



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

**GOVERNANCE COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE PER GOV'T CODE § 54953(e)

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**November 17, 2022
11:00 a.m.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Webinar ID: 862 6783 0639 Passcode: 181753 Call-In Number: 1 (669) 900-6833 US For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	GEORGE WOOD, CHAIR	ELECTED GENERAL
	KELLIE SIMON, VICE CHAIR	ELECTED GENERAL
	DALE AMARAL	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED

This is a meeting of the Governance Committee if a quorum of the Governance Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Governance Committee and the Board if a quorum of each attends.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs for accessibility who plan to attend Board or Committee meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

GOVERNANCE COMMITTEE / BOARD MEETING

NOTICE and AGENDA, Page 2 of 2 – November 17, 2022

Call to Order: 11:00 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for Discussion and Possible Motion by the Committee

1. Review of the *ACERA Conflict of Interest Code*.

Staff Recommendation

That the Governance Committee recommend to the Board that the Board adopt the revised *ACERA Conflict of Interest Code* included with this agenda packet.

– Jeff Rieger, Chief Counsel

2. Review of the *Conflict of Interest Policy*

Staff Recommendation

That the Governance Committee recommend to the Board that the *Conflict of Interest Policy* continues to be necessary and appropriate and that the Board make the revisions to the *Conflict of Interest Policy* shown in the redline included with this agenda packet.

– Jeff Rieger, Chief Counsel


Trustee Input

Establishment of Next Meeting

Adjournment



To: Governance Committee
From: Jeff Rieger, Chief Counsel
Meeting: November 17, 2022
Subject: **Review of Conflict of Interest Code and Conflict of Interest Policy**



At this meeting, the Committee will review the ACERA Conflict of Interest Code and the Board's Conflict of Interest Policy. The proposed revisions are discussed below.

Conflict of Interest Code

The current Conflict of Interest Code and the proposed Conflict of Interest Code are provided for comparison (a redline would be more confusing than helpful). Both adopt the standard code promulgated by the Fair Political Practices Commission (FPPC), but one significant change is proposed with respect to ACERA's Disclosure Categories.

The FPPC Regulations require the "formulation of disclosure categories." 2 C.C.R. § 18730. Currently, ACERA's Conflict of Interest Code has two disclosure categories, but it subjects all filers to both categories. This means that all filers must disclose all items called for under the Form 700 without any limitation (Category 1) and, therefore, as a practical matter, ACERA has only one disclosure category. The FPPC regulations contemplate differentiation among positions based on the kinds of ACERA decisions each position might be able to influence. The FPPC website explains: "The categories must be tailored to the financial interests affected, and must not require public officials to disclose private financial information that does not relate to their public employment."

The proposed revised Conflict of Interest Code would subject six positions to only the narrower Category 2. Those ACERA positions would be required to "disclose the financial interests called for in the Form 700, but only to the extent it is reasonably foreseeable that an ACERA decision might impact such financial interests (for example, a financial interest in a business that currently provides, or may in the future, provide goods or services to ACERA)." This is a rephrased version of the current Category 2, which will now have practical meaning for those six positions. This proposed revision is tailored to those positions because individuals holding the positions do not influence the Board's investment decisions, but may, for example, influence contracting with vendors, so they should be required to disclose financial interests in actual or potential vendors of ACERA.

Three positions listed in the current conflict of interest code have changed their formal titles. "Benefit Manager" is now the "Retirement Benefits Manager." "Senior Investment Officer" is now "Investment Operations Officer." The "Project & Information Services Manager" is now the "Chief Technology Officer."

“Communications Manager” has been added (Category 2) because the Communication Manager plays a role in the contracting with some vendors.

Edits are proposed regarding “consultants” to more closely track FPPC regulations and ACERA’s practices.

Conflict of Interest Policy

The following proposed revisions can be seen in the attached redline:

- Numerous line edits proposed for clarity.
- Fix a stale reference to some Annual Form 700s due March 1 (all due April 1).
- Rather than recite substantial portions of the Conflict of Interest Code, attach the Conflict of Interest Code as Exhibit A to the Policy.
- Attach as Exhibit B an ACERA Legal Office Memorandum that provides detailed guidance about conflicts of interest in specific situations.
- Revise Section IV(D) to be more consistent with ACERA’s reimbursement policies.
- Eliminate unnecessary language that recites information in the Form 700.

A clean copy of the proposed revised Policy is also attached.

