



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

GOVERNANCE COMMITTEE MEETING
NOTICE and AGENDA

ACERA MISSION:

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

November 21, 2019
1:00 p.m.

LOCATION	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: (510) 628-3000 FAX: (510) 268-9574	ELIZABETH ROGERS, CHAIR	ELECTED GENERAL
	HENRY LEVY, VICE CHAIR	TREASURER
	OPHELIA BASGAL	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED
	TARRELL GAMBLE	APPOINTED

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

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

Note regarding Public Records: All writings that are distributed to a majority of members of the ACERA Board of Retirement in connection with a matter subject to discussion at an open meeting of the Board or one of its Committees are public records within the meaning of the California Public Records Act and are available for inspection upon request, unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Please contact ACERA at (510) 628-3000 to request to inspect documents. Documents will be made available at ACERA, 475 14th Street, Oakland, California 94612.

GOVERNANCE COMMITTEE MEETING

NOTICE and AGENDA, Page 2 of 4 – November 21, 2019

Call to Order: 1:00 p.m.

Public Input:

Action Items:

1. Motion to recommend updating the Board Education Policy with revisions.

Recommendation

Staff recommends that the Governance Committee recommend to the Board of Retirement to:

1. Adopt the proposed revisions to the Policy, and
2. Find that:
 - This Policy is necessary and continues to address the recurring need for effective operation of the Board.
 - This Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.
 - The issues addressed by this Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA.
 - This Policy continues to be appropriate in meeting the needs of ACERA, and does not overlap with other existing Board policies.

– Kathy Mount

2. Motion to recommend updating the Board Travel Policy with revisions.

Recommendation

Staff recommends that the Governance Committee recommend to the Board of Retirement to:

1. Adopt the proposed revisions to the Policy, and
2. Find that:
 - This Policy is necessary and continues to address the recurring need for effective operation of the Board.
 - This Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.
 - The issues addressed by this Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA.
 - This Policy continues to be appropriate in meeting the needs of ACERA, and does not overlap with other existing Board policies.

– Kathy Mount

GOVERNANCE COMMITTEE MEETING

NOTICE and AGENDA, Page 3 of 4 – November 21, 2019

3. Motion to recommend updating the Conflict of Interest Policy with revisions.

Recommendation

Staff recommends that the Governance Committee recommend to the Board of Retirement to:

1. Adopt the proposed revisions to the Policy, and
2. Find that:
 - This Policy is necessary and continues to address the recurring need for effective operation of the Board.
 - This Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.
 - The issues addressed by this Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA.
 - This Policy continues to be appropriate in meeting the needs of ACERA, and does not overlap with other existing Board policies.

– Kathy Mount

4. Motion to affirm the Conflict of Interest Code without revisions.

Recommendation

Staff recommends that the Governance Committee recommend to the Board of Retirement that:

1. The Policy be affirmed without changes, and
2. Finds that:
 - This Policy continues to be necessary and meets the requirements of California law.

– Kathy Mount

5. Motion to recommend adoption of the Policy re Remote Access by Trustees to Board and Committee Meetings.

Recommendation

Staff recommends that the Governance Committee recommend to the Board of Retirement to:

1. Adopt the proposed Policy, and
2. Find that:
 - Both the public and ACERA would benefit from permitting Trustees to appear from remote locations at Board and Committee meetings;

GOVERNANCE COMMITTEE MEETING

NOTICE and AGENDA, Page 4 of 4 – November 21, 2019

- The Policy addresses a matter within the responsibility of the Board to effectively administer the Board and Committee operations;
- This Policy is necessary and continues 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
- This Policy does not overlap with other existing Board policies.

– Kathy Mount

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

- None

Trustee Input

Future Discussion Items

Establishment of Next Meeting Date

TBD



MEMORANDUM TO THE GOVERNANCE COMMITTEE

DATE: November 21, 2019

TO: Members of the Governance Committee

FROM: Kathy E. Mount, Chief Counsel

SUBJECT: **Review of the *Board Education Policy***

Introduction

The *Board Education Policy* ("Policy") addresses how the Board Trustees fulfill the educational requirements necessary to carry out their fiduciary duties to the ACERA Plan.

This Policy was last reviewed and affirmed by the Board in February 2018 and, under the revisions to the Policy review process adopted in December 2018, would not normally be reviewed again until February 2021. However, the regrouping of related policies moved consideration of this Policy to this November 2019 meeting. It will next be reviewed in November 2022 on the standard three year review cycle.

Proposed Revisions

This Policy underwent revision and updating in February 2018. Staff now proposes some additional non-substantive language changes to continue improving the readability and clarity of the Policy. Staff proposes a minor substantive change to the list of educational topics for all Trustees in Section IV.B to eliminate "new board member orientation," as this is not a pension related topic and is addressed in more detail in Section IV.D for new Board members.

Recommendation

Staff recommends that the Committee recommend to the Board to:

1. Adopt the proposed revisions to the Policy, and
2. Find that:
 - This Policy is necessary and continues to address the recurring need for effective operation of the Board.
 - This Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.
 - The issues addressed by this Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA.

- This Policy continues to be appropriate in meeting the needs of ACERA, and does not overlap with other existing Board policies.

Attachments: **Exhibit A:** Proposed Board Education Policy (redlined version)
Exhibit B: Proposed Board Education Policy (clean version)

Exhibit A



Board Education Policy

I. Purpose

~~This Policy~~ To establishes guidelines and procedures for ACERA Board and Alternate Trustees (~~“Trustees”~~) that recognize the importance of education to the success of fulfilling their fiduciary responsibilities ~~and to. The Policy is designed to~~ mitigate the risk that Trustees will not possess the minimum level of knowledge necessary ~~to for~~ carrying out their fiduciary duties in overseeing the pension plan and adhering to the Trustee education requirements set forth in Government Code section 31522.8.

