



To: Members of the Board of Retirement

From: Elizabeth Rogers, Chair
Governance Committee

Date: November 21, 2019

Subject: Summary of the November 21, 2019, Governance Committee Meeting

Governance Committee Chair, Elizabeth Rogers, called the November 21, 2019, meeting to order at 1:01 PM. Committee Members present were Ophelia Basgal, Liz Koppenhaver, and Elizabeth Rogers. Other Board members present were Jaime Godfrey, George Wood, Nancy Reilly, and Darryl Walker. Staff present were David H. Nelsen, Kathy S. Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel, Harsh Jadhav, Chief of Internal Audit; Betty Tse, Chief Investment Officer; and Margo M. Allen, Fiscal Services Officer.

ACTION ITEMS

1. Review, discussion, and possible motion to update the *Board Education Policy* with revisions

The Committee reviewed Staff's November 21, 2019, memorandum and its recommendation regarding proposed revisions to the *Board Education Policy (Policy)*. Chair Rogers asked for any public comment, and none was received.

Staff also recommended that the Committee find that: (i) the Policy is necessary and continues to address the recurring need for effective operation of the Board; (ii) the Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies; (iii) the issues addressed by the Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA; and (iv) the Policy continues to be appropriate in meeting the needs of ACERA and does not overlap with other existing Board policies.

Trustee Koppenhaver moved and Trustee Basgal seconded a motion that the Governance Committee recommend to the Board of Retirement that the *Board Education Policy* be adopted with revisions as recommended by staff and make the findings contained in the staff recommendation. The motion was approved by a vote of 6 in favor (Ophelia Basgal, Jaime Godfrey, Liz Koppenhaver, Elizabeth Rogers, George Wood and Darryl Walker), 0 against, 0 abstaining.

2. Review, discussion, and possible motion to update the *Board Travel Policy* with revisions.

The Committee reviewed Staff's November 21, 2019, memorandum and its recommendation regarding proposed revisions to the *Board Travel Policy (Policy)*. Chair Rogers asked for any public comment, and none was received.

Staff also recommended that the Committee find that: (i) The *Board Travel Policy* is necessary and continues to address the recurring need for effective operation of the Board; (ii) The *Board Travel Policy* continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.

In addition to the revisions proposed by Staff in its memorandum, the Committee recommended the following revisions: (1) revising the second and third sentences, "The Trustee shall first seek approval for travel outside the US from the Operations Committee. The Operations Committee shall recommend that the Board deny or approve the request" in Section 3F ("Policy Guidelines" Section); (2) replacing it with, "The Trustee shall seek approval for travel outside the US from the Board"; (3) omitting the words "single occupancy" from the Board Travel Policy, Exhibit A, first sentence in Section 6 A.1 ("Lodging" Section).

Trustee Basgal moved and Trustee Koppenhaver seconded a motion that the Governance Committee recommends to the Board of Retirement that the *Board Travel Policy* be adopted with revisions as recommended by staff and the Committee and make the findings contained in the staff recommendation. The motion was approved by a vote of 6 in favor (Ophelia Basgal, Jaime Godfrey, Liz Koppenhaver, Elizabeth Rogers, George Wood and Darryl Walker), 0 against, 0 abstaining.

3. Review, discussion, and possible motion to update the *Conflict of Interest Policy* with revisions.

The Committee reviewed Staff's November 21, 2019, memorandum and its recommendation regarding proposed revisions to the *Conflict of Interest Policy (Policy)*. Chair Rogers asked for any public comment, and none was received.

Staff also recommended that the Committee find that: (i) the Policy is necessary and continues to address the recurring need for effective operation of the Board; (ii) the Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies; (iii) the issues addressed by the Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA; and (iv) the Policy continues to be appropriate in meeting the needs of ACERA and does not overlap with other existing Board policies.

Board members recommended that staff review and consider similar policies from other public retirement systems when this and similar policies are considered in the future.

Trustee Koppenhaver moved and Trustee Godfrey seconded a motion that the Governance Committee recommends to the Board of Retirement that the *Conflict of Interest Policy* be adopted with revisions as recommended by staff and make the findings contained in the staff recommendation. The motion was approved by a vote of 6 in favor (Ophelia Basgal, Jaime Godfrey, Liz Koppenhaver, Elizabeth Rogers, George Wood and Darryl Walker), 0 against, 0 abstaining.

4. Review, discussion, and possible motion to affirm the *Conflict of Interest Code* without revisions.

The Committee reviewed Staff's November 21, 2019, memorandum on the *Conflict of Interest Code* which did not propose any changes to the Code. Chair Rogers asked for any public comment, and none was received.

Staff recommended that the *Conflict of Interest Code* be affirmed without changes and that the Committee find that the Code continues to be necessary and meets the requirements of California Law.

Trustee Basgal moved and Trustee Godfrey seconded a motion that the Governance Committee recommend to the Board of Retirement that the Code be affirmed without revisions as recommended by staff and make the findings contained in the staff recommendation. The motion was approved by a vote of 6 in favor (Ophelia Basgal, Jaime Godfrey, Liz Koppenhaver, Elizabeth Rogers, George Wood and Darryl Walker), 0 against, 0 abstaining.

5. Review, discussion, and possible motion to adopt the *Policy re Remote Access by Trustees to Board and Committee Meetings*.

The Committee reviewed Staff's November 21, 2019, memorandum and its recommendation regarding proposed adoption of the *Policy re Remote Access by Trustees to Board and Committee Meetings*. Chair Rogers asked for any public comment, and none was received.

Staff also recommended that the Committee find that: (i) both the public and ACERA would benefit from permitting Trustees to appear from remote locations at Board and Committee meetings; (ii) the Policy continues to address a matter within the responsibility of the Board to effectively administer the Board and Committee operations; (iii) this Policy is necessary to clarify the procedures to be used for remote appearance by Trustees and to ensure consistent and effective administration of Board and Committee operations; and (iv) this Policy does not overlap with other existing Board policies.

Trustee Godfrey moved and Trustee Basgal seconded a motion that the Governance Committee recommend to the Board of Retirement to adopt the *Policy re Remote Access by Trustees to Board and Committee Meetings* and make the findings in the staff recommendation. The motion was approved by a vote of 5 in favor (Ophelia Basgal, Jaime Godfrey, Elizabeth Rogers, George Wood, Darryl Walker), 1 against (Liz Koppenhaver), 0 abstaining.

INFORMATION ITEMS

- None

TRUSTEE INPUT

- None

FUTURE DISCUSSION ITEMS

- TBD

ESTABLISHMENT OF NEXT MEETING DATE

- TBD

ADJOURNMENT

- The meeting adjourned at 1:34 PM