Current Conflict of Interest Code



Conflict of Interest Code for ACERA

Conflict of Interest Code for the Alameda County Employees' Retirement Association

The Conflict of Interest Code is promulgated under the authority of the Political Reform Act, Government Code, sections 81000, et seq., which requires all state and local government agencies to adopt and promulgate conflict of interest codes. Title 2, California Code of Regulations, section 18730, as adopted by the Fair Political Practices Commission contains the terms of a standard conflict of interest code; which may be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearing to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 Cal. Code of Regs., sec. 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and, along with the attached Appendix A and B in which positions are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Alameda County Employees' Retirement Association.

Individuals holding designated positions shall file their statements of economic interests with the Filing Officer for ACERA. The ACERA Chief Counsel shall serve as the Filing Officer for ACERA and shall carry out the duties of the Filing Officer as set out in Political Reform Act and Fair Political Practices Commission Regulations. As part of the requirements set out in the Political Reform Act, the Filing Officer will make the statements available for public inspection and reproduction (Gov. Code, sec. 81008).



Conflict of Interest Code

Appendix A

Appendix A

Disclosure Categories

1. Persons in this category must disclose all investments and business positions in business entities, sources of income and interests in real property.
2. Persons in this category must disclose investments and business positions in business entities, sources of income and interests in real property which provide or directly support or in the future may likely provide or directly support, the provisions of services, supplies, materials, machinery, or equipment to ACERA.



Conflict of Interest Code Appendix B

Appendix B

Designated Positions, Officials And Consultants

I. Designated Positions

<u>Position</u>	<u>Disclosure Category</u>
Assistant Chief Executive Officers	1 and 2
Fiscal Services Officer	1 and 2
Chief Counsel	1 and 2
Benefits Manager	1 and 2
Associate Counsel	1 and 2
Project & Information Services Manager	1 and 2
Human Resources Officer	1 and 2
Chief of Internal Audit	1 and 2
Senior Investment Officer	1 and 2
Investment Officer	1 and 2
Consultants*	(Reference note below.)

II. Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments and will file a statement of economic interests pursuant to Gov. Code, sec. 87200:

- Each ACERA Trustee
- Chief Executive Officer
- Chief Investment Officer

III. Consultants

* Only those consultants who perform one or more of the following functions shall be required to complete and file Conflict of Interest/Form 700 Statement of Economic Interests with the Legal Department:

- Making a governmental decision;
- Serve in staff capacity and participate in making a governmental decision; or
- Serve in staff capacity and perform the same or substantially all the same duties that would otherwise be performed by an individual holding a designated position in the agency's Conflict of Interest Code.

Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category, which is category 1, in the Code subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in the section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Proposed Revised Conflict of Interest Code



ACERA Conflict of Interest Code

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference.

Individuals holding designated positions shall timely file their statements of economic interests (Form 700) with the ACERA Chief Counsel or his or her designee (475 14th Street, Suite 1000, Oakland, CA 94612) who shall serve as the Filing Officer for ACERA. Filings may be made through DocuSign. All statements will be retained by ACERA and are available for public inspection and reproduction.

Designated Positions and Disclosure Categories

Category 1: These ACERA positions must disclose all financial interests called for in the Form 700:

Trustee	Investment Officer
Chief Executive Officer	Chief Counsel
Chief Investment Officer	Associate Counsel
Investment Operations Officer	Assistant Chief Executive Officer

Category 2: These ACERA positions must disclose the financial interests called for in the Form 700, but only to the extent it is reasonably foreseeable that an ACERA decision might impact such financial interests (for example, a financial interest in a business that currently provides, or may in the future, provide goods or services to ACERA).

Fiscal Services Officer	Chief of Internal Audit
Retirement Benefits Manager	Communications Manager
Chief Technology Officer	Human Resources Officer

New Positions and Consultants: Consultants and newly created positions that make or participate in the making of ACERA decisions that may foreseeably have a material effect on any financial interest must disclose all financial interests called for in the Form 700 (Category 1). The Chief Executive Officer may set disclosure requirements that are tailored to positions with a limited range of duties pursuant to 2 CCR § 18734. Any such limited disclosure requirements determined by the CEO shall be in writing and are public records.

Redline Showing Proposed Revisions To Conflict of Interest Policy



Conflict of Interest Policy

I. Purpose

This ~~Conflict of Interest~~ Policy provides ACERA Trustees and Staff with guidelines for carrying out their fiduciary duties and mitigating the risk of an actual or perceived conflict of interest. For purposes of this ~~P~~policy, a conflict of interest is defined as any matter that could reasonably be expected to interfere with the obligations of Trustees and Staff to prudently discharge their duties to the system solely in the interest of, and for the exclusive purpose of providing benefits to, ACERA participants-members and their beneficiaries.

