINUTES

The Chair called the meeting to order at 10:01 a.m.

Ms. Torres 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; Shari Freidenrich; Adele Tagaloa

Also present via Zoom:

Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Molly Murphy, CFO; Manuel Serpa, Staff Attorney; Anthony Beltran, Audio Visual Technician; Cammy Torres, Recording Secretary

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes

October 28, 2021

MOTION by Mr. Oates, **seconded** by Ms. Freidenrich, 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:

- (1) THE BOARD OF RETIREMENT CHARTER;**
- (2) THE BOARD CHAIR CHARTER;**
- (3) THE BOARD VICE CHAIR CHARTER; AND**
- (4) THE COMMITTEE CHAIR CHARTER**

Governance Committee Meeting
February 14, 2022

Presentation by Gina M. Ratto, General Counsel

Recommendation: Approve and recommend the Board adopt the proposed revisions to the four Charters as presented.

Ms. Ratto presented the staff's proposed revisions to the four Charters.

The Committee discussed and proposed several additional revisions to the Board of Retirement Charter. Chair Hidalgo directed staff to bring the Board of Retirement Charter back to the Committee with the revisions requested by the Committee members.

The Committee recessed for break at 11:29 a.m.
The Committee reconvened from break at 11:40 a.m.

Ms. Torres administered the roll call.

The Committee then discussed the Board Chair Charter, the Board Vice Chair Charter and the Committee Chair Charter.

MOTION by Mr. Oates, **seconded** by Ms. Freidenrich, to approve and recommend the Board adopt the proposed revisions to the Board Chair Charter, the Board Vice Chair Charter, and the Committee Chair Charter with additional minor changes as discussed.

The motion passed **unanimously**.

A-3 TRIENNIAL REVIEW OF OCERS RULES OF PARLIAMENTARY PROCEDURE

Presentation by Gina M. Ratto, General Counsel

Recommendation: Approve and recommend the Board adopt the proposed revisions to the OCERS Rules of Parliamentary Procedure as presented.

Ms. Ratto presented the OCERS Rule of Parliamentary Procedure.

After discussion, **MOTION** by Ms. Tagaloa, **seconded** by Mr. Oates to approve and recommend the Board adopt the proposed revisions to the OCERS Rules of Parliamentary Procedure as presented.

The motion passed **unanimously**.

A-4 TRIENNIAL REVIEW OF THE INDEMNITY AND DEFENSE POLICY

Presentation by Manuel Serpa, Staff Attorney

Recommendation: Approve and recommend the Board adopt the proposed revisions to the Indemnity and Defense Policy as presented.

Mr. Serpa presented the Indemnity and Defense Policy.

MOTION by Ms. Tagaloa, **seconded** by Mr. Oates to approve and recommend the Board adopt the proposed revisions to the Indemnity and Defense Policy as presented.

The motion passed **unanimously**.

Governance Committee Meeting
February 14, 2022

INFORMATION ITEMS

I-1 REVIEW OF THE GOVERNANCE COMMITTEE CHARTER AND 2022 WORKPLAN AND MEETING SCHEDULE

Presentation by Gina M. Ratto, General Counsel

Ms. Ratto presented the Governance Committee Charter and discussed the 2022 workplan and future meeting schedule with the Committee.

COMMITTEE MEMBER COMMENTS

N/A

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

N/A

COUNSEL COMMENTS

N/A

ADJOURNMENT

The meeting adjourned at 12:08 p.m.

Submitted by:

Approved by:

Steve Delaney
Secretary to the Board

Arthur Hidalgo, Chair



Memorandum

DATE: May 3, 2022
TO: Members of the Governance Committee
FROM: Gina M. Ratto, General Counsel
**SUBJECT: TRIENNIAL REVIEW OF THE BOARD OF RETIREMENT CHARTER (SECOND READING)
 AND POTENTIAL RELATED REVISION TO THE PROCUREMENT AND CONTRACTING POLICY**

Recommendation

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

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. At its February and June 2015 meetings, on recommendation of the Governance Committee, the Board approved a streamlined procedure to more efficiently manage the scheduled review of the charters and policies. Pursuant to this process, certain of the policies and charters are to be first reviewed by the Governance Committee before presentation to the Board for approval.

The Board of Retirement Charter was adopted by the Board in 2002 and was last reviewed by the Board in 2019. The Charter is scheduled for review and approval by the Board, after review by the Governance Committee, in 2022. The Governance Committee reviewed staff's proposed revisions to the Board of Retirement Charter at its meeting on February 14, 2022, and requested additional revisions.

In response to the Governance Committee's requests, Staff proposes additional revisions to the Charter as described below.

Board of Retirement Charter

Staff proposes the following additional revisions to the Charter as follows:

- Add hyperlinks to all citations to the constitution and statutes. (See endnotes.)
- Reflect that meetings of the Board and the Investment Committee are generally expected to last most of the day, and meetings of committees other than the Investment Committee generally last between two and four hours. (Section 5.b.)
- Specifically note the requirement that members of the Board annually file a Statement of Economic Interests (Form 700). (Section 5.e.)
- Specify that the Board, in its discretion, may elect to extend the term of office of a sitting Chair and/or Vice Chair (as reflected in OCERS' By-Laws). (Section 9.j.)
- Delete unnecessary language from the introductory sentence of Section 15; and clarify that the Board "implements" rather than "approves" the annual cost of living adjustments under Government Code §31870.1. (Section 15.e.)
- Delete unnecessary language from the introductory sentence of Section 18; note the role of the Personnel Committee and make other clarifying edits in Section 18.a.

- On November 15, 2021, the Procurement and Contracting Policy was revised by the Board (upon recommendation of the Governance Committee) to delete the Custodian from the list of Named Service Providers. At the February 14, 2022 meeting of the Governance Committee, staff proposed deleting the Custodian from the list of Named Service Providers in Section 20 of the Charter in order to make the Charter consistent with the revision to the Procurement and Contracting Policy in 2021. The Governance Committee indicated it was interested in revisiting the decision to delete the Custodian from the list of Named Service Providers in the Procurement and Contracting Policy. (Section 20.e.)

The revisions to the Charter reviewed by the Governance Committee at its February 14, 2022 meeting are noted in underlined/strikeout text, and the new revisions to the Charter are indicated in both underlined/strikeout text and highlighted in yellow, in the attached Charter. The Procurement and Contracting Policy, as revised by the Board on November 15, 2021, is also attached.

Submitted by:



Gina M. Ratto
General Counsel



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 retirement sSystem, and must discharge their duties with respect to the Ssystem solely in the interest of, and for the exclusive purposes of providing benefits to, members of the Ssystem 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 ~~and Investment Committee~~ 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. ~~Other~~ Committees ~~meetings~~ generally ~~meet~~ are 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.



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- d. Comply with the OCERS Trustee Education Policy and state law, which require that Board Members complete a minimum of 24 hours of Board Member education within the first two years of assuming office and ~~for~~ 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~~Observe~~ the very strict limitations and reporting requirements with respect to personal financial interests, ~~and~~ income and be familiar with the definition of "gifts" for these purposes, which may include meals, lodging and other travel expenses, and~~the limitations and reporting requirements with respect to~~ 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/>.
 - gf. Treat members of OCERS' staff and all persons having business with OCERS with civility, courtesy, respect and dignity.
6. Board ~~M~~members should treat each other with civility, courtesy, respect and dignity.
 7. Unless expressly waived by the Board, no Board ~~M~~member will solicit or accept employment as a member of OCERS direct staff while he or she is a ~~M~~member of the Board and for a period of three years following the termination of his or her~~their~~ service as a ~~M~~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:



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- 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 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, ~~and in the event of a vacancy in the position of the Vice Chair during the year, elect a new Vice Chair at the next regularly scheduled meeting of the Board following such vacancy.~~ 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.
- ig. 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.



OCERS Board Charter Board of Retirement

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

h.k. As provided in OCERS By-Law, establish committees of the Board as deemed necessary to carry out the business of the Board, provided for in OCERS By-Laws;

h.l. Initiate, support, oppose or take a neutral position regarding legislative proposals affecting OCERS; and

h.m. 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~~including 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.



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14. The Board will approve broad investment strategies for achieving the investment objectives of OCERS.

Benefits Administration

15. The Board will ~~from time to time as determined to be in the best interest of OCERS:~~
- a. Adopt Board policies necessary to promote effective administration of member benefits;
 - b. ~~Authorize the Chief Executive Officer to a~~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~~injury (Gov. Code §31720⁸);
 - d. Act on member appeals of decisions made by OCERS staff;
 - e. Annually ~~determine and implement~~approve ~~any cost of living~~cost-of-living adjustments (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;



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- 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);
- 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 ~~from time to time as determined to be in the best interests of OCERS:~~
 - a. ~~Upon recommendation of the Personnel Committee, consider and a~~Approve revisions to the OCERSa human resources and Ceompensation Ppolicy 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 ~~Member~~ Communications Policy.

Key Appointments

- 20. The Board will ~~from time to time,~~ 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 § ~~31522.11~~¹⁴~~31522.5~~);
 - b. The actuary;
 - c. The actuarial auditor upon recommendation of the Audit Committee;
 - d. The financial auditor upon recommendation of the Audit Committee;
 - e. ~~The custodian;~~[reconsider deletion, depending on possible change to the Procurement and Contracting Code to add the custodian as a Named Service Provider]



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- ef. Legal counsel (also referred to as the Board's fiduciary counsel) retained to represent and advise the Board (Gov. Code § 31529.5¹⁵);
- fg. Investment consultants retained to advise the Board;
- gh. Human resource consultants retained to assist the Board with issues pertaining to the CEO; and
- hi. Other service providers the Board may choose to retain.

