

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

**GOVERNANCE COMMITTEE MEETING
Wednesday, May 31, 2023
9:30 a.m.**

MINUTES

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

Recording Secretary administered the roll call.

Attendance was as follows:

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

Also present: Steve Delaney, CEO; Gina Ratto, General Counsel; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, Deputy General Counsel; Anthony Beltran, Audio Visual Technician; Marielle Horst, Recording Secretary.

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes

March 23, 2023

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

The motion passed **unanimously**.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 TRIENNIAL REVIEW OF THE PLANNING POLICY

Presentation by Steve Delaney, Chief Executive Officer

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

After discussion, **MOTION** by Mr. Oates, **seconded** by Ms. Freidenrich, to adopt all of staff's

recommended revisions to the Policy, with the following additions:

- “2.a. Ensure that OCERS actively and systematically plans for the future strategic needs of the System; ...
- 4.a. Identifying strategic and business risks, opportunities to mitigate strategic and business risks and future needs of the System; ...
- 6. The Chief Executive Officer will organize, lead and participate in the strategic planning process...
- 12. In order to ensure adequate resources to implement the initiatives within OCERS’ Business Plan, the resources needed to implement each business plan initiative will be reflected in the proposed OCERS’ budget...”

The motion passed unanimously.

A-3 TRIENNIAL REVIEW OF THE QUIET PERIOD POLICY

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations and Finance

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

After discussion, **MOTION** by Ms. Freidenrich, **seconded** by Mr. Oates, to adopt all of staff’s recommended revisions to the Policy, with direction that future Quiet Period Reports include the selected vendor.

The motion passed unanimously.

A-4 TRIENNIAL REVIEW OF THE BUDGET APPROVAL POLICY

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations and Finance

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

After discussion, **MOTION** by Ms. Freidenrich, **seconded** by Mr. Oates to adopt staff’s recommendations. The Committee also provided direction to staff to investigate how other Retirement Systems report investment expenses.

The motion passed unanimously.

A-5 TRIENNIAL REVIEW OF THE COMMUNICATIONS POLICY

Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations

Recommendation: Review and recommend the Board approve the Communications Policy.

After discussion, **MOTION** by Mr. Hidalgo, **seconded** by Mr. Oates, to adopt staff recommendations, with the following additions to sections 4. and 5. of the Policy, which reads:

- “4. Inappropriate or erroneous communications from Board members or OCERS Team may represent a significant risk to OCERS, the Board, and individual Board members.”

The motion passed **unanimously**.

A-6 PROPOSED AMENDMENTS TO THE OCERS CONFLICT OF INTEREST CODE

Presentation by Manuel Serpa, Deputy General Counsel

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed revisions to the Conflict of Interest Code.

After discussion, **MOTION** by Mr. Oates, **seconded** by Ms. Freidenrich, to adopt staff recommendations, with the addition of the Director of Communication to the OCERS Code of “Designated Filers”.

The Committee also provided direction to staff to investigate how other 37 Act Retirement Systems have identified designated filers in their Conflict of Interest Codes.

The motion passed **unanimously**.

A-7 OCERS ADMINISTRATIVE PROCEDURE REGARDING RECIPROCITY

Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed OCERS Administrative Procedure (OAP) regarding Reciprocity as presented.

After discussion, **MOTION** by Ms. Freidenrich, **seconded** by Mr. Oates, to adopt staff recommendations.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 PREVIEW OF FUTURE GOVERNANCE COMMITTEE MEETINGS

Presentation by Gina M. Ratto, General Counsel

Ms. Ratto informed the Committee of the five remaining polices which will be reviewed at future Governance Committee Meetings.

COMMITTEE MEMBER COMMENTS

None

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

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None

COUNSEL COMMENTS

None

ADJOURNMENT

Chair adjourned meeting at 11:03 a.m.

Submitted by:

DocuSigned by:
Manuel D. Serpa
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Manuel Serpa
Acting General Counsel/Staff Liaison

DocuSigned by:
Steve Delaney
C00D5744FF39463...

Steve Delaney
Chef Executive Officer/Secretary

Approved by:

DocuSigned by:
Chris Prevatt
EEB57482AE9244A...

Chris Prevatt
Chair