II. Assumptions

The Policy rests on the following important assumptions:

- A. The role of a Trustee is distinct from that of management and requires correspondingly different knowledge and education.
- B. ~~Specific training and education will assist. An identifiable body of knowledge can be imparted to~~ Trustees ~~in to facilitate the~~ carrying out ~~of~~ their fiduciary roles and responsibilities.
- C. Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration and must acquire an appropriate level of knowledge of all significant facets of the plan rather than limiting their knowledge to only some areas.
- D. No single method of educating Trustees works for everyone so a variety of approaches is necessary and appropriate.
- E. The Policy is not intended to dictate that Trustees attend only specific conferences, programs or other training opportunities. Trustees have discretion to determine which programs best meet their needs and the objectives of this policy.

- F. The Policy is in compliance with Government Code section 31522.8.

III. Objectives

The objectives of the Policy are as follows:

- A. Ensure that all Trustees gain the knowledge they need to effectively carry out their fiduciary responsibilities as defined by the County Employees Retirement Law of 1937 Act (Government Code §31450, et seq.).
- B. Ensure that access to the necessary educational opportunities are made available to all Board and Alternate Trustees.
- C. Ensure that Trustees possess a shared knowledge of pension administration that facilitates group discussion, debate, and effective decision-making.
- D. Ensure that Trustees have the opportunity to acquire a relevant level of knowledge across all major aspects of pension plan administration, as opposed to only gaining specialized knowledge in particular areas.
- E. Ensure that all newly appointed or elected Trustees are provided with sufficient knowledge to actively and effectively participate in Board and committee deliberations.

IV. Policy Guidelines

Trustee Education and Training Requirements

All Trustees agree to develop and maintain their knowledge and understanding of the issues involved in the management of ACERA throughout their terms as Trustees.

A. Minimum Hours of Education

1. All new Trustees must receive a minimum of 24 hours of Board member education within the first two years of assuming office.
2. After first two years of office, every Trustee must receive a minimum of 24 hours of Board member education every two years.

B. Educational Topics

1. Trustees agree to develop and maintain a relevant level of knowledge across a broad spectrum of pension-related topics in at least the following areas:
 - a. Fiduciary responsibilities.
 - b. Ethics.
 - c. Pension fund investments and investment program management.
 - d. Actuarial matters.
 - e. Pension funding.
 - f. Benefits administration.
 - g. Disability evaluation.
 - h. Fair hearings.
 - i. Pension fund governance.
 - ~~i. New board member orientation.~~
- (Government Code §31522.8.)

C. Process for Selecting Educational Opportunities

1. Trustees shall consider the following requirements when selecting an educational vehicle that best meets their needs:
 - a. The opportunity is designed to provide Trustees with the knowledge they need to carry out their roles and responsibilities;
 - b. The opportunity assists Trustees in securing a useful level of knowledge of the areas listed above;
 - c. The opportunity meets the requirements of this Policy; and
 - d. The cost-effectiveness of the program.
2. Trustees will seek out, evaluate and attend appropriate educational programs, such as:

- a. Conferences, seminars, workshops, and roundtables;
 - b. Courses, workshops and presentations sponsored by academic institutions or external service providers;
 - c. In-house workshops, seminars, or presentations delivered by ACERA staff;
 - d. Self-study from relevant periodicals, articles, trade journals, textbooks, and electronic media or other sources of educational material; and
 - e. Any other educational opportunities that the Trustees deem necessary and appropriate.
3. Annual Retreat: Trustees shall participate in an annual planning and educational retreat organized by ACERA management with input from the Board. The Board may identify collective areas for improvement in the Board's knowledge base and direct that training in those areas be included at the annual retreat.
4. Educational seminars sponsored by pension fund organizations or accredited academic institutions shall be deemed to meet the Trustee education requirements. (Government Code §31522.8.)

D. Orientation Program

1. A formal orientation program shall be developed by senior management for the benefit of new Trustees designed to ensure that new Trustees are in a position to contribute fully to Board and committee deliberations, and effectively carry out their fiduciary duties as soon as possible upon joining the Board.
2. New Trustees shall be encouraged to participate in the orientation program within 45 days of being elected or appointed to the Board.
3. The orientation program shall include:
 - a. An Orientation Handbook;
 - b. Introduction to all key members of senior management and staff;
 - c. A tour of the ACERA offices; and

- d. A comprehensive briefing by senior management.
- 4. The Orientation Handbook shall include:
 - a. Most recent plan description and member handbook;
 - b. Roles and responsibilities of Trustees, committees, and senior management, both fiduciary and operational;
 - c. Copies of ACERA Board policies;
 - d. Most recent actuarial valuation and financial statements;
 - e. Most recent actuarial asset/liability study;
 - f. Most recent investment performance report;
 - g. Most recent business plan and budget;
 - h. Up-to-date organizational chart;
 - i. Up-to-date names and phone numbers of other Trustees and Chief Executive Officer;
 - j. Relevant readings covering pension fiduciary fundamentals; and
 - k. Copies of relevant ACERA publications/brochures.

E. Required Trustee Trainings

- i. Sexual Harassment Prevention Training
 - a. Each trustee is required to take two hours of sexual harassment prevention training within the first six months of taking office and every two years after that. (Government Code §§53237, et. seq.)
 - b. Sexual harassment training obtained by a Trustee at a previous employer will serve to satisfy this requirement so long as the training is compliant with current legal requirements and was completed within one year before the Trustee took office.

2. Ethics Training

- a. Each Trustee is required to take ethics training within one year of taking office and every two years after that. (Government Code §§53234, et seq.)
- b. Refer to the Conflict of Interest Policy, Section VI, for more details.