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.



OCERS Board Charter Board of Retirement

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, ~~and~~ March 18, 2019 and [MONTH/DATE/2022].

Secretary's Certificate

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

~~03/18/19~~

Steve Delaney
Secretary of the Board

Date



OCERS Board Charter Board of Retirement

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 \(ca.gov\)](#)



OCERS Board Policy

Procurement and Contracting

I. Purpose and Background

A. Purpose

The Procurement and Contracting Policy (policy) establishes the guidelines by which OCERS will procure goods and services. Investment Management Agreements (as defined below) are exempt from this policy, and will instead be governed by the CIO Charter and the Investment Policy Statement.

B. Objectives

The objectives of this policy are to ensure that:

1. Contractual arrangements for the purchase of goods and services are made in a manner consistent with OCERS' fiduciary duty to its members and beneficiaries;
2. The procurement of goods and services is efficient, transparent, economical, fair, and in compliance with all applicable laws;
3. A system of internal controls related to the procurement of goods and services is implemented;
4. All contracting activities are performed by qualified individuals with specifically delegated authority using sound business practices in an ethical manner;
5. The selection of Contractors reflects a level of rigor that is commensurate with the importance and cost of the service or goods in question.

C. Roles and Responsibilities

1. The role of the Board of Retirement (Board) is to:
 - i. Establish appropriate policies to ensure selection decisions are prudent and sound;
 - ii. Oversee compliance with such policies
 - iii. Select and appoint Named Service Providers; and
 - iv. Authorize staff to execute contracts with Named Service Providers.
2. The role of the Chief Executive Officer (CEO) is to:
 - i. Approve the purchase of goods and services for which the CEO is responsible under this policy; and
 - ii. Keep the Board apprised of contract actions as necessary for the Board to carry out its oversight function.
3. The role of the Responsible Executive is to:
 - i. Approve the purchase of goods and services for which s/he is responsible under this policy;
 - ii. Keep the CEO apprised of all significant contract actions for which the Responsible Executive is responsible;



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Procurement and Contracting

- iii. Ensure that budget authority exists within the budget line item from which a contract will be paid;
 - iv. Select the appropriate procurement process to be used and participate in the preparation of the solicitation documents for the goods and services being procured.
 - v. Select, or recommend that the CEO select as the case may be, Contractors in the area for which the Responsible Executive is responsible;
 - vi. Negotiate, or delegate to an appropriate staff member who will negotiate terms and conditions of contracts for the purchase of goods and services for which s/he is responsible.
4. The role of the Contract Administrator is to:
- i. Manage the Contractor files and the lifecycle management system, and ensure compliance with best practices for Contractor management;
 - ii. Assemble, manage, and distribute all contract solicitations and other contract acquisition efforts;
 - iii. Maintain appropriate contract and solicitations templates in consultation with the Legal Division;
 - iv. Assist the Responsible Executive with selection of Contractors and negotiation of contractual terms;
 - v. Conduct due diligence for potential Contractors;
 - vi. Review Contractors' certificates of insurance to verify compliance with the contracted requirements for coverage;
 - vii. Serve as the CEO's designee under the Quiet Period Policy;
 - viii. Develop (subject to approval of the Responsible Executive and in consultation with the Legal Division) required and preferred terms and conditions to be included in OCERS contracts;
 - ix. Ensure all solicitations are reflected in the Quiet Period Report to the Board;
 - x. Coordinate and oversee the review of Contractors' performance;
 - xi. Monitor the expiration dates of all contracts to ensure either timely extension of the contract term or timely issuance of contract solicitation; and
 - xii. Report to the Board annually all contracts that exceed a Contract Value of \$100,000.
5. The role of General Counsel or his/her designee is to:
- i. Review contracts before execution for compliance with legal requirements and to provide assessment of risk to the agency;



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- ii. Assist the CEO, Responsible Executive, and Contract Administrator in preparing Requests for Proposals, Invitations to Bid and other solicitations when requested;
- iii. Assist the Responsible Executive and Contract Administrator in negotiation of contractual terms and conditions when requested; and
- iv. Assist the Contract Administrator in developing necessary and preferred terms and conditions and contract templates.

D. Definitions

1. Executive: The CEO, the Assistant CEOs, the Chief Investment Officer, and the General Counsel.
2. Responsible Executive: The Executive who manages the budget line item for the funds being committed under the contract.
3. Contract Value: For the purposes of the dollar thresholds in this policy, the value of a contract is the amount OCERS is obligated to pay for one year under the contract
4. Routine Items: expenses that are regularly budgeted on an annual basis:
 - i. Must have available funds in the approved budget, including any Board approved amendments to the budget.
 - ii. Can be approved by the Executive responsible for the budget item
 - iii. These items include but are not limited to the following:
 - a. Office supplies, postage, furniture, office equipment, subscriptions, temporary services, professional and consulting services engaged to supplement or support staff, and
 - b. General services contracts and agreements such as hearing officers, medical panel reviewers, property management, maintenance and repair of landscaping, building and equipment, printing, Board of Retirement elections, computer consulting, software licenses, messenger services, catering etc.
5. Non-Routine Items: expenses that are not regularly purchased or budgeted on an annual basis. Contracts or purchase orders for non-routine items require:
 - i. Available funds in the approved budget, including any Board approved amendments to the budget designated for the goods or services being procured,
 - ii. Approval by the Executive responsible for the budget in which the goods or services to be paid for expenditures valued at less than \$100,000,
 - iii. Approval by the Board for expenditures valued over \$100,000. The Board may approve of the expenditure either as part of the annual budget, budget amendment, annual Business Plan or a specific Board approval of the contract or purchase order.



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Procurement and Contracting

6. Contractors: For purposes of this policy, Contractors include providers of services and vendors of goods.
7. Named Service Providers: Contractors recommended by the CEO and selected and appointed by the Board where such providers are retained primarily to fulfill an independent audit or advisory role for the Board. See also below section V.
8. Time and Material (T&M) Contracts: agreements with Contractors where the value of the contract is variable based on the time and material costs of the Contractor. In these types of contracts, the contract will include a provision stating that the Contract Value is not to exceed a specified dollar amount, or the Contract Value will be limited by the available budget for the goods or services.
9. Investment Management Agreements: agreements of any kind that evidence and/or govern the investment of OCERS' assets in any investment class. Investment Consultant Agreements are not Investment Management Agreements.

II. Provisions Applicable to All Contracts

A. Contracting Philosophy

1. OCERS will consider as broad a universe of qualified Contractors as is practical and reasonable given budgetary, staffing, time and other relevant constraints and considerations.
2. The search, selection, monitoring, and reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established under the law or within other policies of OCERS, the law and such other policies will control.
3. Consistent with Title 2, Division 6, Chapter 7 of the California Code of Regulations, §§ 18700-18720, no OCERS Board Member or staff will be directly or indirectly involved in an OCERS contracting decision if the decision will have a material financial effect on an economic interest of the Board Member, staff person, or the immediate family of the Board Member or staff person.
4. OCERS values diversity and inclusion and is committed to fostering diversity in its procurement process through the outreach to small and diverse businesses. In the distribution and publication of solicitations, OCERS will endeavour to reach beyond traditional sources and list opportunities in locations that will notify a diverse audience of Contractors.

B. Authority for Entering Into Contracts.

1. Before entering into any contract for goods or services, OCERS must have available funds in the current year's approved budget, including any Board approved amendments to the budget, to fund the current year's expense or Contract Value.
2. Only the Responsible Executive or his/her designee may bind or commit OCERS for the purchase of goods or services as set forth in this policy, except in emergencies and as may be otherwise authorized by the Board.



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Procurement and Contracting

3. An emergency is any circumstance that would interfere with OCERS' ability to meet its fiduciary obligations, threaten the health and safety of its staff, or compromise its legal rights or remedies. If a contract is needed as the result of an emergency, report of the contract will be made to the Responsible Executive or to the Board whose authorization is normally required for such contract as soon as practicable.
4. The CEO may delegate his/her authority to execute documents to an Executive.
5. A Responsible Executive may delegate his/her authority to approve check requests and/or purchase requisitions.
6. All delegations will be documented in writing, identifying the individual to whom the authority is delegated and any dollar restriction or budget account restrictions associated therewith.

C. Contract Term

The term of a contract will not exceed six years.

D. Performance Reviews

1. The Contract Administrator will coordinate the evaluation of all Contractors to determine if Contractors are performing their contractual obligations.
2. The performance of Named Service Providers and Contractors with Contract Values that exceed \$100,000 will be reviewed at least every three years. In addition, at least six months before the expiration of the initial term of a contract with a Named Service Provider and Contract Value over \$100,000, the continued appropriateness and cost-effectiveness of the Contractor will be assessed. For contracts with Named Service Providers, the CEO and the Board or the pertinent committee of the Board will make the performance review and assessment. For Contract Values over \$100,000, the CEO (or his/her designee) will make the performance review and assessment.
3. The results of performance reviews of Named Service Providers will be summarized and reported to the Board.

III. Search and Selection Process

A. Competitive Search and Selection Process

Where a competitive search and selection process is required under this policy, the Responsible Executive will use one of the following procurement methods.

1. Invitation for Bid (IFB):
 - i. This method will be used when multiple bidders are available and willing to bid, and procurement needs can be stated in detail, with precision, or where services or products are standardized.