II. ~~Definitions~~ Governing Law and Policy

A. ~~The Board hereby incorporates by reference into this Policy the terms and definitions contained in~~ The Political Reform Act of 1974 (“Act Gov’t Code §§81000”); ~~the~~ regulations of the Fair Political Practices Commission (“FPPC”) (2 Cal. Code of Regs. §§1810440 et seq.); ~~and~~ Gov’ernment Code §§1090 et seq., 1091, and 1091.5; and any amendments to these laws, are incorporated into this Policy by reference.

B. ~~The Board’s Conflict of Interest Code, attached hereto as Exhibit A, is incorporated into this Policy by reference. Officials Who Manage Public Investments. The persons holding the positions listed below manage public investments and will file a statement of economic interests pursuant to Government Code §87200:~~

B. _____

C. ~~Attached hereto as Exhibit B is an ACERA Legal Office memorandum that provides more detailed guidance about conflicts of interest in specific situations. Each ACERA Trustee and Alternate Trustee~~

D. ~~Chief Executive Officer~~

E. ~~Chief Investment Officer~~

F. ~~Designated Employees. Pursuant to Government Code §82019, the persons holding the following positions are Designated Employees who make or participate in the making of decisions which may foreseeably have a material effect on financial interests:~~

G. ~~Assistant Chief Executive Officers~~

~~H. — Fiscal Services Officer~~

~~I. — Chief Counsel~~

~~J. — Benefits Manager~~

~~K. — Associate Counsel~~

~~L. — Human Resources Officer~~

~~M. — Project & Information Services Manager~~

~~N. — Chief of Internal Audit~~

~~O. — Senior Investment Officer~~

~~P. — Investment Officer~~

~~Q. — Consultants~~

~~R. — Disclosure Categories. Designated employees are required to make full disclosure meaning they are required to disclose all investments, interests in real property, sources of income and business positions.~~

~~S. — Consultants. Only those consultants who perform one or more of the following functions shall be required to complete and file Conflict of Interest/Form 700 Statement of Economic Interests with the Legal Department:~~

~~T. — Make a governmental decision;~~

~~U. — Serve in Staff capacity and participate in making a governmental decision; or~~

~~V. — Serve in Staff capacity and perform the same or substantially all the same duties that would otherwise be performed by an individual holding a designated position in the agency's Conflict of Interest Code.~~

~~W. — Behested Payments. For purposes of this Policy, a behested payment is defined as donations made to a non-profit or charitable organization at the direct request or solicitation of a Trustee.~~

~~X.C. — A more detailed description of the designated employees and disclosure categories can be found in 2 Cal. Code of Regs. §§18700 through 18740.~~

III. Assumptions

A. With respect to ACERA activities, the duty of an ACERA Trustee or Staff members to

ACERA's ~~participants~~ members and beneficiaries shall take precedence over any other duty.

- B. A perceived conflict of interest can pose as great a risk to ACERA as an actual conflict of interest. ~~Accordingly~~ Thus, perceived conflicts should be treated as actual conflicts of interest ~~under this policy~~.
- C. Safeguarding the ACERA trust ~~of for members plan and~~ beneficiaries is paramount. Conflicts of interest, bribes, gifts, or favors that elevate private gains over the duty of Trustees and Staff to ACERA members and beneficiaries are unacceptable.
- D. It is not possible to identify and address in a policy all ~~of~~ the methods by which Trustees or Staff may ~~manage beneficiaries' assets in way~~ stake actions that benefit them or third parties rather than members and beneficiaries. A policy therefore should consist of general guidelines and principles that will provide Trustees and Staff with direction ~~in most~~ as situations ~~that~~ arise.
- E. In situations where ~~the~~ law or policy is ~~unnot~~ clear, the best interests of members and beneficiaries must be served. Trustees and Staff shall act in good faith and exercise sound judgment.
- F. When interacting with existing or potential service providers, ~~there is a need for~~ Trustees and Staff ~~to must~~ establish and maintain an independent relationship to ensure ~~that Trustees and Staff they can~~ remain objective when conducting ~~the affairs of~~ ACERA's affairs.