F. Policy Compliance

1. Each Board member must maintain a record of his or her compliance with the education requirements (Government Code §31522.8). The Board members must certify their compliance on the form attached as Exhibit A and provide the original to the CEO's office no later than January 31 for the previous calendar year.
2. This Policy and an annual report on Board Member Compliance with the Policy will be on the ACERA website (Government Code §31522.8).
3. Trustees agree to be accountable to each other, as a group, for complying with the provisions of this Policy.
4. The ACERA Legal Department will maintain records indicating the date sexual harassment prevention training was completed and the entity that provided the training.
5. The ACERA Legal Department will maintain the records indicating the date ethics training was completed and the entity that provided the training consistent with the reporting requirements stated in the Conflict of Interest Policy.

V. Policy Review

This policy shall be reviewed by the Operations Committee every three (3) years to ensure that it remains relevant and appropriate.

VI. Policy History

~~A. The Board adopted this policy on October 16, 1999.~~

B. The Board reviewed and affirmed this policy, with revisions, on February 15, 2018¹.

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¹ The Board adopted the Policy (then named the Trustee Education Policy) on October 16, 1999. The Board reviewed and affirmed with revisions September 18, 2003; November 18, 2003; November 9, 2006; December 18, 2008; December 20, 2012; October 17, 2013; September 17, 2015; January 19, 2017; and February 15, 2018.



Certification of Compliance: Board Education Policy

I, _____, am a Trustee on the Board of Retirement for the Alameda County Employees' Retirement Association (ACERA).

I have been informed of the education and continuing education requirements under California Government Code Section 31522.8 and ACERA's *Board Education Policy*.

I hereby state that I am in compliance with the obligations imposed on me by California Government Code Section 31522.8 and ACERA's *Board Education Policy*.

This is applicable for the period January 1, _____, to December 31, _____.

Dated: _____ Signature: _____

Exhibit B



Board Education Policy

I. Purpose

To establish guidelines and procedures for ACERA Board and Alternate Trustees (“Trustees”) that recognize the importance of education to the success of fulfilling their fiduciary responsibilities and to mitigate the risk that Trustees will not possess the minimum level of knowledge necessary for carrying out their fiduciary duties in overseeing the pension plan and adhering to the Trustee education requirements set forth in Government Code section 31522.8.

II. Assumptions

The Policy rests on the following important assumptions:

- A. The role of a Trustee is distinct from that of management and requires correspondingly different knowledge and education.
- B. Specific training and education will assist Trustees in carrying out their fiduciary roles and responsibilities.
- C. Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration and must acquire an appropriate level of knowledge of all significant facets of the plan rather than limiting their knowledge to only some areas.
- D. No single method of educating Trustees works for everyone so a variety of approaches is necessary and appropriate.
- E. The Policy is not intended to dictate that Trustees attend only specific conferences, programs or other training opportunities. Trustees have discretion to determine which programs best meet their needs and the objectives of this policy.
- F. The Policy is in compliance with Government Code section 31522.8.

III. Objectives

The objectives of the Policy are as follows:

- A. Ensure that all Trustees gain the knowledge they need to effectively carry out their fiduciary responsibilities as defined by the County Employees Retirement Law of 1937 Act (Government Code §31450, et seq.).
- B. Ensure that access to the necessary educational opportunities are made available to all Board and Alternate Trustees.
- C. Ensure that Trustees possess a shared knowledge of pension administration that facilitates group discussion, debate, and effective decision-making.
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spectrum of pension-related topics in at least the following areas:

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- e. Pension funding.
- f. Benefits administration.
- g. Disability evaluation.
- h. Fair hearings.
- i. Pension fund governance.

(Government Code §31522.8.)

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1. Trustees shall consider the following requirements when selecting an educational vehicle that best meets their needs:
 - a. The opportunity is designed to provide Trustees with the knowledge they need to carry out their roles and responsibilities;
 - b. The opportunity assists Trustees in securing a useful level of knowledge of the areas listed above;
 - c. The opportunity meets the requirements of this Policy; and
 - d. The cost-effectiveness of the program.
2. Trustees will seek out, evaluate and attend appropriate educational programs, such as:
 - a. Conferences, seminars, workshops, and roundtables;

- b. Courses, workshops and presentations sponsored by academic institutions or external service providers;
 - c. In-house workshops, seminars, or presentations delivered by ACERA staff;
 - d. Self-study from relevant periodicals, articles, trade journals, textbooks, and electronic media or other sources of educational material; and
 - e. Any other educational opportunities that the Trustees deem necessary and appropriate.
- 3. Annual Retreat: Trustees shall participate in an annual planning and educational retreat organized by ACERA management with input from the Board. The Board may identify collective areas for improvement in the Board's knowledge base and direct that training in those areas be included at the annual retreat.
 - 4. Educational seminars sponsored by pension fund organizations or accredited academic institutions shall be deemed to meet the Trustee education requirements. (Government Code §31522.8.)

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- 1. A formal orientation program shall be developed by senior management for the benefit of new Trustees designed to ensure that new Trustees are in a position to contribute fully to Board and committee deliberations, and effectively carry out their fiduciary duties as soon as possible upon joining the Board.
- 2. New Trustees shall be encouraged to participate in the orientation program within 45 days of being elected or appointed to the Board.
- 3. The orientation program shall include:
 - a. An Orientation Handbook;
 - b. Introduction to all key members of senior management and staff;
 - c. A tour of the ACERA offices; and
 - d. A comprehensive briefing by senior management.

4. The Orientation Handbook shall include:
 - a. Most recent plan description and member handbook;
 - b. Roles and responsibilities of Trustees, committees, and senior management, both fiduciary and operational;
 - c. Copies of ACERA Board policies;
 - d. Most recent actuarial valuation and financial statements;
 - e. Most recent actuarial asset/liability study;
 - f. Most recent investment performance report;
 - g. Most recent business plan and budget;
 - h. Up-to-date organizational chart;
 - i. Up-to-date names and phone numbers of other Trustees and Chief Executive Officer;
 - j. Relevant readings covering pension fiduciary fundamentals; and
 - k. Copies of relevant ACERA publications/brochures.