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- ii. The IFB process requires the evaluation of price, delivery and payment terms, and compliance with technical standards. The bid that provides the best pricing and delivery and payment terms will be selected.
 - iii. The bids may be reviewed by a minimum of three OCERS staff members to identify the bidder who provides the best value to OCERS.
2. Request for Proposal (RFP)
- i. This method will be used where the product or service to be acquired cannot be stated with specificity (such as consulting services) or where OCERS may seek to evaluate a number of different types of professional services or products.
 - ii. The proposal that best meets OCERS' needs, with consideration for price, qualifications, and other relevant factors set forth in the RFP, will be selected.
 - iii. This method will be used in most circumstances where the Contract Value exceeds \$100,000. In cases where the Responsible Executive deems an RFP will not be of benefit, the Responsible Executive or designee will provide a report to the CEO detailing the reasons why an RFP is not beneficial. The CEO must approve the exception prior to selecting a Contractor.
3. Small Purchase Procedure
- i. Where the Contract Value is at least \$1,000 but less than \$100,000, a minimum of three quotes from qualified sources must be obtained. If three qualified sources cannot be reasonably identified, then the Responsible Executive may authorize the use of a sole source process, as set forth below in Section III.C.
4. Process for Receiving Bids in Response to an RFP or IFB
- i. The period for submitting bids in response to an RFP and IFB will be at least fifteen (15) days from the date the RFP or IFB is issued. All RFPs and IFBs will be posted on the OCERS website and distributed to entities that OCERS identifies as likely to be interested.
 - ii. The Contract Administrator or his/her designee will answer questions from any bidder or potential bidder, and all answers provided to any bidder will be made available to all bidders by posting on the OCERS website and by e-mailing all bidders.
 - iii. Best efforts will be made to have at least three OCERS personnel review the bids and recommend finalists. Best efforts will be made to include at least one representative from a department other than the one that has authority over the contract. In the case where external expertise is used to review the bids, at least one reviewer must be an OCERS employee.

B. Contracted Suppliers

Where a Contractor has been selected by OCERS pursuant to a competitive search and selection process or by the County of Orange or other governmental agency pursuant to a competitive search and selection process, the Contractor may be used as a Contracted Supplier under certain circumstances as set forth in this policy. Such Contracted Suppliers may include, by way of example, retail sellers of off the shelf office supplies contracted by the County of Orange or directly by OCERS.



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Procurement and Contracting

C. Sole Source

A sole source approach may be permitted under the following circumstances:

1. In cases where a competitive search and selection process will not likely yield a viable alternative to a known service provider; or
2. Where legal services are urgently needed, a competitive search and selection process will not be timely, and a known Contractor exists.

A report describing the unique characteristics of the situation, the known Contractor and sound justification for a sole source approach will be provided to the Executive who will either approve or deny the request to use a sole source approach. Executives who wish to use a sole source approach will provide the report to the CEO, who will either approve or deny the request. When the CEO is the Responsible Executive, the report will be provided to the Board Chair and Vice-Chair who will either approve or deny the request to use a sole source approach.

D. Exclusions

Notwithstanding any other provision in this policy, Contractor back-fill or temporary help for staff augmentation does not require Board approval or compliance with this policy as long as budgetary amounts are available for individual contractor positions.

E. Due Diligence

1. Before awarding a contract, the Contract Administrator will conduct due diligence of any bidder selected to ensure that the bidder:
 - i. Meets all minimum qualifications set forth in the solicitation document; and
 - ii. Meets all other standards which, in the exercise of sound business judgment, are required of the Contractor.
2. If a selected bidder is disqualified as a result of the due diligence process, the reason for the disqualification will be documented and forwarded to the Responsible Executive for confirmation.
3. For certain critical Information Technology Contractors, SOC2 reports will be requested during the due diligence process. These reports will then be requested from the Contractor annually to ensure proper Information Technology and security controls are in place.



OCERS Board Policy

Procurement and Contracting

IV. Contract Guidelines Summary

Contract Value	Approver	Signatory	Procurement Requirements
Named Service Provider	Board of Retirement or represented committee	CEO (or CIO on Investment-related contracts) +1 Executive	IFB or RFP
\$100,000 or More	CEO	CEO (or CIO on Investment-related contracts) +1 Executive	IFB or RFP
\$1,000 to \$99,999	Responsible Executive	Responsible Executive + 1 Executive, Director or Manager	IFB, RFP, Small Purchase Procedure, or Contracted Supplier
Under \$1,000	Responsible Executive or designee	Responsible Executive or designee	Contracted Supplier, Small Purchase Procedure, Contracted Supplier
Investment Managers	CEO / CIO	CEO or CIO +1 Executive	In accordance with CIO Charter and IC Charter and IPS

V. Contracts with Named Service Providers

Contracts with Named Service Providers will comply with the requirements of this section.

A. Designation of Named Service Providers

The following service providers are designated as Named Service Providers:

1. Consulting actuary;
2. Actuarial auditor;
3. General investment consultant;
4. Alternative investments consultant;
5. Fiduciary counsel;
6. Securities lending manager;



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7. Financial auditor; and
8. Any additional consultant not named above but which the Board may, from time to time, designate.

B. Search and Selection Process

1. At least six months before the expiration of the final extension of a contract with a Named Service Provider, or upon direction of the Board following the review of the performance of the Named Service Provider, the CEO will conduct a competitive search and selection process for a Named Service Provider.
2. Prior to conducting a search for a Named Service Provider, the CEO or his designee will present a written summary to the Board, which will include:
 - i. The type of service provider being sought and the supporting rationale;
 - ii. The objectives and selection criteria to be met and their relative importance;
 - iii. An estimated timeline for completion of the search process; and
 - iv. A description of the search methodology that is deemed most appropriate and cost effective in the particular circumstances, and that addresses such issues as:
 - a. What method of competitive search and selection process will be used;
 - b. Whether a consultant is to be used to assist with the search process;
 - c. The due diligence efforts to be undertaken, including such efforts as site visits, and reference checks;
 - d. Such other information that the CEO believes may assist the Board in better understanding the search process.
3. The CEO will provide the Board (or a designated committee of the Board) with periodic reports on the status of all search processes involving Named Service Providers.
4. Upon completion of the analysis and due diligence involved in a search process for a Named Service Provider, the CEO will provide the Board (or a designated committee of the Board) with a written report containing, at a minimum:
 - i. A description of the due diligence activities undertaken;
 - ii. The recommended finalist(s) and analysis of the recommendation;
 - iii. Confirmation of compliance with the objectives, selection criteria and search methodology presented to the Board prior to the commencement of the search, or an explanation of any deviations that occurred;
 - iv. A description of performance expectations and the proper time horizon for evaluation of results;
 - v. A bid (pricing) summary with annotations regarding differentiating features; and



OCERS Board Policy

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- v. A description of the expected performance monitoring and reporting efforts to be carried out with respect to the Named Service Provider throughout the term of the contract, including the reporting to be provided to the Board.
- 5. The Board (or a designated committee of the Board) will interview the candidate or candidates recommended for appointment as a Named Service Provider. If a committee reviews the candidates, the committee will recommend to the Board the appointment of the Named Service Provider. If the Board interviews the candidates, the Board itself will decide on the appointment.
- 6. Upon selection of the candidate, the CEO (or his/her designee) will negotiate a final contract with the selected Named Service Provider, consistent with the terms of the contract solicitation, this policy, and any other direction from the Board. If, at any time during the negotiations, the CEO determines that there is an impasse in negotiations, s/he may recommend to the Board that the Board select an alternate bidder for the Named Service Provider.

C. Approval and Execution

Upon completion of negotiations with a Named Service Provider, the CEO or his/her designee will inform the Board of the general contract terms and conditions that have been negotiated. Contracts with Named Service Providers must be executed by the CEO and one other Executive.

D. Reports

- 1. The CEO will report promptly to the Board any failures by a Named Service Provider to comply with the terms of their contract.
- 2. At least annually, the CEO will provide the Board a schedule of the contracts with Named Service Providers due for renewal and those whose terms will expire in the coming year.
- 3. The CEO will report regularly and in a timely fashion to the Board on all monitoring efforts involving Named Services Providers, identifying any material issues and actions taken in response.

VI. Contracts with Contract Value of \$100,000 or More

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value exceeds \$100,000 will comply with the requirements of this section.

A. Review and Renewal

- 1. At least six months before the expiration of the term of a contract with a Contract Value over \$100,000, the CEO (or his/her designee) will assess the continued appropriateness and cost-effectiveness of the Contractor in question.
- 2. Upon recommendation of the Responsible Executive (or his/her designee), the CEO will: 1) extend the term of the contract up to the maximum total term of six years; 2) direct the Responsible Executive (or his/her designee) to conduct a new search and selection process; or 3) determine that the goods or services are no longer necessary.



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Procurement and Contracting

B. Search and Selection Process

1. Contracts for goods or services for which the Contract Value exceeds \$100,000, require a competitive search and selection process.
2. Upon completion of a competitive search and selection process, a written report will be provided to the CEO or his/her designee and will include at a minimum:
 - i. Purpose and need for the goods or services being procured;
 - ii. A description of the procurement process and due diligence activities undertaken; and
 - iii. The recommended finalist and analysis concerning the candidates.
3. Upon the CEO's, or his/her designee's approval of the candidate, the Responsible Executive (or his/her designee) will negotiate a final contract, consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, s/he may recommend to the CEO that the CEO select an alternate candidate.

C. Approval and Execution

1. Contracts for goods or services with a Contract Value that exceeds \$100,000 must be executed by the CEO and one other Executive.
2. For contracts relating to Routine and Non-Routine Items, Board approval of the expenditure may be acquired through either the budgeting process or the annual Business Plan.

VII. Contracts with Contract Value Between \$1,000-\$99,999.99

Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value that is at least \$1,000 but less than \$100,000 will comply with the requirements of this section.

A. Search and Selection Process

1. Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value of at least \$1,000 but less than \$100,000, the Executive Responsible will require a competitive search and selection process. The use of a Contracted Supplier is permitted.
2. Upon selection of the candidate, the Responsible Executive (or his/her designee) will negotiate a final contract consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, s/he may select an alternate candidate.