IV. Policy Guidelines

- A. ~~Board~~ Trustees and Staff shall not of ACERA:

~~1. Gifts:~~

- ~~1. Shall~~ A not accept or solicit any gift, favor, behested payment ~~(as defined in subsection (2) below)~~ or service, ~~except as provided herein~~, that may reasonably tend to influence or be perceived to influence the individual in the discharge of his or her official duties or that the individual knows, or should know, is being offered with the intent to influence the individual's official conduct.

~~2. Fail to:~~

- ~~3.2. Can accept gifts if Trustees and Staff~~ adhere to ~~the~~ applicable FPPC laws and legislation law and FPPC regulations regarding gift disclosure requirements and, gift

value limits, etc. so long as the gift is not in violation of the previous paragraph or the applicable laws and regulations.

~~4.~~ Behested Payments:

~~5.3.~~ Shall not directly request or solicit behested payments on behalf of any non-profit or charitable organization from any person or entity that is doing business directly with ACERA, if the Trustee individual is either a bBoard member of the non-profit or charity or participates in collecting charitable contributions for the non-profit or charity.

~~6.4.~~ Shall not accept other employment or engage in a business or professional activity that the individual might reasonably expect would require or induce him or her to disclose confidential information acquired by reason of his or her official position.

~~7.5.~~ Shall not engage in or accept other employment or compensation that could reasonably be expected to adversely impact the individual's independence of judgment and duty of loyalty in the performance of his or her official duties.

~~8.6.~~ Shall not make personal investments that could reasonably be expected to create a substantial conflict between the individual's private interests and the interests of the members and beneficiaries, and plan participants.

~~9.7.~~ Shall not intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the individual's official powers or for having performed his or her official duties in favor of another.

~~10.8.~~ Shall not transact any business in the individual's official capacity with any entity or person in which he or she has an economic interest, unless authorized by law.

~~11.9.~~ Shall not appear before the Board while acting as an advocate for himself or herself or any other person, group, or entity, without fully disclosing his or her relationship and recusing himself or herself from the Board deliberations and voting.

~~12.10.~~ Shall not represent any business entity before the Board or senior management in return for any form of compensation.

~~13.11.~~ Shall not represent, directly or indirectly, any business entity or individuals in any action or proceeding against the interests of ACERA, or in any litigation in which the Plan is a party.

- ~~12.~~ ~~Shall not use one's-the individual's~~ official position to secure a special privilege or exemption for oneself or others that could be perceived as or is an actual conflict of interest under the intent of this policy.
- ~~13.~~ ~~Shall not use one's-the individual's~~ official position to secure confidential ACERA information for any purpose other than the exercise of official duties.
- ~~14.~~ ~~Shall not intentionally or knowingly~~ disclose any confidential information gained by one's position concerning the property, operations, policies, or affairs of ACERA, or use confidential information for pecuniary gain.
- B. When the ~~ACERA~~ Board is in, or about to enter into, the process of selecting a vendor, the Board, Staff and individual Trustees shall not accept any social invitations, gifts, favors or services from vendors, nor solicit any behested payments, ~~as defined in Section A.2., above,~~ where it is reasonably foreseeable that the vendor is, or may reasonably be expected to be a candidate in the selection process, even if such acceptance would be permitted at other times.
- C. When an real-actual or perceived conflict of interest exists, ~~as defined herein,~~ Trustees and Staff shall fully disclose said conflict and abstain from participating in Board deliberations concerning the matter and ~~abstain from voting on the matter in any way,~~ except to the extent their participation is legally required for the decision to be made as allowed by ~~2 Cal. Code of Code of Regs. §18705 (i.e., rule of necessity)~~ applicable law and regulations.
- D. ~~In order to~~ Io facilitate compliance with ~~the provisions of~~ this policy, Trustees and Staff, may pay for their own ~~meals, beverages, or entertainment~~ expenses when interacting with existing or potential service providers, and in turn ~~shall may~~ be reimbursed or compensated for ~~said those expenditures-expenses~~ by ACERA, if allowable under applicable reimbursement policies. Receipts shall be obtained when ordinarily given and claims shall be submitted to the Chief Executive Officer or his or her designee for reimbursement.
- E. The ACERA Legal ~~Department-Office~~ will maintain and provide to the Board Trustees, contemporaneous with the Form 700 materials, an annual report, listing the individuals and entities with whom ACERA is contracting for services, ~~so as~~ to assist the Trustees and Staff with disclosure and/or recusal obligations relating to their own economic interests, including those of their immediate family members.