E. Required Trustee Trainings

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- a. Each Trustee is required to take ethics training within one year of taking office and every two years after that. (Government Code §§53234, et seq.)
- b. Refer to the Conflict of Interest Policy, Section VI, for more details.

F. Policy Compliance

1. Each Board member must maintain a record of his or her compliance with the education requirements (Government Code §31522.8). The Board members must certify their compliance on the form attached as Exhibit A and provide the original to the CEO's office no later than January 31 for the previous calendar year.
2. This Policy and an annual report on Board Member Compliance with the Policy will be on the ACERA website (Government Code §31522.8).
3. Trustees agree to be accountable to each other, as a group, for complying with the provisions of this Policy.
4. The ACERA Legal Department will maintain records indicating the date sexual harassment prevention training was completed and the entity that provided the training.
5. The ACERA Legal Department will maintain the records indicating the date ethics training was completed and the entity that provided the training consistent with the reporting requirements stated in the Conflict of Interest Policy.

V. Policy Review

This policy shall be reviewed by the Operations Committee every three (3) years to ensure that it remains relevant and appropriate.

VI. Policy History

The Board reviewed and affirmed this policy, with revisions, on February 15, 2018¹.

¹ The Board adopted the Policy (then named the Trustee Education Policy) on October 16, 1999. The Board reviewed and affirmed with revisions September 18, 2003; November 18, 2003; November 9, 2006; December 18, 2008; December 20, 2012; October 17, 2013; September 17, 2015; January 19, 2017; and February 15, 2018.



Certification of Compliance: Board Education Policy

I, _____, am a Trustee on the Board of Retirement for the Alameda County Employees' Retirement Association (ACERA).

I have been informed of the education and continuing education requirements under California Government Code Section 31522.8 and ACERA's *Board Education Policy*.

I hereby state that I am in compliance with the obligations imposed on me by California Government Code Section 31522.8 and ACERA's *Board Education Policy*.

This is applicable for the period January 1, _____, to December 31, _____.

Dated: _____ Signature: _____



MEMORANDUM TO THE GOVERNANCE COMMITTEE

DATE: November 21, 2019

TO: Members of the Governance Committee

FROM: Kathy E. Mount, Chief Counsel

SUBJECT: **Review of the *Board Travel Policy***

Introduction

The *Board Travel Policy* ("Policy") encourages and facilitates Trustees' participation in education and business related initiatives and provides procedures designed to mitigate the risk of improprieties in such activities.

This Policy was last reviewed and affirmed by the Board in February 2018 and, under the revisions to the Policy review process adopted in December 2018, would not normally be reviewed again until February 2021. However, the regrouping of related policies moved consideration of this Policy to this November 2019 meeting. It will next be reviewed in November 2022 on the standard three year review cycle.

Proposed Revisions

This Policy underwent revision and updating in February 2018. Staff now propose some additional non-substantive language changes to continue improving the readability and clarity of the Policy. The proposed **substantive** changes are:

1. Updating the amount of business and travel expenses for calendar year 2020 by the annual 3.5% authorized by the Board, rounded up to the nearest \$1000.
2. Providing that Trustees shall first seek approval for travel outside the US from the Operations Committee, which shall in turn make a recommendation for approval or denial to the full Board.

Recommendation

Staff recommends that the Committee recommend to the Board to:

1. Adopt the proposed revisions to the Policy, and
2. Find that:
 - This Policy is necessary and continues to address the recurring need for effective operation of the Board.

- This Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.
- The issues addressed by this Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA.
- This Policy continues to be appropriate in meeting the needs of ACERA, and does not overlap with other existing Board policies.

Attachments: **Exhibit A:** Proposed Board Travel Policy (redlined version)
Exhibit B: Proposed Board Travel Policy (clean version)

Exhibit A



Board Travel Policy

I. Purpose

a. ~~The Board Travel Policy (“Travel Policy”) is to encourage and facilitate~~ ACERA Board and Alternate Trustees (~~hereinafter referred to as~~ “Trustees”) to pursue educational and business related initiatives that will assist the Trustees in meeting their fiduciary duties to administer the pension plan;

b. To facilitate Trustees’ participation in such activities;

c. ~~To. The Travel Policy is designed to assist the Trustees in meeting their fiduciary duties to administer the pension plan;~~ ensure that expenditures incurred from travel or business related activities in the process are prudent and cost-effective, and to mitigate the risk of improprieties arising from these activities ~~from travel or business related activities.~~

II. Assumptions

The Travel Policy rests on the following important assumptions: _____

A. Prudent oversight of a public sector pension plan requires that Trustees travel to business meetings and educational conferences or seminars held in or outside of the State of California. Travel and related costs incurred in doing so not only represent legitimate expenses of the plan, but are a sound investment in the ongoing success of the organization in meeting the needs of the membership.

B. ~~ANotwithstanding the above, any~~ expenditures relating to travel by ACERA Trustees and reimbursement of travel related expenses by the plan by ACERA Trustees must ~~support~~ and comply with the Board’s fiduciary obligations to plan members and beneficiaries.

