

September 1, 2010

To: Members of the Board of Retirement

From: George Wood, Chair
Governance Committee

Subject: Summary of the September 1, 2010, Governance Committee Meeting

The Governance Committee met on September 1, 2010 at 2:00 p.m. The Committee members present were Dale Amaral, Liz Koppenhaver, Elizabeth Rogers, and George Wood. Other Board members present were Annette Cain-Darnes, Keith Carson, George Dewey, David Safer and Darryl Walker. Members of the Staff present were Catherine Walker, Acting Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Betty Tse, Chief Investment Officer; J.P. Singh, Chief Financial Officer; Latrena Walker, Project and Information Services Manager; Victoria Arruda, Human Resources Officer; Rose Kwong, Benefits Manager; and Harsh Jadhav, Internal Auditor.

ACTION ITEMS: Matters for Discussion and Possible Motion by the Committee

A. Review, Discussion and Possible Motion to Adopt Amendments, if any, and renew the Trustee Communications Policy

1. Policy Review

- a. The Committee reviewed Staff's September 1, 2010, memo and its recommendation regarding the Trustee Communications Policy. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed as recommended by Staff. Staff recommended a couple of grammatical changes, but otherwise suggested no substantive revisions to the policy.
- b. Supervisor Keith Carson inquired as to whether all Board Members are receiving information (electronically) from ACERA Staff (*e.g.*, Legislative updates, Committee materials and/or other substantive issues). Staff informed the Committee that they seek to send electronic communications, as well as internal communications, to all Board Members, not just members of the Committees.

2. Motion

It was moved by Liz Koppenhaver, seconded by Elizabeth Rogers, and the motion carried that the Committee recommend to the full Board that it renew the Trustee Communications Policy, with minor grammatical revisions, as recommended by Staff.

B. Review, Discussion, and Possible Motion to Adopt Amendments, if any, and Renew the Securities Litigation Policy

1. Policy Review

- a. The Committee reviewed Staff's September 1, 2010, memo and its recommendation regarding the Securities Litigation Policy. Staff advised the Committee that the content of the Policy continues to be appropriate in meeting the needs of ACERA and should be renewed as recommended by Staff.
- b. Staff informed the Committee that they do not recommend any substantive revisions to the policy at this time.

2. Motion

It was moved by Liz Koppenhaver, seconded by Elizabeth Rogers, and the motion carried that the Committee recommend to the full Board that it renew the Securities Litigation Policy, without revisions, as recommended by Staff.

C. Review, Discussion, and Possible Motion to Adopt Amendments, if any, and Renew the Fiduciary Counsel Retention Policy

1. Policy Review

- a. The Committee reviewed Staff's September 1, 2010, memo and its recommendation regarding the Fiduciary Counsel Retention Policy. Staff advised the Committee that the content of the Policy continues to be appropriate in meeting the needs of ACERA and should be renewed as recommended by Staff.
- b. Staff informed the Committee that they do not recommend any substantive revisions to the policy at this time.

2. Motion

It was moved by Elizabeth Rogers, seconded by Dale Amaral, and the motion carried that the Committee recommend to the full Board that it renew the Fiduciary Counsel Retention Policy, without revisions, as recommended by Staff.

D. Review, Discussion, and Possible Motion to Adopt Amendments, if any, and Renew the Record Retention Policy and Schedule