B. Approval and Execution

1. Upon completion of negotiations, the Responsible Executive will approve the contract.



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- 2. Any contract under this provision must be executed by at least two Executives.

VIII. Contracts with Contract Value Less than \$1,000

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value is less than \$1,000 will comply with the requirements of this section.

A. Search and Selection Process

The Responsible Executive may enter into a contract with any qualified Contractor that the Responsible Executive determines is in the best interest of OCERS. Alternatively, the Responsible Executive may choose to use a competitive search and selection process if s/he determines it is in the best interest of OCERS.

Policy Review and History

- A. The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- B. The Board adopted this policy on Monday, November 18, 2002.
- C. This policy was revised May 19, 2008, March 22, 2010, May 20, 2013, January 20, 2015, October 15, 2018, and November 2021.

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: 11/15/21
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Memorandum

DATE: May 3, 2022
TO: Members of the Governance Committee
FROM: Gina M. Ratto, General Counsel
SUBJECT: **TRIENNIAL REVIEW OF THE PROTOCOL FOR HANDLING WORKPLACE COMPLAINTS AGAINST BOARD MEMBERS AND EXECUTIVES**

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.

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. At its February and June 2015 meetings, on recommendation of the Governance Committee, the Board approved a streamlined procedure to more efficiently manage the scheduled review of the charters and policies. Pursuant to this process, certain of the policies and charters are to be first reviewed by the Governance Committee before presentation to the Board for approval.

In October 2019, the Board adopted the Protocol for Handling Workplace Complaints Against Board Members and Executives (Protocol) to establish protocols for the OCERS Human Resources department to respond to workplace complaints made by OCERS employees against members of the OCERS Board or OCERS executive staff in order to ensure these complaints are timely, fairly and appropriately investigated and addressed.

Staff has reviewed the Protocol and recommends only clarifying revisions at this time. A copy of the Protocol with the minor revisions redlined is attached.

Submitted by:



Gina M. Ratto
General Counsel



OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

Background and Objectives

1. The Board of Retirement takes very seriously workplace complaints made by OCERS employees against members of the Board or OCERS executive staff. Formal procedures and practices are required to ensure complaints are timely, fairly and appropriately investigated and addressed.
2. The objectives of this policy are to:
 - a. Establish protocols for the OCERS Human Resources department to respond to workplace complaints made by OCERS employees against members of the Board or OCERS executive staff; and
 - b. Clarify the roles and responsibilities of the OCERS Human Resources department, the Board, and OCERS staff in the process of handling the complaints covered by this protocol.

Policy Guidelines

In the event the OCERS Human Resources department receives a workplace complaint from an OCERS employee ("complainant") against a member of the Board of Retirement or member of the OCERS executive staff ("subject of the complaint"), the following protocols will be observed in addition to the procedures normally followed in response to a workplace complaint:

3. The Director of Human Resources ("Director") will provide a form to the complainant for the purpose of accurately documenting the complaint in a signed writing. If the Director does not receive the signed form back from the complainant in a timely manner, the Director will prepare a writing based on the information provided orally by the complainant, and request that the complainant confirm the accuracy of the writing. If the complainant declines or fails to confirm the accuracy of the writing, the Director will so indicate in the record of the matter.
4. Before following the procedures normally followed in response to a workplace complaint, the Director will consult with the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel (unless the subject of the complaint is the General Counsel), and outside Fiduciary Counsel. The group may decide to alter the normal procedures based on the facts and circumstances of the complaint.
5. Upon commencing any procedures in response to a complaint against a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) will notify the subject of the complaint that a complaint has been made, the general nature of the complaint, and that an investigation of the complaint will proceed. If the subject of the complaint is a member of OCERS executive staff, such notification will be delivered to the subject of the complaint by the CEO. In all cases, the subject of the complaint will be cautioned that it is against the law and OCERS' policies to retaliate against the complainant.



OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

6. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel (unless the subject of the complaint is the General Counsel), and outside Fiduciary Counsel will together select and retain an investigator to investigate the complaint. During the investigation, Fiduciary Counsel will serve as liaison to the investigator. The investigator's report will be delivered to Fiduciary Counsel and shared only with the individuals identified in Paragraph 4 above. The investigator's report will be confidential and will not be shared with the subject of the complaint or the complainant.
7. During the course of any such investigation, the subject of the complaint will be advised in writing of the substance of the complaint and the identity of the complainant, and will be provided a timely opportunity to respond both orally and in writing. Where the subject of the complaint is a member of the Board or the CEO, such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO. Any written response by the Board member or CEO shall be delivered to the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) and any written response by the OCERS executive staff member shall be delivered to the CEO. The complainant will be advised in writing of the substance of any written response by the subject of the complaint.
8. Upon the advice of the individuals identified in Paragraph 4 above, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), on a confidential basis, may advise the Board of the existence and nature of the complaint, the status of the process in response to the complaint, and any findings and recommendations resulting from that process.
9. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) may authorize the Board member or the CEO who is the subject of the complaint, and the CEO may authorize the OCERS executive staff member who is the subject of the complaint, to engage independent counsel of his or hertheir choice to advise him or herthem during the process, at OCERS' expense, with an appropriate reservation of rights. The authority to authorize engagement of counsel at OCERS' expense will not exceed \$10,000 in actual fees and costs reasonably incurred, without further action by the Board.
10. Upon conclusion of the investigation and receipt of the investigator's report, where the subject of the complaint is a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint. Where the subject of the complaint is a member of OCERS executive staff, the CEO, upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint, including any recommended action to be taken by the Board.
11. Once the actions or measures determined in Paragraph 10 have been taken, the subject of the complaint and the complainant will be informed that the complaint has been fully investigated,



OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

addressed, and closed. Where the subject of the complaint is a member of the Board or the CEO, such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO.

- 12. The identities of the complainant and the subject of the complaint will remain confidential to the fullest extent possible, consistent with the law and customary practice.

Policy Review

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

Policy History

- 14. This policy was adopted on October 21, 2019, and reviewed and revised on [MONTH] [DAY], 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.

10/21/19

Steve Delaney
Secretary of the Board

Date



Memorandum

DATE: May 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, RETIREMENT ENHANCEMENT REVIEW POLICY AND PAY ITEM REVIEW POLICY**

Recommendation

Approve and recommend the Board adopt the proposed revisions to the following policies:

- (1) Member Services Customer Service Policy
- (2) Retirement Enhancement Review Policy
- (3) Pay Item Review Policy

Background/Discussion

Member Services Customer Service Policy

- No changes at this time

Retirement Enhancement (Spiking) Review Policy

- Suggest changing the name to better identify the purpose of the policy
- Format and structural changes to provide better clarity

Pay Item Review Policy

- Format and structural changes to provide better clarity.

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^[JS1] 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-d. Member calls are returned the same business day or within 24 hours. Staff will update their voicemail messages to indicate approximate turnaround time in situations when it is known that greater than 24 hours is needed to return calls.
4. Regularly monitor goals to ensure ongoing achievement of customer service levels.
5. Annually evaluate goals and make adjustments as needed^[JS2].

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^[JS3].



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.

Steve Delaney
Secretary of the Board

10/15/18

Date



OCERS Board Policy

Retirement Enhancement Review Policy

Purpose and Background

1. California Government Code section 31542 (Section 31542) requires the Orange County Employees Retirement System (OCERS) Board of Retirement (Board) to establish a procedure for assessing and determining whether an element of compensation was paid to inappropriately enhance an OCERS member's benefit, otherwise known as "spiking". The purpose of this policy is to establish a procedure in compliance with Section 31542.

Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation was paid to inappropriately enhance or "spike" a member's retirement benefit contrary to Section 31542, while providing the member and employer required notice and due process with respect to OCERS' determinations regarding the member's retirement application.

Policy Guidelines

3. OCERS staff shall review all items of compensation included within the calculation of the member's final compensation within the meaning of California Government Code sections 7522.32 & 7522.34 (Pensionable Compensation), and 31460, 31461 & 31462 (Compensation Earnable), and related applicable sections, for the purpose of making an initial assessment as to whether there is any evidence that any item of compensation included in final compensation was paid to "spike" a member's retirement benefit. In conducting such review and making such initial assessment, staff shall consider:
 - a. Whether the item of compensation was earned within the period during which final compensation is to be calculated;
 - b. As to each pay code or element of pay whether it meets the definition of, as applicable, compensation earnable or pensionable compensation;
 - c. Any other factors that cause staff to believe that an item of compensation included in final compensation was paid to enhance a member's retirement benefit; and
 - d. Information and explanation provided by the member and the employer in response to OCERS' written request as to the facts and circumstances concerning an item of compensation that staff believes may have been paid to enhance the member's retirement benefit.
4. If, after concluding the foregoing assessment, OCERS staff determines that one or more items of compensation were paid to enhance a member's retirement benefit, OCERS staff shall send written notification to the member and the employer of its determination.
5. The notice shall set out the reasons for staff's determination, including the specific supporting facts, circumstances and analyses. Staff may conduct such written and oral follow-up communication with



OCERS Board Policy

Retirement Enhancement Review Policy

the member and/or employer as appropriate in the exercise of reasonable diligence. Staff shall document any such communication and when concluded, shall issue a final notice of determination.

6. The member and employer shall have 30 calendar days from the date of staff's final notice of determination within which to appeal the staff determination to the Board. Failure of the member or employer to timely request Board review shall constitute a waiver of further administrative review.

7. An appeal of the staff determination to the Board by the member or employer shall be in writing and delivered to the CEO or his/her designee within the time period set forth in Paragraph 6, above. The appeal shall set forth in reasonable detail the evidence and analysis supporting the member's or employer's argument that the staff determination is erroneous.