C. Trustees shall disclose all expenditures and expenses for which they seek reimbursement on claim reimbursement form.

III. Policy Guidelines

- A. ACERA Trustees are authorized to incur reasonable expenses necessary to fulfill their fiduciary or operational duties pursuant to the Trustee Education Policy, subject to the guidelines contained herein and consistent with ACERA's Conflict of Interest Policy. ACERA shall reimburse Trustees for business and travel related expenses consistent with this Travel Policy.
- B. Trustees shall ensure that all business and travel related expenses are reasonable using ACERA specific business-related expense guidelines attached as Exhibit A.
- C. Each Trustee is allotted \$~~13,860~~15,000 for the calendar year effective January 1, 202018. The allotment for each Trustee shall automatically increase by the Consumer Price Index (CPI) for the greater San Francisco area effective January 1 of each year, subject to budgetary constraints. Staff will automatically update the Policy to reflect the new allotment and will notify the Committee of the new amount each year.
- D. Excluded from the allotted annual amount are the following educational opportunities which provide unique, high level learning opportunities for Trustees which are more expensive than typical training opportunities and in which Trustees are unlikely to participate every year:
1. Half of the total expenditures of the Milken Global Institute conference. The total expenditures include conference fee, airfare, accommodation and other travel costs.
 2. For first time Trustees, the Wharton Portfolio Concepts and Management and CALAPRS Principles of Pension Management or comparable Wharton and CALAPRS Programs ~~as program titles may change~~.
 3. The advanced Wharton and CALAPRS pension management trainings may be taken by ~~all~~each Trustees once every three years.
- E. Should a Trustee desire to incur business and travel-related expenses which exceed the annual allotment, the Trustee must receive approval from the Board before incurring the expense. The Trustee shall~~may first seek approval from~~petition the Operations ~~Committee~~Committee for approval. The Operations Committee can~~shall~~recommend that the Board deny or approve the~~petition request. The petition will be granted upon a majority vote of the Board.~~ Special consideration will be given to requests by New Trustees, who are encouraged to attend educational seminars to obtain sufficient

knowledge to better prepare them to execute their fiduciary responsibilities and govern the system. ~~The Operations Committee can recommend that the Board deny or approve the petition. The petition will be granted upon a majority vote of the Board.~~

- F. In light of ACERA's asset allocation to international investments, the Board may authorize travel outside the US if such a travel request is deemed to be consistent with all of the provisions in this Policy and the Conflict of Interest Policy. 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.
- G. Trustees agree to make every attempt to attend any programs for which they have signed up to avoid the loss of travel and related expenses incurred by ACERA.
- H. Reservations for airline tickets and hotel accommodations may be made through the office of the CEO.
- I. When traveling by air Trustees may extend their trip if it will result in no additional cost or a net savings to ACERA.
- J. Staff will provide each Trustee with a monthly statement listing the individual Trustee's travel and business related expenditures to date.
- K. Staff will provide the Operations Committee with a quarterly report identifying expenditures and the educational conferences that each Trustee has attended to date.

IV. Policy Review

The Operations Committee will review this policy every three (3) years to ensure that it remains relevant and appropriate. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

V. Policy History

~~A. The Board adopted this policy on September 16, 1999.~~

B. The Board reviewed and affirmed this policy, with revisions, on _____,
2019~~February 15, 2018~~¹.

¹ The Board adopted the Board Travel Policy (then named the Travel Policy) on September 16, 1999. The Board reviewed and affirmed, with revisions, on September 20, 2001; May 19, 2005; May 18, 2006; November 9, 2006; October 18, 2007; November 19, 2009; March 18, 2010; January 20, 2011; November 8, 2012; September 19, 2013; October 16, 2014; November 12, 2015; June 22, 2017; February 15, 2018. The Board reviewed and affirmed, without revisions, on November 9, 2011 and affirmed with revisions on February 15, 2018.



Board Travel Policy, Exhibit A Specific Travel Guidelines for Trustees

I. Purpose

These guidelines summarize the procedures for authorization and reimbursement of business and travel-related expenses for Trustees.

- A. The governing principle for business and travel-related expense reimbursement is that Trustees should neither profit nor suffer monetarily as a result of acquiring education and/or conducting ACERA business.
- B. Business and travel-related expenses include costs directly paid by ACERA to either an outside vendor for transportation, lodging, and related expenses, or to Trustees for reimbursement of incidental travel costs such as meals, tips, and baggage costs, incurred during the course of acquiring Trustee education ~~and~~/or conducting ACERA business.
- C. ACERA will ~~not~~ neither pay for ~~or~~ n reimburse a Trustee for business or travel-related expenses that have been or will be paid for or reimbursed from any outside sources.
- D. Trustees are expected to follow this Board Travel Policy in a manner that minimizes expenses and fairly assigns the costs of business-related activities to ACERA.

II. Reimbursement Request Responsibility And Requirements

- A. Trustees are required to comply with the Board Travel Policy. The Trustee requesting reimbursement or incurring the expense is responsible for ensuring all the following:
 - 1. The travel and other expenses are directly related to an approved education or business matter;
 - 2. Mileage and other reimbursement calculations are accurate; and

3. Proper business justification and supporting documentation have been provided to ACERA for processing the expense.

B. Trustees must account for all business and travel-related expenses.

1. Substantiation of the expense requires the original receipts (a photo copy of the original receipt is acceptable), printed confirmation of itinerary or order confirmation if purchased on the internet, and an adequate record of each expense indicating the provider of service or /product, amount, date, and location of expense.
2. Submit reimbursement within ~~forty-five~~ (45) days of completion of travel or the date the expense was incurred. Exceptions to the 45-day timeframe will be made for extenuating circumstance (e.g., illness, emergency, or unforeseen absence).

C. The CEO or designee is responsible for approving a Trustee's request for reimbursement by verifying the following:

1. Expenses were related to an approved business matter;
2. Expenses are documented as required and that the Board Travel Policy has been applied;
3. Expense reports or other requests for reimbursement are mathematically accurate; and
4. The applicability of any exceptions.

III. General Expense Provisions

- A. ACERA will reimburse tips and /or gratuities for travel and business services such as meals, baggage handling and storage, ground transportation and hotel services. Reasonable and customary tips for meals are 15-18% of the bill. Tips for other services will be in amounts that are reasonable and customary for the service rendered.

- B. ACERA will not provide, pay for, or make reimbursements for the travel-related expenses of companions or ~~/~~ spouses who accompany a Trustee on ACERA business.
- C. ACERA will not reimburse or pay for personal items or services unrelated to a valid business or educational purpose.
- D. At no time, and under no circumstances, stated or unstated in this Board Travel Policy, will ACERA reimburse or pay for alcoholic beverages.