~~E. —~~

V. Conflict of Interest/Form 700 Statement of Economic Interests

A. Trustees and Designated Employees shall complete and file conflict of interest/Statement of Economic Interests - Form 700 with the Legal Department as follows:

1. Initial Statements. Each person already in a position when it is designated by an amendment to the Conflict of Interest Code for ACERA shall file an initial statement within 30 days after the effective date of the amendment.
2. Assuming Office Statements. All persons assuming designated positions after the effective date of the Conflict of Interest Code for ACERA shall file statements within 30 days after assuming the designated positions.
3. Annual Statements. ~~All officials who manage public investments shall file statements no later than March 1. All Designated Employees shall file statements~~Due no later than April 1.
4. Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

~~Contents of and Period Covered by Statements of Economic Interests.~~

~~Contents of Initial Statements. Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the Conflict of Interest Code for ACERA and income received during the 12 months prior to the effective date of the Conflict of Interest Code for ACERA.~~

~~Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.~~

~~Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the Conflict of Interest Code for ACERA or the date of assuming office whichever is later.~~

~~Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.~~

VI. Biennial Ethics Training

Under Government Code §53234 et seq., ~~all Board Trustees, including~~ ACERA Trustees, must receive at least two hours of training in general ethics principles and ethics laws relevant to ~~his or her~~ public service every two years. Each Trustee shall attend ethics training at least once every two ~~(2)~~ years ~~as required by Government Code §53235.1 and n.~~ New Trustees shall attend ~~ethics training~~ no later than one year from the first day of service with ACERA, ~~per Gov't Code §53235.1~~. The ACERA Legal Department will maintain records indicating the date ethics training was completed and the entity that provided the training.

VII. Policy Review

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

VIII. Policy History

The Board reviewed and affirmed this policy, with revisions, on ~~November 21,~~ ~~2019~~ ~~August~~ ~~November 17,~~ ~~2022~~.¹

¹ The Board adopted this policy on November 18, 1999. Previous amendment dates all with revisions: August 15, 2002; August 16, 2007; June 17, 2010; September 19, 2013; June 18, 2015; November 17, 2016; December 20, 2018 ~~and November 21, 2019.~~

Clean Proposed Revised Conflict of Interest Policy



Conflict of Interest Policy

I. Purpose

This Policy provides ACERA Trustees and Staff with guidelines for carrying out their fiduciary duties and mitigating the risk of an actual or perceived conflict of interest. For purposes of this Policy, a conflict of interest is defined as any matter that could reasonably be expected to interfere with the obligations of Trustees and Staff to prudently discharge their duties to the system solely in the interest of, and for the exclusive purpose of providing benefits to, ACERA members and their beneficiaries.

II. Governing Law and Policy

- A. The Political Reform Act of 1974 (Gov't Code §§81000), regulations of the Fair Political Practices Commission ("FPPC") (2 Cal. Code of Regs. §§18104 et seq.), Gov't Code §§1090 et seq., and any amendments to these laws, are incorporated into this Policy by reference.
- B. The Board's Conflict of Interest Code, attached hereto as Exhibit A, is incorporated into this Policy by reference.
- C. Attached hereto as Exhibit B is an ACERA Legal Office memorandum that provides more detailed guidance about conflicts of interest in specific situations.

III. Assumptions

- A. With respect to ACERA activities, the duty of an ACERA Trustee or Staff members to ACERA's members and beneficiaries shall take precedence over any other duty.
- B. A perceived conflict of interest can pose as great a risk to ACERA as an actual conflict of interest. Thus, perceived conflicts should be treated as actual conflicts of interest.
- C. Safeguarding the ACERA trust for members and beneficiaries is paramount. Conflicts of interest, bribes, gifts, or favors that elevate private gains over the duty of Trustees and Staff to members and beneficiaries are unacceptable.
- D. It is not possible to identify and address in a policy all the methods by which Trustees or Staff may take actions that benefit them or third parties rather than members and beneficiaries. A policy therefore should consist of general guidelines and principles that will provide Trustees and Staff with direction as situations arise.

- E. In situations where law or policy is unclear, the best interests of members and beneficiaries must be served. Trustees and Staff shall act in good faith and exercise sound judgment.
- F. When interacting with existing or potential service providers, Trustees and Staff must establish and maintain an independent relationship to ensure they remain objective when conducting ACERA's affairs.