8. Upon receipt of a timely appeal, staff shall place the matter on the agenda of a future meeting of the Board and shall prepare a written report to the Board making a recommendation to the Board that the item, or items, should not be included in the calculation of the member's retirement benefit.
 - a. The report shall contain a description of the reasons for staff's recommendation, including the specific facts and circumstances supporting staff's recommendation.
 - b. Before the Board acts, the member and the employer shall be given an opportunity to be heard by the Board and to submit any additional materials for the Board's consideration.
 - c. Written notice of the Board meeting and a copy of staff's report and all materials to be considered by the Board shall be provided to the member and the employer no less than five business days before the scheduled Board meeting.
 - d. At the meeting, the Board shall consider the all written materials submitted as well as any arguments by the member or the member's employer. The Board shall then make a decision as to whether the item of compensation was paid to enhance the member's retirement benefit.
 - e. OCERS shall provide the member and the employer written notice of the Board's decision within five business days, along with information regarding the rights of the member and the employer to seek judicial review of the Board's action by filing a petition for writ of mandate within 30 days after the mailing of that notice as required by Section 31542.
 - f. If the Board finds the item of compensation should be included, staff shall adjust the member's benefits accordingly, retroactive to the effective date of retirement.

9. If the payment of the member's benefit would be delayed by seeking resolution through these administrative processes, OCERS staff shall process the benefit excluding the compensation in question. If it is later determined the compensation should be included, OCERS shall adjust the benefit retroactive to the effective retirement date.



OCERS Board Policy Retirement Enhancement Review Policy

Policy Review

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

Policy History

11. The Board adopted this policy on March 18, 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.

A rectangular box containing a handwritten signature in blue ink that reads "Steve Delaney".

03/18/19

Steve Delaney
Secretary of the Board

Date



OCERS Board Policy

Retirement Enhancement (Spiking) Review Policy

Purpose and Background

1. California Government Code section 31542 (Section 31542) requires the Orange County Employees Retirement System (OCERS) Board of Retirement (Board) to establish a procedure for assessing and determining whether an element of compensation was paid to inappropriately enhance an OCERS member's benefit, sometimes referred to otherwise known as "spiking". The purpose of this policy is to establish a procedure in compliance with Section 31542.

Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation was paid to inappropriately enhance– or "spike" a member's retirement benefit contrary to Section 31542, while providing the member and employer required notice and due process with respect to OCERS' determinations regarding the member's retirement benefit application.

Policy Guidelines

3. OCERS staff shall review all items of compensation included within the calculation of the member's final compensation within the meaning of California Government Code sections 7522.32 & 7522.34 (Pensionable Compensation), and sections 31460, 31461 & 31462 (Compensation Earnable), and related applicable sections, for the purpose of making an initial assessment as to whether there is any evidence that any item of compensation included in final compensation was paid to "spike" a member's retirement benefit. In conducting such review and making such initial assessment, staff shall consider:
 - a. Whether the item of compensation was only earned within the period during which final compensation is to be calculated;
 - b. As to each pay code or element of pay, whether it meets the definition of, as applicable, compensation earnable or pensionable compensation under statutory and case law and the Board's policies interpreting such law;
 - c. Any other factors that cause staff to believe that an item of compensation included in final compensation was paid to enhance a member's retirement benefit; and
 - d. Information and explanation provided by the member and the employer in response to OCERS' written request as to the facts and circumstances concerning an item of compensation that staff believes may have been paid to enhance the member's retirement benefit.
4. If, after concluding the foregoing assessment, OCERS staff determines that one or more items of compensation were paid to enhance a member's retirement benefit, OCERS staff shall send written notification to the member and the employer of staff's initial determination.



OCERS Board Policy

Retirement Enhancement (Spiking) Review Policy

5. The notice shall set out the reasons for staff's determination, including the specific supporting facts, circumstances and analyses. Staff may conduct such written and oral follow-up communication with the member and/or employer as appropriate in the exercise of reasonable diligence. Staff shall document any such communication and when concluded, shall issue a final notice of determination and provide that notice to the member and employer.
6. The member and employer shall have ~~90~~30 calendar days from the date of staff's ~~final~~ notice of final determination within which to request an administrative review of appeal the staff determination ~~by~~ the Board. Failure of the member or employer to timely request Board review shall constitute a waiver of further administrative review.
7. A request for administrative review ~~An appeal~~ of the staff determination ~~by~~ the Board ~~by the member or employer~~ shall be in writing and delivered to the CEO or his/her designee within the time period set forth in Paragraph 6, above. The ~~request~~appeal shall set forth in reasonable detail the evidence and analysis supporting the member's or employer's argument that the staff determination is erroneous.
8. Upon receipt of a timely request for administrative review by the Board~~appeal~~, staff shall place the matter on the agenda of a future meeting of the Board and shall prepare a written report to the Board making a recommendation to the Board that the item, or items, should not be included in the calculation of the member's retirement benefit.
 - a. The report shall contain a description of the reasons for staff's recommendation, including the specific facts and circumstances supporting staff's recommendation.
 - b. Before the Board acts, the member and the employer shall be given an opportunity to be heard by the Board and to submit any additional materials for the Board's consideration.
 - c. Written notice of the Board meeting and a copy of staff's report and all materials to be considered by the Board shall be provided to the member and the employer no less than five business days before the scheduled Board meeting.
 - d. At the meeting, the Board shall consider the all written materials submitted as well as any arguments by the member or the member's employer. The Board shall then make a final determination~~decision~~ as to whether the item of compensation was paid to enhance the member's retirement benefit.
 - e. OCERS shall provide the member and the employer written notice of the Board's final determination~~decision within five business days~~, along with information regarding the rights of the member and the employer to seek judicial review of the Board's action by filing a petition for writ of mandate within 30 days after the mailing of that notice as required by Section 31542.
 - f. If the Board finds the item of compensation should be included, staff shall adjust the member's benefits accordingly, retroactive to the effective date of retirement.
9. If the payment of the member's benefit would be delayed ~~as a result of~~by seeking resolution through these administrative processes, OCERS staff shall process the benefit excluding the



OCERS Board Policy

Retirement Enhancement (Spiking) Review Policy

compensation in question. If it is later determined the compensation should be included, OCERS shall adjust the benefit retroactive to the effective retirement date.

Policy Review

- 10. The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

- 11. The Board adopted this policy on March 18, 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.

A rectangular box containing a handwritten signature in blue ink that reads "Steve Delaney".

03/18/19

Steve Delaney
Secretary of the Board

Date



OCERS Board Policy

Pay Item Review Policy

Purpose and Background

1. The purpose of this policy is to set forth a procedure for the submittal and approval of pay items by OCERS participating employers to assist OCERS in properly and timely determining whether elements of compensation are appropriately treated as Compensation Earnable (for Legacy Member) or Pensionable Compensation (for PEPRAs members).

Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation is properly categorized for purposes of collecting contributions and including in the calculation of final average salary.

Policy Guidelines

3. OCERS shall not accept any new pay items from employers for processing contributions and reporting compensation until each pay item has been reviewed by OCERS staff and approved by the CEO or his/her designee for inclusion as, or exclusion from, Compensation Earnable for Legacy members and Pensionable Compensation for PEPRAs members. OCERS staff under the direction of the CEO and with assistance of OCERS legal counsel is responsible for implementing this Policy. OCERS staff will analyze each pay item to determine whether each meets the definition of Compensation Earnable or Pensionable Compensation. Unless appealed, the CEO's determination shall be final.
4. Employers are responsible notifying OCERS of new or modified pay items for review and approval sufficiently in advance of implementation of the ~~items~~. Failure to do so may result in OCERS imposing costs on the employer in accordance with Government Code section 31542.5.
5. OCERS staff will review employer pay Item listings for compliance with this Policy. When reviewing items of compensation, OCERS will audit pay items to determine whether each of them meets the applicable statutory definitions and applicable Board Policies.
6. After concluding the foregoing assessment, OCERS staff shall send written notification to the employer of staff's determination, including the specific supporting facts, circumstances, reasoning and analyses.
7. The employer shall have 30 calendar days from the date of staff's final notice of determination within which to appeal the staff determination to the Board. If the employer accepts staff's determination, or if a timely appeal it to the Board is not filed, the matter shall be deemed concluded and the staff determination shall be final and the employer shall comply with the determination.
8. Upon receipt of a timely request for appeal to the Board of staff's determination, staff shall place the matter on a future Board agenda and shall prepare a written report to the Board making a recommendation to the Board on the pay items in question. Staff shall provide the employer with advance notice of the Board meeting and a copy of staff's report and all materials to be considered



OCERS Board Policy Pay Item Review Policy

by the Board, and likewise the employer shall provide OCERS with all materials it intends to submit to the Board.

9. The Board shall consider the all written materials submitted as well as any arguments presented by the employer. The Board shall then make a decision as to whether the pay item qualifies as Compensation Earnable or Pensionable Compensation, or both, which decision shall be final and the employer shall comply with the Board’s determination.