1. Policy Review

- a. The Committee reviewed Staff's September 1, 2010, memo and its recommendation regarding the Revised Draft of the Record Retention Policy and Schedule. Staff advised the Committee that the content of the Policy continues to be appropriate in meeting the needs of ACERA and should be renewed as recommended by Staff.
- b. This is the first time that this policy has been reviewed. The Legal Department checked with each department at ACERA in regards to ensuring that all documents were identified and specific to each department.
 - (1) On Page 4 of 15 of the Schedule under the Accounting Department Staff recommended the following revisions:
 - (a) "~~Actuarial~~" was deleted as it was currently listed under the Administration Department;
 - (b) "**Bank Statement**" was added under Record Category and "**Current FY + 6 years**" was added under Retention Period/Bank Statement; and
 - (c) "~~Accounts payable,~~ ~~Printing requisitions,~~ and ~~Purchasing requisitions~~" was deleted under Record Category/Accounts Payable, "**(includes AP Module Posting Journals)**" and "**Check Authorization**" was added under Record Category/Accounts Payable and ~~Current FY + 4 years~~ ~~Current FY + 4 years~~ was deleted under Retention Period/Accounts Payable.
 - (2) On Page 5 of 15 of the Schedule under the Accounting Department the following revisions were made:
 - (a) "... + ~~2~~—was changed to + **6** years... under Retention Period/Miscellaneous;
 - (b) ~~General ledger Trial Balance Report~~ was deleted under Record Category/Miscellaneous and ~~Current FY + 2 years~~ was deleted under Retention Period/Miscellaneous;
 - (c) "... + ~~2~~—was changed to **6** Years... and "... + ~~4~~ was changed to **6** Years" under Retention Period/Miscellaneous; and
 - (d) "~~Inventory~~" was changed to "**Records**", "**(including Depreciation Ledger Reports)**" was added under Record Category/Miscellaneous and "... + ~~4~~ was changed to **6** years... under Retention Period/Investment.

- (3) On Page 13 of 15 of the Schedule under the Investments Department Staff recommended the following revisions:
 - (a) “...**or life of fund**” was added under Retention Period/Wire Transfers.
- (4) On Page 15 of 15 of the Schedule under the Project and Information Services Department the following revision was made:
 - (a) ~~Emergency Evacuation Plans~~ was deleted under Record Category.

It was noted that personnel files are retained for current fiscal year of termination + 4 years, which is the law.

2. Motion

It was moved by Liz Koppenhaver, seconded by Elizabeth Rogers, and the motion carried that the Committee recommend to the full Board that it renew the Record Retention Policy and Schedule, with revisions, as recommended by Staff.

E. **Review, Discussion and Possible Motion to Adopt the Media Policy**

1. Policy Review

- a. The Committee reviewed Staff’s September 1, 2010, memo and its recommendations regarding the DRAFT Media Policy wherein Staff advised the Committee that the content of the Policy meets the needs of ACERA and should be adopted as recommended by Staff.
- b. The Committee instructed Staff to amend the Policy to state that any and all statements made by ACERA Staff be forwarded to the Legal Department for review prior to those statements being released to the media or anyone outside of ACERA. All requests for information will also be forwarded to the Legal Department of review and approval.
- c. The Committee suggested the following minor revisions to the policy:
 - (1) On Page 1, first paragraph, revise the policy to read: “... media inquiries are communicated through **an controlled, authorized** informed representative...”;
 - (2) On Page 1, Section III.2. of the policy, revise the policy to read as follows: “One informed message will be presented to the media **after review by the Legal Department...**”;
 - (3) On Page 1, Section III.4. of the policy, revise the policy to read as follows: “...directed to the CEO or his/her Designee **and the Legal Department** immediately.”

- d. It was noted that the Legal Department has reviewed several Media Policies from other agencies; ACERA's Draft Media Policy is consistent with those policies.
- g. The Committee will review and make comments regarding the policy and bring it back to the Governance Committee for discussion at the October meeting.

INFORMATION ITEMS

- None

TRUSTEE / PUBLIC INPUT

- None

RECOMMENDATIONS

1. The Committee recommends, and I move, that the full Board renew the Trustee Communications Policy, with revisions, as recommended by the Committee and Staff.
2. The Committee recommends, and I move, that the full Board renew the Securities Litigation Policy, as recommended by the Committee and Staff.
3. The Committee recommends, and I move, that the full Board renew the Fiduciary Counsel Retention Policy, as recommended by the Committee and Staff.
4. The Committee recommends, and I move, that the full Board renew the Record Retention Policy and Schedule, with revisions, as recommended by the Committee and Staff.

FUTURE DISCUSSION ITEMS

- Board Membership Policy
- Trustee Education Policy
- Media Policy

ESTABLISHMENT OF NEXT MEETING DATE

October 6, 2010

ADJOURNMENT

The meeting adjourned at approximately 2:33 p.m.