



Date: June 6, 2018

To: Members of the Board of Retirement

From: George Wood, Chair  
Governance Committee

**Subject: Summary of the June 6, 2018, Governance Committee Meeting**

Governance Committee Chair, George Wood, called the June 6, 2018 meeting to order at 1:10 p.m. Committee Members present were George Wood, Liz Koppenhaver, and Elizabeth Rogers. Other Board members present were Keith Carson, Henry Levy and Alternate Nancy Reilly. Staff present were Dave Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Margo Allen, Fiscal Services Officer; Lori Schnall, Associate Counsel; Vijay Jagar, Chief Technology Officer; Harsh Jadhav, Chief of Internal Audit; Victoria Arruda, Human Resources Officer, and Betty Tse, Chief Investment Officer.

### **ACTION ITEMS**

**1. Review, Discussion and Possible Motion to renew the Board Operations Policy with or without revisions and repeal the Committee Operations Policy and the ACERA Board Officers Policy**

The Committee reviewed Staff's June 6, 2018, memo and its recommendation regarding the Board Operations Policy. Staff consolidated three different policies, Board Operations Policy, Committee Operations Policy, and ACERA Board Officers Policy into a newly titled Board and Committee Operations Policy. The revisions focus on eliminating redundancy and inconsistency and the need to review multiple policies to resolve policy questions.

Following discussion on the policy, the Committee affirmed the Board and Committee Operations Policy as recommended by staff with revisions. The key revisions to staff recommendations were to:

1. Delete the provision related to appointing alternate members directly to committees. The Committee stated that this was a reflection of existing law and did not need to be in the policy.
2. Elect the alternative providing for replacement of absent committee members by alternate members in accordance with Board rules for substitution of an alternate for an absent Board member.
3. Provide that work plans can be approved by committees at the first or second meeting of the year to provide greater flexibility for staff and committee members.

It was moved by Trustee Rogers and seconded by Trustee Koppenhaver that the Governance Committee recommends to the Board of Retirement that the Board approve the Board and Committee Operation Policy, with revisions as recommended by Staff and the Committee. The motion was approved by a vote of 5 in favor (Carson, Koppenhaver, Levy, Rogers, and Wood), 0 against, 0 abstaining.

**2. Review, Discussion and Possible Motion to renew the Trustee Communications Policy with or without revisions**

The Committee reviewed Staff's June 6, 2018, memo and its recommendation regarding the Trustee Communications Policy. Staff advised the Committee that the purpose of this policy is to encourage open and effective communication by, to, and between trustees, and to ensure everyone has equal access to appropriate information. The policy continues to meet ACERA'S needs and should be renewed, with revisions. The policy was last reviewed by the Board on December 18, 2014.

Following discussion on the policy, the Committee affirmed the Trustee Communication Policy as recommended by staff with minor revisions. The key revision to the staff recommendations was to delete the reference to pre-printed brochures in section IV.B.1.a.

It was moved by Trustee Koppenhaver and seconded by Trustee Rogers that the Governance Committee recommends to the Board of Retirement that the Board approve the Trustee Communications Policy, with revisions as recommended by Staff and the Committee. The motion was approved by a vote of 5 in (Carson, Koppenhaver, Levy, Rogers, and Wood), 0 against, 0 abstaining.

**3. Review, Discussion and Possible Motion to renew the Chief Executive Officer Job Description and Delegation of Authority with or without revisions**

The Committee reviewed Staff's June 6, 2018, memo and its recommendation regarding the Chief Executive Officer Job Description and Delegation of Authority. Staff advised the Committee that the content of the policy continues to meet ACERA's needs. The policy was last reviewed by the Board on July 21, 2016.

Following discussion, the Committee affirmed the Chief Executive Officer Job Description and Delegation of Authority as recommended by staff with revisions. The key revisions to the staff recommendations were:

1. Under Leadership and Policy Analysis, include authority for the CEO to represent ACERA at trade and professional organizations, the County Board of Supervisors and the State Legislature.

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2. Under Human Resources, include express authority for the CEO to set salaries for senior managers and unrepresented employees and to implement compensation changes for represented employees negotiated through the collective bargaining process.
3. Under Monitoring and Reporting, add express authority to hire and terminate service providers consistent with Board direction.

It was moved by Trustee Koppenhaver and seconded by Trustee Levy that the Governance Committee recommends to the Board of Retirement that the Board approve the Chief Executive Officer Job Description and Delegation of Authority, with revisions by Staff and the Committee. The motion was approved by a vote of 5 in favor (Carson, Koppenhaver, Levy, Rogers and Wood), 0 against, 0 abstaining.

### **INFORMATION ITEMS**

- None

### **TRUSTEE / PUBLIC INPUT**

- None

### **RECOMMENDATIONS**

1. The Committee recommends, and I move, that the full Board adopt the Board and Committee Operations Policy, with revisions, as recommended by the Committee.
2. The Committee recommends, and I move, that the full Board renew the Trustee Communications Policy, with revisions, as recommended by the Committee.
3. The Committee recommends, and I move, that the full Board renew the Chief Executive Officer Job Description and Delegation of Authority, with revisions as recommended by the Committee.

### **FUTURE DISCUSSION ITEMS**

- Securities Litigation Policy
- Retiree Payroll Deduction and Assignment Policy
- Record Retention Policy
- Fiduciary Counsel Policy

### **ESTABLISHMENT OF NEXT MEETING DATE**

- September 20, 2018

### **ADJOURNMENT**

- The meeting adjourned at 1:57 p.m.