IV. Automobile, Shuttle, Taxi and Alternative Transportation

- A. Generally,
 - 1. Trustees will select a reasonable and cost effective means of transportation such as personally owned vehicles, rental cars, taxis, shared economy options (e.g., Uber or Lyft), Bay Area Regional Transit (BART), Alameda County (AC) Transit and other forms of public transportation.
 - 2. Trustees shall maintain receipts to obtain reimbursements. Fees for transportation, parking and tolls are all reimbursable.
 - 3. ACERA will not reimburse for parking tickets, fines for moving violations, vehicle towing charges, or auto repairs and maintenance.
- B. Personally Owned Automobiles (POV)
 - 1. Trustees may only use their POV for ~~any~~ ACERA business if they are in possession of both a valid driver's license and maintain current comprehensive auto insurance, including liability ~~with~~ limits that match those carried by ACERA's vehicle insurance policy. If not, the Trustee is not authorized to drive for ACERA business travel.
 - 2. Trustees may use their POV instead of flying if they provide documentation that the cost of using a POV is comparable to flying and, if needed, airport transportation and rental car charges at the final location.

3. Reimbursement for mileage is based on the Internal Revenue Service's (IRS) business standard mileage rate. ACERA will only reimburse mileage for the most reasonably direct route (given traffic and other constraints) driven solely for business purposes.

C. Mileage Expenses

1. To receive reimbursement for mileage, Trustees must complete an expense report specifying the purpose of the trip, point of origin, destination and date of trip. Trustees shall submit a documented route through a mapping service to verify the mileage.
2. Mileage shall ordinarily be computed one of the following two ways, depending upon the circumstance, ~~that is~~: a) Between the Trustee's office and the common carrier or destination (if Trustee ~~has~~ left for travel from the workplace); or b) Between the Trustee's residence and the common carrier or destination (if Trustee ~~has~~ left from his or her residence).

D. Rental Car Travel (Domestic and Foreign)

1. Rental cars are authorized only when another form of ground transportation is either unavailable or would create an unreasonable hardship for the Trustee. Trustees shall rent cars that are economical and reasonable.
2. Rental vehicles for ACERA business purposes are subject to the following conditions:
 - a. All drivers of rental vehicles must be over the age ~~of of twenty-five (25)~~ unless pre-approved by the CEO ~~and/or~~ designee.
 - b. ACERA's automobile insurance provides liability coverage, but does not provide coverage for any physical damage to the automobile. Collision insurance coverage provided by the rental agency is required for all vehicles.
 - c. If a rental vehicle is required for travel outside the United States, the Trustee is required to contact ACERA's Legal Department or Administration Department

to ensure the agency's automobile insurance policy coverage is in force at the foreign destination.

- d. Any accident involving a rental vehicle must be reported in writing within 24 hours to both the car rental agency and the CEO or designee except in cases of injury rendering the ACERA Trustee unable to report within 24 hours.
3. Trustees are required to cooperate in the investigation of any accident involving their rental car.

V. Airline Travel

A. Airline Fares

Airfares should be the most economical that are reasonable under the circumstances regardless of whether ACERA purchases the tickets or Trustees purchase their own airline tickets.

B. Baggage and Lost Luggage/Items

The airline charge for one checked bag is a reimbursable business expense. ~~However,~~ Charges for excess baggage charges (i.e., more than one bag) will be reimbursable under the following circumstances:

1. The Trustee is transporting ACERA business and/or conference materials; or
2. The Trustee is on ~~an extended~~ travel period ~~(i.e., greater longer~~ than 3 days) or is traveling internationally.

ACERA does not purchase or maintain insurance coverage for lost luggage or the personal belongings of Trustees while on ACERA business travel.

C. Parking or Other Forms of Transportation for the Airport

Airport or other business parking will be reimbursed. Trustees are urged to seek cost effective transportation to and from the airport such as shuttles or other public transportation.

VI. Lodging

A. Generally:

1. ACERA will directly pay for or reimburse for the lodging expenses for a standard, single occupancy room rate during ACERA-related travel, which could also include an upgraded room where, except in the case when upgrading is at there is no increased cost.
2. ACERA will reimburse for business related services such as Wi-Fi connection, printing, and faxing when such expenses are incurred for authorized business travel.
3. If paying with a personal credit card, the Trustee must ~~retain~~ present an itemized hotel bill for reimbursement of lodging expenses.

B. Cancellations

1. ACERA will pay for costs incurred as a result of a hotel room cancellation only under extenuating circumstances such as illness or emergency.
2. A written explanation for the cancellation verified by the CEO or designee must be submitted to the Fiscal Service Department within 15 days of the cancellation.

C. “No-Show” Charges

1. Trustees are responsible for requesting a refund from the hotel for a “no show” charge regardless of whether ACERA or the Trustee made the reservation.
2. In the case of flight delays or cancellations which are outside of a Trustee’s control, ACERA will reimburse for additional expenses incurred to continue travel, such as rebooking fees or increased airfares.

VII. Meals For Business Meetings While Traveling

A. Trustee only Business Meals

1. ACERA will reimburse for meals during business-related travel (as distinguished from local business meals covered below in Section VIII) at a rate not to exceed \$100 per person, per day. Receipts for all meals are required.
2. As a general rule, Trustees are not expected to incur personal expense for meals while attending conferences, training workshops, and similar activities. If meals are provided and paid for as part of the cost of attendance, Trustee should exercise fiduciary responsibility and make a reasonable adjustment to the \$100 a day meal allowance. If, however, dietary restrictions prevent consumption of provided meals, no adjustment in the meal allowance is expected.

