

December 15, 2011

To: Members of the Board of Retirement

From: George Dewey, Chair
Governance Committee

Subject: Summary of the December 15, 2011, Governance Committee Meeting

Governance Committee Chair George Dewey called the December 15, 2011 Governance Committee Meeting to order at 11:35 a.m. Committee Members present were George Dewey, Chair, Dale Amaral, Ophelia Basgal and Annette Cain-Darnes. Other Board members present were Supv. Keith Carson, Liz Koppenhaver, George Wood, and alternate member Darryl Walker. Committee member excused was Donald White. Staff Members present were Vincent P. Brown, Chief Executive Officer; Catherine Walker, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Betty Tse, Chief Investment Officer; J.P. Singh, Chief Financial Officer; Rose Kwong, Benefits Manager; Victoria Arruda, Human Resource Services Manager; Latrena Walker, Projects and Information Systems Manager; and Harsh Jadhav, Internal Auditor.

ACTION ITEMS

- 1. Review, Discussion and Possible Motion to Adopt Amendments, if any, and renew the ACERA Membership Policy**
 - Following discussion, Annette Cain-Darnes moved and George Wood seconded a motion that the Governance Committee recommend to the Board of Retirement that the Board renew the ACERA Membership Policy, including the change which requires members who begin in a full-time position and transfer to a position excluded from ACERA Membership to remain in the plan.

- 2. Review, Discussion and Possible Motion to Adopt Amendments, if any, and renew the Board Elections Policy**
 - Following discussion, George Wood moved and Dale Amaral seconded a motion that the Governance Committee recommend to the Board of Retirement that the Board renew the Board Elections Policy, including the changes design to clarify the roles of the ACERA and the Registrar of Voters during the election process.

- 3. Review, Discussion and Possible Motion to Adopt Amendments, if any, and renew the Chief Executive Officer (“CEO”) Annual Performance Evaluation Policy**
 - Following discussion, Annette Cain-Darnes moved and Dale Amaral seconded a motion that the Governance Committee recommend to the Board of Retirement that the Board renew the CEO Annual Performance Evaluation Policy, including the changes to

move the evaluation process from the Operations Committee meeting in December to the Board meeting in November to allow the Board more time to evaluate the CEO's performance.

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

- The Committee reviewed Staff's December 15, 2011 memo. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed, with revisions to the Schedule for the following ACERA Departments: (1) Human Resources; (2) Investments; (3) Benefits; (4) Administration; and (5) Legal as certain documents within the aforementioned departments need to be retained indefinitely. The Policy was adopted by the Board on September 16, 2010.
- Following discussion, Elizabeth Rogers moved and Dale Amaral seconded a motion that the Governance Committee recommend to the Board of Retirement that the Board renew the Record Retention Policy and Schedule, including the revisions to the retention schedules for the following ACERA Departments: (1) Human Resources; (2) Investments; (3) Benefits; (4) Administration; and (5) Legal.

5. Review, Discussion and Possible Motion to renew the Retiree Payroll Deduction and Assignment of Benefits Policy

- Following discussion, Annette Cain-Darnes moved and George Wood seconded a motion that the Governance Committee recommend to the Board of Retirement that the Board renew the Retiree Payroll Deduction and Assignment of Benefits Policy, without revisions. The motion passed unanimously.

6. Review, Discussion and Possible Motion to Adopt Amendments, if any, and renew the Senior Management Contingency Plan

- Following discussion, Ophelia Basgal moved and Dale Amaral seconded a motion that the Governance Committee recommend to the Board of Retirement that the Board renew the Senior Management Contingency Plan, including the changes discussed and agreed-upon during the meeting.

7. Review, Discussion and Possible Motion to Adopt Amendments, if any, and renew the Service Provider Policy

- Following discussion, George Wood moved and Dale Amaral seconded a motion that the Governance Committee recommend to Board of Retirement that the Board renew the Service Provider Policy, including the changes that would exclude software and software support and maintenance agreements from the Service Provider Policy to permit such agreements to exceed the five-year relationship where it has been determine by the Chief Executive Officer to be economically advantageous.

INFORMATION ITEMS

- [None/Item]

TRUSTEE / PUBLIC INPUT

- [None/Item]

RECOMMENDATIONS

1. The Committee recommends, and I move, that the full Board renew the ACERA Membership Policy, with revisions, as recommended by the Committee and Staff.
2. The Committee recommends, and I move, that the full Board renew the Board Elections Policy, with revisions, as recommended by the Committee and Staff.
3. The Committee recommends, and I move, that the full Board renew the Chief Executive Officer Annual Performance Evaluation Policy, with revisions, 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.
5. The Committee recommends, and I move, that the full Board renew the Retiree Payroll Deduction and Assignment of Benefits Policy, without revisions, as recommended by the Committee and Staff.
6. The Committee recommends, and I move, that the full Board renew the Senior Management Contingency Plan, with revisions, as recommended by the Committee and Staff.
7. The Committee recommends, and I move, that the full Board renew the Service Provider Policy, with revisions, as recommended by the Committee and Staff.

FUTURE DISCUSSION ITEMS

- Trustee Education Policy
- Review and Revise Conflict of Interest Policy
- Review and Revise Conflict of Interest Code

ESTABLISHMENT OF NEXT MEETING DATE

- March 2012

ADJOURNMENT

The meeting adjourned at approximately 12:10 p.m.