Policy Review

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

Policy History

11. The Board adopted this policy on March 18, 2019.

Secretary’s Certificate

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03/18/19

Steve Delaney
Secretary of the Board

Date



OCERS Board Policy

Pay Item Review Policy

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Policy Objectives

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Policy Guidelines

3. OCERS shall not accept any new pay items from employers for processing contributions and reporting compensation until each pay item has been reviewed by OCERS staff and approved by the CEO or his/her designee for inclusion as, or exclusion from, Compensation Earnable for Legacy members and Pensionable Compensation for PEPRAs members. OCERS staff under the direction of the CEO and with assistance of OCERS legal counsel is responsible for implementing this Policy. OCERS staff will analyze each pay item to determine whether each meets the definition of Compensation Earnable or Pensionable Compensation. Unless appealed, the CEO's determination shall be final.
4. Employers are responsible notifying OCERS of new or modified pay items for review and approval sufficiently in advance of implementation of the ~~items~~. Failure to do so may result in OCERS imposing costs on the employer in accordance with Government Code section 31542.5.
5. OCERS staff will review employer pay Item listings for compliance with this Policy. When reviewing items of compensation, OCERS will audit pay items to determine whether each of them meets the applicable statutory definitions and applicable Board Policies.
6. After concluding the foregoing assessment, OCERS staff shall send written notification to the employer of staff's determination, including the specific supporting facts, circumstances, reasoning and analyses.
7. The employer shall have 30 calendar days from the date of staff's final notice of determination within which to appeal the staff determination to the Board. If the employer accepts staff's determination, or if a timely appeal it to the Board is not filed, the matter shall be deemed concluded and the staff determination shall be final and the employer shall comply with the determination.
8. Upon receipt of a timely request for appeal to the Board of staff's determination, staff shall place the matter on a future Board agenda and shall prepare a written report to the Board making a recommendation to the Board on the pay items in question. Staff shall provide the employer with advance notice of the Board meeting and a copy of staff's report and all materials to be considered



OCERS Board Policy Pay Item Review Policy

by the Board, and likewise the employer shall provide OCERS with all materials it intends to submit to the Board.

9. The Board shall consider the all written materials submitted as well as any arguments presented by the employer. The Board shall then make a decision as to whether the pay item qualifies as Compensation Earnable or Pensionable Compensation, or both, which decision shall be final and the employer shall comply with the Board’s determination.

Policy Review

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

Policy History

11. The Board adopted this policy on March 18, 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.

03/18/19

Steve Delaney
Secretary of the Board

Date



Memorandum

DATE: May 03, 2022
TO: Members of the Governance Committee
FROM: Cynthia Hockless, Director of Human Resources
SUBJECT: **TRIENNIAL REVIEW OF THE WHISTLEBLOWER POLICY**

Recommendation

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

Background/Discussion

The Whistleblower Policy was adopted by the Board on May 17, 2011, 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. The purpose of the policy encourages OCERS employees to report unlawful acts without fear of retaliation and how they may do so.

The current policy underwent a rewrite with the goal of providing more specific guidance on the procedures for reporting violations and to enhance clarity. In addition, a statement of policy was added that OCERS employees have the obligation to report actual or potential legal or policy violations.

Policy Objectives

Section 2 provides a more detailed description of the policy objectives, as follows:

- provide an atmosphere of open communication and accountability regarding compliance issues;
- to ensure that OCERS employees know how to report actual or potential legal and policy violations;
- to create an affirmative obligation for OCERS employees to report actual or potential legal and policy violations; and
- to assure OCERS employees that they can raise genuine concerns without fear of reprisal, even if they turn out to be mistaken.

Policy Guidelines

Under Section 3, Staff simplified this area and included a high-level summary of California's whistleblower statute. In addition, a policy statement was added, at section 6., stating as follows:

6. Given the assurance of this whistleblower protection, it is the policy of the Board that every OCERS employee has the obligation to promptly report actual or potential violations of law or OCERS policy that they become aware of or observe.

Reporting Procedures

A new section was added to the policy to provide detailed instructions on how and where to report a violation or how to file a complaint under this policy as outlined in paragraphs 7-11 below:

7. Reports of actual or suspected violations of law or of OCERS policies and reports of retaliation for having engaged in protected whistleblower activities should be submitted to OCERS Chief Executive Officer or the Human Resources Director. Alternatively, reports may be directed to the General Counsel or to a member of the Board if the information involves the Chief Executive Officer or the Human Resources Director. OCERS employees may also submit reports to their direct supervisor or to any Senior Executive if the information involves the employee's direct supervisor.
8. OCERS has established a Fraud Hotline for employees, vendors, and the public at large to report concerns about suspected fraud, waste, or abuse. OCERS has contracted with an independent company, EthicsPoint, to accept calls and internet reports 24 hours a day, 7 days per week.
9. For reports of discrimination, OCERS employees may utilize the County of Orange's Equal Employment Opportunity (EEO) Access Office reporting procedure; may contact the Department of Fair Employment and Housing (DFEH) at 1-800-884-1684 or www.dfeh.ca.gov; or the California State Attorney General's Whistleblower Hotline at (800) 952-5225.
10. Reports of actual or suspected violations of law or of OCERS policies may be made anonymously. However, the individual should provide, to the extent possible, relevant documents to support the allegations being made, such as e-mails, handwritten notes, photographs, or physical evidence.
11. Any report of an actual or potential violation should include the following information:
 - The names of the parties involved.
 - Any witnesses to the incident(s).
 - The location, date, and time of the incident(s).
 - Details about the incident(s).
 - Any additional information that would assist with an investigation.

Investigation of Reported Violations

Section 12 was added to the policy to summarize the manner in which investigations will be conducted and to advise complainants that reasonable efforts will be made to maintain the confidentiality of the whistleblower, their identity may need to be disclosed.

12. All reports will be timely, fairly, and thoroughly investigated. Reasonable efforts will be made to protect the confidentiality and privacy of the parties involved. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, their identity may have to be disclosed to conduct a thorough investigation, comply with the law, or provide accused individuals their legal defense rights.

Attached is the Board's current and proposed version of the Whistleblower Policy, if approved, OCERS will add a version of this policy to their employee handbook for all employees working at OCERS including employees of the County of Orange assigned to work at OCERS. That version will include a list of examples of matters to be reported.

Submitted by:



CH- Approved

Cynthia Hockless

Director of Human Resources

Attachments:

1. Current Whistleblower Policy
2. Proposed Whistleblower Policy



OCERS Board Policy Whistleblower Policy

Purpose and Background

1. It is the policy of the Board of Retirement of OCERS to encourage employees to notify an appropriate government or law enforcement agency when an employee has reasonable cause to believe that information in the employee's possession discloses a violation of a state or federal statute or a violation or noncompliance with a state or federal rule or regulation. Employees are provided with protection against retaliation for engaging in valid whistleblowing activities, as defined below, under the provisions of California Labor Code §1102.5. The purpose of this policy is to assure OCERS' employees that they are provided with such protection in compliance with the law.

Policy Objectives

2. The objectives of the policy are to provide guidance to OCERS Board members, staff, and management regarding the reporting of violations of state or federal laws, rules, and regulations, and to assure staff that reports based upon a reasonable belief of wrongdoing will be accepted and acted upon without fear of retaliation.

Policy Guidelines

3. OCERS should carry out its duties in the spirit of open governance.
4. The persons protected by the policy are "whistleblowers" who are OCERS employees, including employees of the County of Orange assigned to work at OCERS and OCERS Board members.
5. Under the Labor Code, protected activity is the disclosure of information to a government or law enforcement agency where the employee has reasonable cause to believe that the information discloses a violation of state or federal law or a violation or noncompliance with a state or federal rule or regulation.
6. Protected activity may also include the disclosure of suspected fraud, misuse of OCERS' resources by vendors, contractors, OCERS Board members or employees, and significant violations of OCERS or County of Orange policy.
7. Protected activity may also include, with reference to employee safety or health, disclosure of unsafe working conditions or work practices in the employee's employment or place of employment.
8. For the purposes of this policy, a report made by an OCERS employee to OCERS management or to a member of the Board of Retirement is a disclosure of information to a government or law enforcement agency.
9. It is the policy of the Board of Retirement of OCERS that no Board member, management employee, or other employee may retaliate against any OCERS Board member, employee, service provider, member, beneficiary, or any other person who discloses information to a government or law enforcement agency in compliance with the whistleblower provisions of the Labor Code. However, OCERS reserves the right to discipline (up to and including termination of) persons who



OCERS Board Policy Whistleblower Policy

make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

- 10. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis, but should describe in detail the specific facts demonstrating the bases for the complaint, report or inquiry. They may be directed to the Chief Executive Officer or Director of Administrative Services, or to the General Counsel if involving the Chief Executive Officer or Director of Administrative Services. OCERS will conduct a prompt, discreet, and objective review or investigation in response to the complaint, report or inquiry. However, employees must recognize that OCERS may be unable to fully evaluate or address a report or inquiry that is made anonymously on in a vague or general matter. Further, OCERS cannot assure the complaining employee of complete confidentiality through the investigative process, as that process may require disclosure to others of the nature of the complaint made and related facts.

Policy Review

- 11. The Board of Retirement will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

- 12. The Board of Retirement adopted this policy on May 17, 2011. The policy was revised on March 17, 2014 and January 16, 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

01/16/19

Date



OCERS Board Policy Whistleblower Policy

Purpose

1. OCERS employees are protected against retaliation for engaging in valid whistleblowing activities under California Labor Code section 1102.5 (whistleblower statute). The purpose of this policy is to encourage OCERS employees to report unlawful acts without fear of retaliation and to outline how they may do so.

Policy Objectives

2. The objectives of this policy are to:
 - provide an atmosphere of open communication and accountability regarding compliance issues;
 - to ensure that OCERS employees know how to report actual or potential legal and policy violations;
 - to create an affirmative obligation for OCERS employees to report actual or potential legal and policy violations; and
 - to assure OCERS employees that they can raise genuine concerns without fear of reprisal, even if they turn out to be mistaken.