B. Business Meals for Others

1. Trustees may pay for the meals of other ACERA Trustees as part of a business-related meeting.
2. ACERA will also reimburse Trustees for meals paid for on behalf of other meeting attendees so long as the meal is for an ACERA business purpose.
3. The receipt submitted by the Trustee must include the business justification for the expense and the names of all meal recipients and their affiliation with ACERA.

VIII. Meals For Business Meetings When Not Traveling

A. Trustee Only Business Meals

1. ACERA will reimburse Trustees for meals incurred as part of a meeting only where the primary purpose of the meeting is to conduct ACERA business and there is a valid business need to meet over the meal.
2. The receipt submitted by the Trustee must include the name of each meal recipient and the business purpose for purchasing the meal for the others. Meals under this circumstance should not exceed twenty-five dollars (\$25) each for breakfast and lunch and fifty dollars (\$50) for dinner per person.

B. Trustee Only Meals at Local Conferences, Seminars, Workshops, etc.

1. ACERA will reimburse Trustees for the cost of their meals when attending a local conference, seminar, workshop, presentation, or other similar group meeting when it extends through the usual mealtime.
2. The receipt submitted by the Trustee must include the purpose of the meeting and should not exceed twenty-five dollars (\$25) each for breakfast and lunch and fifty dollars (\$50) for dinner.
3. Meals provided and paid for by ACERA for in-house training, seminars, workshops, or meetings are not included in this Board Travel Policy.

IX. Lost Receipts

- A. A receipt or a credit card statement is required for all requests for reimbursement of purchases over \$5.
- B. If a Trustee loses a receipt and cannot obtain a duplicate, the Trustee may receive reimbursement by providing ACERA with a completed Affidavit Form for Business Expenses without Receipt. The use of affidavits is expected to be an exception and not a regular practice.

Exhibit B



Board Travel Policy

I. Purpose

- a. To encourage ACERA Board and Alternate Trustees (“Trustees”) to pursue educational and business related initiatives that will assist the Trustees in meeting their fiduciary duties to administer the pension plan;
- b. To facilitate Trustees’ participation in such activities;
- c. To ensure that expenditures incurred from travel or business related activities are prudent and cost-effective, and to mitigate the risk of improprieties arising from these activities.

II. Assumptions

The Travel Policy rests on the following important assumptions:

- A. Prudent oversight of a public sector pension plan requires that Trustees travel to business meetings and educational conferences or seminars held in or outside of the State of California. Travel and related costs incurred in doing so not only represent legitimate expenses of the plan, but are a sound investment in the ongoing success of the organization in meeting the needs of the membership.
- B. Any expenditures relating to travel by ACERA Trustees and reimbursement of travel related expenses by the plan must comply with the Board’s fiduciary obligations to plan members and beneficiaries.
- C. Trustees shall disclose all expenditures and expenses for which they seek reimbursement on claim reimbursement form.

III. Policy Guidelines

- A. ACERA Trustees are authorized to incur reasonable expenses necessary to fulfill their fiduciary or operational duties pursuant to the Trustee Education Policy, subject to the

guidelines contained herein and consistent with ACERA's Conflict of Interest Policy.

ACERA shall reimburse Trustees for business and travel related expenses consistent with this Travel Policy.

- B. Trustees shall ensure that all business and travel related expenses are reasonable using ACERA specific business-related expense guidelines attached as Exhibit A.
- C. Each Trustee is allotted **\$15,000** for the calendar year effective January 1, 2020. The allotment for each Trustee shall automatically increase by the Consumer Price Index (CPI) for the greater San Francisco area effective January 1 of each year, subject to budgetary constraints. Staff will automatically update the Policy to reflect the new allotment and will notify the Committee of the new amount each year.
- D. Excluded from the allotted annual amount are the following educational opportunities which provide unique, high level learning opportunities for Trustees which are more expensive than typical training opportunities and in which Trustees are unlikely to participate every year:
 - 1. Half of the total expenditures of the Milken Global Institute conference. The total expenditures include conference fee, airfare, accommodation and other travel costs.
 - 2. For first time Trustees, the Wharton Portfolio Concepts and Management and CALAPRS Principles of Pension Management or comparable Wharton and CALAPRS Programs.
 - 3. The advanced Wharton and CALAPRS pension management trainings may be taken by each Trustee once every three years.
- E. Should a Trustee desire to incur business and travel-related expenses which exceed the annual allotment, the Trustee must receive approval from the Board before incurring the expense. The Trustee shall first seek approval from the Operations Committee. The Operations Committee shall recommend that the Board deny or approve the request. Special consideration will be given to requests by New Trustees, who are encouraged to attend educational seminars to obtain sufficient knowledge to better prepare them to execute their fiduciary responsibilities and govern the system.

- F. In light of ACERA's asset allocation to international investments, the Board may authorize travel outside the US if such a travel request is deemed to be consistent with all of the provisions in this Policy and the Conflict of Interest Policy. 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.
- G. Trustees agree to make every attempt to attend any programs for which they have signed up to avoid the loss of travel and related expenses incurred by ACERA.
- H. Reservations for airline tickets and hotel accommodations may be made through the office of the CEO.
- I. When traveling by air Trustees may extend their trip if it will result in no additional cost or a net savings to ACERA.
- J. Staff will provide each Trustee with a monthly statement listing the individual Trustee's travel and business related expenditures to date.
- K. Staff will provide the Operations Committee with a quarterly report identifying expenditures and the educational conferences that each Trustee has attended to date.

IV. Policy Review

The Operations Committee will review this policy every three (3) years to ensure that it remains relevant and appropriate. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

V. Policy History

The Board reviewed and affirmed this policy, with revisions, on _____, 2019¹.

¹ The Board adopted the Board Travel Policy (then named the Travel Policy) on September 16, 1999. The Board reviewed and affirmed, with revisions, on September 20, 2001; May 19, 2005; May 18, 2006; November 9, 2006; October 18, 2007; November 19, 2009; March 18, 2010; January 20, 2011; November 8, 2012; September 19, 2013; October 16, 2014; November 12, 2015; June 22, 2017; February 15, 2018. The Board reviewed and affirmed, without revisions, on November 9, 2011 and affirmed with revisions on February 15, 2018.



