



September 15, 2016

To: Members of the Board of Retirement

From: Elizabeth Rogers, Chair,
Governance Committee

Subject: Summary of the September 15, 2016, Governance Committee Meeting

Governance Committee Chair Elizabeth Rogers called the September 15, 2016, Governance Committee Meeting to order at 12:30 p.m. Committee Members present were Elizabeth Rogers, Liz Koppenhaver and Annette Cain-Darnes. Other Board members present were Dale Amaral, Keith Carson and Tarrell Gamble. Staff present was Dave Nelsen, Chief Executive Officer, Kathy Foster, Assistant Chief Executive Officer; Lori Schnall, Associate Counsel; Margo Allen, Fiscal Services 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 Adopt Amendments to and renew the *Retiree Payroll Deduction and Assignment Policy*

- The Committee reviewed Staff's July 15, 2016, memo and its recommendation regarding the *Retiree Payroll Deduction and Assignment of Benefit Policy*. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed, without revisions, as recommended by Staff. The Policy was last reviewed by the Board on December 18, 2014.
- Following discussion on the Policy, Trustee Wood moved and Trustee Koppenhaver seconded a motion that the Governance Committee recommends to the Board of Retirement that the Board affirm the *Retiree Payroll Deduction and Assignment of Benefit Policy*, without revisions, as recommended by Staff. The motion was approved by a vote of 6 in favor (Amaral, Cain-Darnes, Carson, Gamble, Koppenhaver and Rogers), 0 against, 0 abstaining.

2. Review, Discussion and Possible Motion to Adopt Amendments to and renew the *Securities Litigation Policy*

- The Committee reviewed Staff's September 15, 2016, memo and its recommendation regarding the *Securities Litigation Policy*. Staff advised the Committee that the content of the

Policy continues to meet the needs of ACERA and should be renewed, with revisions, as recommended by Staff. The Policy was last reviewed by the Board on September 10, 2014.

- Following discussion, Trustee Cain-Darnes moved and Trustee Wood seconded a motion that the Governance Committee recommends to the Board of Retirement that the Board affirm the *Securities Litigation Policy*, with revisions, as recommended by Staff. The motion was approved by a vote of 6 in favor (Amaral, Cain-Darnes, Carson, Gamble, Koppenhaver and Rogers), 0 against, 0 abstaining.

3. Review, Discussion and Possible Motion to Adopt Amendments to and renew the *Conflict of Interest Policy*.

- The Committee reviewed Staff's September 15, 2016, memo and its recommendation regarding the *Conflict of Interest Policy*. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed, with revisions, as recommended by Staff. The Policy was last reviewed by the Board on June 18, 2015.
- Following a lengthy discussion, the Governance Committee recommends to staff the following: 1) To further research similar policies from like agencies with language that addresses behested gifts, donations and conduct then bring it back to the Committee, with revisions; 2) To craft language prohibiting a trustee from directly soliciting behested payments from a vendor doing business with ACERA if the trustee is a Board member of the charity or participates in collection of charitable contributions for the charity; 3) To craft disclosure requirements in advance of soliciting behested payments as opposed to prohibiting them outright as an alternative approach. No action was taken.

INFORMATION ITEMS

- None

TRUSTEE / PUBLIC INPUT

- None

RECOMMENDATIONS

1. The Committee recommends, and I move, that the full Board affirm the *Retiree Payroll Deduction and Assignment of Benefit Policy*, without revisions, as recommended by the Committee and Staff.
2. The Committee recommends, and I move, that the full Board affirm the *Securities Litigation Policy*, with revisions, as recommended by the Committee and Staff.

FUTURE DISCUSSION ITEMS

- *Conflict of Interest Policy*
- *Felony Forfeiture Policy*
- *Record Retention Policy*
- *Termination Policy*
- *Trustee Communications Policy*

ESTABLISHMENT OF NEXT MEETING DATE

- TBD

ADJOURNMENT

- The meeting adjourned at 1:02 p.m.