Policy Guidelines

3. Under California's whistleblower statute, an employer cannot prevent an employee from disclosing information to a government or law enforcement agency nor can an employer retaliate against an employee who makes such a disclosure when the employee has reasonable cause to believe that the report reveals a violation of a state or federal statute, rule, or regulation. OCERS extends this whistleblower protection to the good faith reporting of an OCERS policy violation.
4. A report made to OCERS management or to a member of the Board of Retirement (Board) constitutes the disclosure of information to a government agency that is protected by the whistleblower statute.
5. Therefore, it is the policy of the Board that no Board member, member of OCERS management, or other OCERS employee may retaliate or take adverse action against anyone for having engaged in protected whistleblower activity.

Reporting Procedures

6. Reports of actual or suspected violations of law or of OCERS policies and reports of retaliation for having engaged in protected whistleblower activities should be submitted to OCERS Chief Executive Officer or the Human Resources Director. Alternatively, reports may be directed to the General Counsel or to a member of the Board if the information involves the Chief Executive Officer or the Human Resources Director. OCERS employees may also submit reports to their direct supervisor or to any Senior Executive if the information involves the employee's direct supervisor.



OCERS Board Policy Whistleblower Policy

7. OCERS has established a Fraud Hotline for employees, vendors, and the public at large to report concerns about suspected fraud, waste, or abuse. OCERS has contracted with an independent company, EthicsPoint,¹ to accept calls and internet reports 24 hours a day, 7 days per week.
8. For reports of discrimination, OCERS employees may utilize the County of Orange's Equal Employment Opportunity (EEO) Access Office reporting procedure;² may contact the Department of Fair Employment and Housing (DFEH) at 1-800-884-1684 or www.dfeh.ca.gov; or the California State Attorney General's Whistleblower Hotline at (800) 952-5225.
9. Reports of actual or suspected violations of law or of OCERS policies may be made anonymously. However, the individual should provide, to the extent possible, relevant documents to support the allegations being made, such as e-mails, handwritten notes, photographs, or physical evidence.
10. Any report of an actual or potential violation should include the following information:
 - The names of the parties involved.
 - Any witnesses to the incident(s).
 - The location, date, and time of the incident(s).
 - Details about the incident(s).
 - Any additional information that would assist with an investigation.

Investigation of Reported Violations

11. All reports will be timely, fairly, and thoroughly investigated. Reasonable efforts will be made to protect the confidentiality and privacy of the parties involved. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, their identity may have to be disclosed to conduct a thorough investigation, comply with the law, or provide accused individuals their legal defense rights.

Policy Review

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

¹ Ethicspoint website: https://secure.ethicspoint.com/domain/en/default_reporter.asp

² Information regarding this procedure may be found at <http://ocgov.com/gov/hr/eoo/complaint/form>, by calling the EEO Access Office at 714-834-5259, or by visiting the EEO Access Office at 333 W. Santa Ana Blvd. Room 200, Santa Ana, CA 92701.



OCERS Board Policy Whistleblower Policy

Policy History

13. The Board adopted this policy on adopted this policy on May 17, 2011. The policy was revised on March 17, 2014, January 16, 2019, and [MONTH, DATE, 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.

A handwritten signature in blue ink that reads "Steve Delaney".

Steve Delaney
Secretary of the Board

Date



Memorandum

DATE: May 3, 2022
TO: Members of the Governance Committee
FROM: Gina M. Ratto, General Counsel
SUBJECT: FUTURE COMMITTEE MEETINGS

Recommendation

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

Background/Discussion

If the Committee approves the Board of Retirement Charter and the five policies presented for review at the May 3, 2022 meeting of the Governance Committee, six policies and the OCERS Conflict of Interest Code will remain for review by the Committee in 2022.

Staff recommends the Committee schedule two additional meetings in 2022 in order to complete the work of the Committee for the year.

The following dates are proposed for the Committee's consideration:

Next Meeting

August 2, 3, 4, 5
August 16 only until noon, August 17, 18
August 23, 25, 26
August 30, 31

Final Meeting

October 18 only until noon, 19
October 25, 26, 27, 28

Submitted by:



Gina M. Ratto
General Counsel



Memorandum

DATE: May 3, 2022
TO: Members of the Governance Committee
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: COUNTY OF ORANGE BOARD OF SUPERVISORS BYLAWS TEMPLATE

Background/Discussion

Earlier this year it was suggested by a trustee that OCERS consider incorporating aspects of the County of Orange's BYLAWS TEMPLATE (attached) into OCERS' own bylaws and committee charters. Initially there was concern that the OCERS Board might fall under the jurisdiction of the County of Orange and be obligated to ensure conformity. OCERS Legal Counsel has confirmed OCERS independence from the County of Orange in this matter.

OCERS has however always valued "continued improvement." So, the question is whether the County of Orange BYLAWS TEMPLATE directs certain information be contained within their various committee's bylaws and charters that OCERS does not presently capture, but would find of value.

Much of what is directed is already contained within our OCERS Bylaws (attached). Similar issues or topics are addressed in differing manners. A number of the County directives appear to be designed to control for personalities - limiting a term to one year, limiting the number of terms an individual can serve, limiting the number of committees one can join. OCERS accounts for this possible challenge to committee efficiency through our process of electing a new Board Chair every year. One of the first tasks of each new chair is to reconstitute the membership of each of the committees as the Chair for that year sees fit.

OCERS has a decades-long process of refining our charters and policies over time. They are reviewed at a minimum every three years, as well as on an as-needed basis when issues arise, and we see that additional clarity would increase their effectiveness. Unless directed otherwise by the Governance Committee, staff will retain the County's template for reference when performing charter reviews and recommend incorporating improvements where applicable.

Submitted by:



SD - APPROVED

Steve Delaney

Chief Executive Officer

Attachment C—Proposed Bylaws Template

[Proposed] Bylaws Template

Each Board, Commission, and Committee created by Board of Supervisors' action shall have by-laws that include the elements listed in this template. If local, State, or Federal authority requires additional elements that do not appear in this template, or if local, State, or Federal authority necessitate the modification of elements that appear in this template, then that authority shall control and the bylaws shall deviate from this template. By-laws should serve as "rules" for internal administration and management of each Board, Commission, and Committee.

Attachment C—Proposed Bylaws Template

BYLAWS TEMPLATE

BOARDS, COMMISSIONS, COMMITTEES CREATED BY ACTION OF BOARD OF SUPERVISORS

ARTICLE I. Name of Organization

A. The name of this organization shall be _____, hereinafter referred to as “ [BCC] _____ ”

B. The official location and mailing address of the [BCC] shall be:

ARTICLE II. Establishment of [BCC]

The members of the [BCC] are appointed by the Orange County (“County”) Board of Supervisors (“Board”) pursuant to (*Board Resolution, legislation, regulation, ordinance establishing authority for BCC*)

ARTICLE III. Purpose and Functions

A. The purpose of the [BCC] is to work with the County to:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

B. In accordance with (*Board resolution, applicable statute, regulation or ordinance number*), the functions of the [BCC] are as follows:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

C. (*If applicable*) The [BCC] shall report to the Board (*describe means of reporting*).

ARTICLE IV: Appointment and Membership

A. Membership of the [BCC] is to be composed as follows:

- 1. There shall be (state number) members that comprise the BCC.
 - a. If applicable, include categories of community stakeholders that will sit, or who are required to sit on the BCC.
 - b. (If applicable) Indicate whether members will be voting or non-voting member.

Attachment C—Proposed Bylaws Template

B. Qualifications for [BCC] Membership

1. The following criteria will be used for all membership appointments:
 - a. (If applicable) State criteria contained in governing statutes, ordinances, etc.
 - b. Residency and Voting Requirements: Except where the Board finds it is in the best interest of the County to waive voter and residency requirements, all members of the [BCC] shall be:
 - i. registered voters in the County; and,
 - ii. reside in the district of the nominating member of the Board of Supervisors, unless Supervisor representing the district where the nominee resides provides written consent for the nomination.
 - c. (If applicable) State any other qualifications for the [BCC] members.

C. Length of [BCC] Membership

1. All regular [BCC] member appointments shall be for a term concurrent with the term of office of the nominating member of the Board of Supervisors. A member of the [BCC] whose term of office is expiring with that of the nominating Supervisor shall have the option of reapplying for membership for appointment.
2. All at-large [BCC] member appointments shall be for a period of two years, subject to Article IV(B)(1)(b)(ii).
3.
 - a. Appointments made to fill a vacancy left by a member before the expiration of the term of that member shall be for the remaining term of that member.
 - b. Pursuant to Government Code section 1302, a member whose term has expired shall continue serving as a member until reappointed or replaced.

ARTICLE V. [BCC] Officers

A. [BCC] officers shall consist of:

1. (State positions – e.g., Chairperson, Vice Chairperson, etc. and method for selecting)
2. (State duties of each position. For example, “The Chairperson shall preside at meetings, call special meetings, decide points of order, announce all business, entertain motions, put motions to vote, announce vote results, appoint and may remove committee Chairpersons, represent the [BCC] at public functions.” Or, “The Vice Chairperson shall perform the duties of the Chairperson in his or her absence. If the Chair becomes vacant, the Vice Chairperson shall succeed to the Chair for the balance of the term of office.”)

Attachment C—Proposed Bylaws Template

3. Terms for officers of the [BCC] shall be for one year.
4. No person, except a member of the Board, may serve as Chair of a BCC for more than three consecutive terms.
5. No person, except a member of the Board, may serve simultaneously as Chair for two or more BCCs.
6. Election of officers shall be held annually during the last [BCC] meeting of each calendar year by majority vote, a quorum being present.

