Board of Administration

Agenda Item 9a17

September 26, 2018

Item Name: Proposed Decision – In the Matter of the Calculation of Final Compensation of DAVID V. DELAY, Respondent, and BIG BEAR CITY COMMUNITY SERVICES DISTRICT, Respondent.

Program: Employer Account Management Division

Item Type: Action

Parties’ Positions
Staff argues that the Board of Administration should adopt the Proposed Decision as modified. Respondent David V. Delay’s (Respondent Delay) position is included in Attachment C, if any. Respondent Big Bear City Community Services District’s (Respondent District) position is included in Attachment C, if any.

Strategic Plan
This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

Procedural Summary
Respondent Delay appealed CalPERS’ determination to exclude On-Call Duty Officer Pay (previously identified by his employer as Fire Assignment Premium Pay) from the calculation of his final compensation, and the matter was heard by the Office of Administrative Hearings on July 25, 2018. Due to Respondent District’s failure to appear, the case proceeded as a default under Government Code section 11520 as to that party only. A Proposed Decision was issued on August 2, 2018, affirming CalPERS’ determination and denying the appeal.

Alternatives
A. For use if the Board decides to modify and adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, pursuant to Government Code section 11517 (c)(2)(C) which authorizes the Board to “make technical or other minor changes in the proposed decision,” hereby modifies the Proposed Decision, by changing the words “compensation earned” to “compensation
earnable” on page three, paragraph eight, of the Proposed Decision, and by changing “compensable” to “compensation earnable” on page four, paragraph eleven of the Proposed Decision, and hereby adopts as its own Decision the Proposed Decision dated August 2, 2018, as modified, concerning the appeal of David V. Delay; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

B. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System hereby adopts as its own Decision the Proposed Decision dated August 2, 2018, concerning the appeal of David V. Delay; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

C. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, after consideration of the Proposed Decision dated August 2, 2018, concerning the appeal of David V. Delay, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

D. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, after consideration of the Proposed Decision dated August 2, 2018, concerning the appeal of David V. Delay, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

E. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System requests the parties in the matter concerning the appeal of David V. Delay, as well as interested parties, to submit written argument regarding whether the Board’s Decision in this matter should be designated as precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.
2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.
RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, hereby designates as precedential its Decision concerning the appeal of David V. Delay.

**Budget and Fiscal Impacts:** Not applicable

**Attachments**
Attachment A: Proposed Decision
Attachment B: Staff’s Argument
Attachment C: Respondent’s Argument

DONNA RAMEL LUM  
Deputy Executive Officer  
Customer Services and Support