IV. Policy Guidelines

- A. Trustees and Staff shall **not**:
 - 1. Accept or solicit any gift, favor, behested payment or service that may reasonably tend to influence or be perceived to influence the individual in the discharge of his or her official duties or that the individual knows, or should know, is being offered with the intent to influence the individual's official conduct.
 - 2. Fail to adhere to applicable law and FPPC regulations regarding gift disclosure requirements and gift value limits.
 - 3. Request behested payments on behalf of any non-profit or charitable organization from any person or entity that is doing business with ACERA, if the individual is either a board member of the non-profit or charity or participates in collecting charitable contributions for the non-profit or charity.
 - 4. Accept other employment or engage in a business or professional activity that the individual might reasonably expect would require or induce him or her to disclose confidential information acquired by reason of his or her official position.
 - 5. Engage in or accept other employment or compensation that could reasonably be expected to adversely impact the individual's independence of judgment and duty of loyalty in the performance of his or her official duties.
 - 6. Make personal investments that could reasonably be expected to create a conflict between the individual's private interests and the interests of the members and beneficiaries..
 - 7. Solicit, accept, or agree to accept any benefit for having exercised the individual's official powers or for having performed his or her official duties in favor of another.
 - 8. Transact any business in the individual's official capacity with any entity or person in which he or she has an economic interest, unless authorized by law.
 - 9. Appear before the Board while acting as an advocate for himself or herself or any

- other person, group, or entity, without fully disclosing his or her relationship and recusing himself or herself from the Board deliberations and voting.
10. Represent any business entity before the Board or senior management in return for any form of compensation.
 11. Represent, directly or indirectly, any business entity or individuals in any proceeding against the interests of ACERA or in any litigation in which the Plan is a party.
 12. Use the individual's official position to secure a special privilege or exemption for oneself or others that could be perceived as or is an actual conflict of interest under the intent of this policy.
 13. Use the individual's official position to secure confidential ACERA information for any purpose other than the exercise of official duties.
 14. Disclose any confidential information gained by one's position concerning the property, operations, policies, or affairs of ACERA, or use confidential information for pecuniary gain.
- B. When the Board is in, or about to enter into, the process of selecting a vendor, the Board, Staff and individual Trustees shall not accept any social invitations, gifts, favors or services from vendors, nor solicit any behested payments where it is reasonably foreseeable that the vendor is, or may reasonably be expected to be a candidate in the selection process, even if such acceptance would be permitted at other times.
- C. When an actual or perceived conflict of interest exists, Trustees and Staff shall fully disclose said conflict and abstain from participating in Board deliberations concerning the matter and in any way, except to the extent their participation is legally required for the decision to be made as allowed by applicable law and regulations.
- D. To facilitate compliance with this policy, Trustees and Staff may pay for their own expenses when interacting with existing or potential service providers, and in turn may be reimbursed or compensated for those expenses by ACERA, if allowable under applicable reimbursement policies. Receipts shall be obtained when ordinarily given and claims shall be submitted to the Chief Executive Officer or his or her designee for reimbursement.
- E. The ACERA Legal Office will maintain and provide to the Board Trustees, contemporaneous with the Form 700 materials, an annual report, listing the individuals and entities with whom ACERA is contracting for services, to assist the Trustees and Staff with

disclosure and/or recusal obligations relating to their own economic interests, including those of their immediate family members.

V. Conflict of Interest/Form 700 Statement of Economic Interests

A. Trustees and Designated Employees shall complete and file conflict of interest/Statement of Economic Interests - Form 700 with the Legal Department as follows:

1. Initial Statements. Each person already in a position when it is designated by an amendment to the Conflict of Interest Code for ACERA shall file an initial statement within 30 days after the effective date of the amendment.
2. Assuming Office Statements. All persons assuming designated positions after the effective date of the Conflict of Interest Code for ACERA shall file statements within 30 days after assuming the designated positions.
3. Annual Statements. Due no later than April 1.
4. Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

VI. Biennial Ethics Training

Under Government Code §53234 et seq., ACERA Trustees must receive at least two hours of training in general ethics principles and ethics laws relevant to public service every two years. Each Trustee shall attend ethics training at least once every two years and new Trustees shall attend no later than one year from the first day of service with ACERA, per Gov't Code §53235.1 The ACERA Legal Department will maintain records indicating the date ethics training was completed and the entity that provided the training.

VII. Policy Review

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

VIII. Policy History

The Board reviewed and affirmed this policy, with revisions, on November 17, 2022.¹

¹ The Board adopted this policy on November 18, 1999. Previous amendment dates all with revisions: August 15, 2002; August 16, 2007; June 17, 2010; September 19, 2013; June 18, 2015; November 17, 2016; December 20, 2018 and November 21, 2019.