ARTICLE VI. Duties of Members

- A. Members shall attend meetings of the [BCC] and of committees to which they are appointed. The Executive Committee shall regularly review member attendance at [BCC] and committee meetings.
- B. Members shall notify the Chairperson of the [BCC] of any expected absence for a meeting by 5:00 p.m. of the day before a regularly scheduled [BCC] meeting, indicating good and sufficient reasons for the absence.
- C. In the performance of its responsibilities, the [BCC] shall not engage in nor employ any unlawfully discriminatory practices in the provision of services or benefits, assignment of accommodations, treatment, employment of personnel or in any other respect on the basis of sex, race, color, ethnicity, national origin, ancestry, religion, age, marital status, medical condition, sexual orientation, physical or mental disability or any other protected group in accordance with the requirements of all applicable County, state, or federal laws.
- D. Members of the [BCC] shall comply with the County Equal Employment Opportunity and Anti-Harassment Policy and Procedures.
- E. Members of the [BCC] shall comply with County Code of Ethics.
- F. Members of the [BCC] shall operate strictly within designated purposes of the [BCC]. (***Request language from CoCo.***)

ARTICLE VII. Committees and Subcommittees

- A. There shall be an Executive Committee comprised of:
 1. The Chairperson of the [BCC].
 2. The Vice Chairperson of the [BCC]
 3. Committee Chairs of the [BCC]
 4. (Any others)

Attachment C—Proposed Bylaws Template

The Executive Committee shall hold meetings at the request of the Chairperson. The Executive Committee shall review the [BCC] Bylaws and suggest amendments to the [BCC] in accordance with Article _____ below.

- B. Standing Committees: The (BCC shall have (number) standing committees:
- 1.
 - 2.
 - 3.

Terms of appointment to standing committees shall be for one year.

- C. Ad Hoc Committees: The Chairperson may establish ad hoc committees of less than a quorum of the (BCC 's) membership to accomplish time-limited tasks that support the goals of the [BCC].

Terms of appointment for ad hoc committees shall be for the period of time required to fulfill the ad hoc committee's purpose.

- D. Subcommittees: *(State whether [BCC] is permitted to create and operate subcommittees. If so, specify procedure for subcommittee appointment; roles/responsibilities/authority of subcommittees; time, place and manner of calling meetings of subcommittees).*

ARTICLE VIII. Meetings and Actions

- A. The [BCC] shall, at its first meeting of each year, adopt a schedule of regular meetings and transmit that schedule in writing to members, the Board, and the public at large.
- B. All [BCC] meetings shall be open, public and noticed in conformance with the provisions of the Ralph M. Brown Act, California Government Code section 54950 et seq., as amended and held at a location within Orange County, California that satisfies the access requirements of the Americans with Disabilities Act.
- C. Special meetings of the [BCC] may be called either by the Chairperson or at the request of a majority of [BCC] members. Notice of special meetings shall:
1. delivered to members personally, by mail or electronically, and must be received no later than 24 hours in advance of the meeting.
 2. state the business to be considered and whether alternative technological means may be used such as telephone or video conferencing, as technological resource availability permits and as permissible by the Ralph M. Brown Act.
- D. Quorum Requirements
1. Quorum requirements are as follows:
 - a. General Meetings: Quorum shall be no less than 50%+1 of the membership.

Attachment C—Proposed Bylaws Template

- b. Executive Committee: Quorum shall be no less than 50%+1 of the Committee membership. However, if there are unfilled vacancies in the membership of the Executive Committee, then the quorum requirement will be proportionately reduced.
 - c. Standing Committees: Quorum shall be the members present, but no less than three (3).
- E. Voting Majority: Decisions and acts made by majority vote of the members at any duly constituted meeting shall be regarded as acts of the [BCC], except as otherwise provided by these (Bylaws, Rules of Procedure, Policies and Procedures, as applicable).
- 1. Members choosing to abstain from voting on specific actions will not affect majority requirements. Abstentions are considered a “non-vote” – neither a vote in the affirmative nor in the negative. However, in order for an action to be passed, a majority of the quorum casting votes must vote in the affirmative.

For example: If, at a standing committee meeting, six (6) voting members of the committee are present to vote, and on a particular motion, three (3) vote in the affirmative, two (2) vote in the negative, and one (1) member abstains, the motion passes.

- F. Voting by Proxy: Members of the Board and the County Executive Officer who serve as [BCC] members may designate a substitute to attend a [BCC] meeting on their behalf and vote on any action item by the submitting the member’s signed proxy to the [BCC] Chairperson at the start of the meeting.
- G. Minutes: The Clerk of the [BCC] shall prepare and publish the minutes for each meeting of the [BCC]

ARTICLE IX. Compensation and Reimbursement (If applicable)

- A. Compensation: Each member of the [BCC] shall be eligible to receive a sum of _____ for attendance at a [BCC] meeting, subject to a maximum reimbursement as specified by (Board Resolution, legislation, regulation, ordinance establishing authority for [BCC]). Attendance of less than one-half of a regular meeting shall be considered an absence and not subject to remuneration.
- B. Reimbursement: [BCC] members may be reimbursed for actual expenses incurred while performing within the scope of their duties to the extent permitted by applicable County policy. All requests for reimbursement shall be submitted in accordance with the policies and procedures adopted by the County on a form approved by the County Auditor-Controller.

ARTICLE X. Removal and Resignation of Members

- A. Removal: The Board may, at any time and without cause, remove any [BCC] member from office prior to the expiration of his/her term of office by majority vote of the Board.
- B. Resignation: Resignation of [BCC] members shall be effected by a written letter of resignation submitted to the Chairperson of the [BCC] and to the Board.

Attachment C—Proposed Bylaws Template

- C. The Chairperson shall notify the Clerk of the Board in writing of any vacancies within 10 days of learning the existence of any such vacancy.

ARTICLE XI. Authority

- A. Parliamentary Authority: The Chairperson shall preside and manage [BCC] meetings using parliamentary procedure consistent with these bylaws, any special rules of order the [BCC] may adopt, and any applicable County, state, and federal law.
- B. When circumstances demand that action be taken before the next scheduled [BCC] meeting the [BCC] may authorize and grant its full authority to the Executive or any standing committee to act on its behalf to make specific, limited, independent recommendations to the County, a quorum of the [BCC] being present.
 - 1. Such actions taken on behalf of the [BCC] by a committee will be presented as an information item at the next regular [BCC] meeting.
 - 2. Such actions will not require further action by the [BCC].
- C. Executive Committee – When unforeseen circumstances demand that action be taken before the next scheduled [BCC] meeting, the Executive Committee is authorized to take action on behalf of the [BCC].
 - 1. [BCC] members shall be notified either in writing or electronically within 72 hours of any such Executive Committee action.
 - 2. Such action is subject to review and ratification by the general membership of the [BCC] at its next meeting.
- D. Standing and Ad Hoc Committees
 - 1. Standing and ad hoc committees shall have no independent authority and shall be limited to exercising only those specific functions granted to them by the [BCC].
 - 2. No standing or ad hoc committee shall have independent authority to commit the [BCC] to any policy or action without the prior approval of the general membership of the [BCC].

ARTICLE XII. Conflict of Interest

- 1. Members of the [BCC] and any of its committees or subcommittees shall abstain from voting on any issue in which they may be personally interested to avoid a conflict of interest in accordance with County, state, and federal laws and shall refrain from engaging in any behavior that conflicts with the best interest of the County.
- 2. Members of the [BCC] shall not vote nor attempt to influence any other [BCC] member on a matter under consideration by the [BCC] or any of its committees or subcommittees:
 - a. Regarding the provision of services by such member (or by an entity that such member represents); or

Attachment C—Proposed Bylaws Template

- b. That would provide direct financial benefit to such member or the immediate family of such member; or
 - c. Engage in any other activity constituting a conflict of interest under County, state, or federal law to.
3. If a question arises as to whether a conflict exists that may prevent a member from voting, the Chairperson or designee may consult with designated County staff to assist them in making that determination.
 4. In order to avoid a conflict of interest or the appearance of such conflict, all nominees to become members of the [BCC] shall disclose on forms provided by the County information regarding their private economic interests that may be implicated by their service on the [BCC]
 5. [Where applicable] [BCC] members shall timely file Statements of Economic Interests (Form 700) and other financial disclosures as required by law.
 6. [Where applicable] [BCC] members shall complete ethics training as required by County policy and Assembly Bill 1234 (Government Code sections 53234 through 53235.2).
 7. Neither [BCC] nor any of its members shall promote, directly or indirectly, a political party, political candidate, or political activity using the name, emblem, or any other identifier of [BCC].
 8. No assets or assistance provided by County to [BCC] shall be used for sectarian worship, instruction, or proselytization, except as otherwise permitted by law.

ARTICLE XIII. Adoption and Amendment of Bylaws

- A. Adoption: An affirmative vote of at least 50%+1 of those voting, a quorum being present, shall be required to recommend these Bylaws for Board approval. These Bylaws become effective upon approval by the Board.
- B. Amendments:
 1. Any member of the [BCC] or the Executive Committee may propose amendments to these Bylaws.
 2. Proposed amendments shall be submitted in writing and made available to each member of the [BCC] no less than five days prior to consideration before a vote can be taken.
 3. An affirmative vote of at least 50%+1 of those voting, a quorum being present, shall be required to recommend Bylaws amendments for Board approval Any amendments to the Bylaws become effective upon approval by the Board.

ARTICLE XIV. Severability

Attachment C—Proposed Bylaws Template

Should any part term, portion or provision of these Bylaws be determined to be in conflict with any law or otherwise unenforceable or ineffectual, the remaining parts, terms, portions or provisions shall be deemed severable and their validity shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the provisions that the members intended to enact in the first instance.

ARTICLE XV. Staffing Support

Staff support from (Name of County Agency) shall be provided to support the [BCC] in conjunction with the work of the [BCC].



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..

2/26/2013

Steve Delaney, Secretary of the Board

Date