Board Travel Policy, Exhibit A Specific Travel Guidelines for Trustees

I. Purpose

These guidelines summarize the procedures for authorization and reimbursement of business and travel-related expenses for Trustees.

- A. The governing principle for business and travel-related expense reimbursement is that Trustees should neither profit nor suffer monetarily as a result of acquiring education and/or conducting ACERA business.
- B. Business and travel-related expenses include costs directly paid by ACERA to either an outside vendor for transportation, lodging, and related expenses, or to Trustees for reimbursement of incidental travel costs such as meals, tips, and baggage costs, incurred during the course of acquiring Trustee education or conducting ACERA business.
- C. ACERA will neither pay for n reimburse a Trustee for business or travel-related expenses that have been or will be paid for or reimbursed from any outside sources.
- D. Trustees are expected to follow this Board Travel Policy in a manner that minimizes expenses and fairly assigns the costs of business-related activities to ACERA.

II. Reimbursement Request Responsibility And Requirements

- A. Trustees are required to comply with the Board Travel Policy. The Trustee requesting reimbursement or incurring the expense is responsible for ensuring all the following:
 - 1. The travel and other expenses are directly related to an approved education or business matter;
 - 2. Mileage and other reimbursement calculations are accurate; and

3. Proper business justification and supporting documentation have been provided to ACERA for processing the expense.

B. Trustees must account for all business and travel-related expenses.

1. Substantiation of the expense requires the original receipts (a photo copy of the original receipt is acceptable), printed confirmation of itinerary or order confirmation if purchased on the internet, and an adequate record of each expense indicating the provider of service or product, amount, date, and location of expense.
2. Submit reimbursement within 45 days of completion of travel or the date the expense was incurred. Exceptions to the 45-day timeframe will be made for extenuating circumstance (e.g., illness, emergency, or unforeseen absence).

C. The CEO or designee is responsible for approving a Trustee's request for reimbursement by verifying the following:

1. Expenses were related to an approved business matter;
2. Expenses are documented as required and that the Board Travel Policy has been applied;
3. Expense reports or other requests for reimbursement are mathematically accurate; and
4. The applicability of any exceptions.

III. General Expense Provisions

- A. ACERA will reimburse tips or gratuities for travel and business services such as meals, baggage handling and storage, ground transportation and hotel services. Reasonable and customary tips for meals are 15-18% of the bill. Tips for other services will be in amounts that are reasonable and customary for the service rendered.

- B. ACERA will not provide, pay for, or make reimbursements for the travel-related expenses of companions or spouses who accompany a Trustee on ACERA business.
- C. ACERA will not reimburse or pay for personal items or services unrelated to a valid business or educational purpose.
- D. At no time, and under no circumstances, stated or unstated in this Board Travel Policy, will ACERA reimburse or pay for alcoholic beverages.

IV. Automobile, Shuttle, Taxi and Alternative Transportation

- A. Generally,
 - 1. Trustees will select a reasonable and cost effective means of transportation such as personally owned vehicles, rental cars, taxis, shared economy options (e.g., Uber or Lyft), Bay Area Regional Transit (BART), Alameda County (AC) Transit and other forms of public transportation.
 - 2. Trustees shall maintain receipts to obtain reimbursements. Fees for transportation, parking and tolls are all reimbursable.
 - 3. ACERA will not reimburse for parking tickets, fines for moving violations, vehicle towing charges, or auto repairs and maintenance.
- B. Personally Owned Automobiles (POV)
 - 1. Trustees may only use their POV for ACERA business if they are in possession of both a valid driver's license and maintain current comprehensive auto insurance, including liability limits that match those carried by ACERA's vehicle insurance policy. If not, the Trustee is not authorized to drive for ACERA business travel.
 - 2. Trustees may use their POV instead of flying if they provide documentation that the cost of using a POV is comparable to flying and, if needed, airport transportation and rental car charges at the final location.

3. Reimbursement for mileage is based on the Internal Revenue Service's (IRS) business standard mileage rate. ACERA will only reimburse mileage for the most reasonably direct route (given traffic and other constraints) driven solely for business purposes.

C. Mileage Expenses

1. To receive reimbursement for mileage, Trustees must complete an expense report specifying the purpose of the trip, point of origin, destination and date of trip. Trustees shall submit a documented route through a mapping service to verify the mileage.
2. Mileage shall ordinarily be computed one of the following two ways, depending upon the circumstance: a) Between the Trustee's office and the common carrier or destination (if Trustee left for travel from the workplace); or b) Between the Trustee's residence and the common carrier or destination (if Trustee left from his or her residence).

D. Rental Car Travel (Domestic and Foreign)

1. Rental cars are authorized only when another form of ground transportation is either unavailable or would create an unreasonable hardship for the Trustee. Trustees shall rent cars that are economical and reasonable.
2. Rental vehicles for ACERA business purposes are subject to the following conditions:
 - a. All drivers of rental vehicles must be over the age of 25 unless pre-approved by the CEO or designee.
 - b. ACERA's automobile insurance provides liability coverage, but does not provide coverage for any physical damage to the automobile. Collision insurance coverage provided by the rental agency is required for all vehicles.
 - c. If a rental vehicle is required for travel outside the United States, the Trustee is required to contact ACERA's Legal Department or Administration Department

to ensure the agency's automobile insurance policy coverage is in force at the foreign destination.

- d. Any accident involving a rental vehicle must be reported in writing within 24 hours to both the car rental agency and the CEO or designee except in cases of injury rendering the ACERA Trustee unable to report within 24 hours.
3. Trustees are required to cooperate in the investigation of any accident involving their rental car.

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Airfares should be the most economical that are reasonable under the circumstances regardless of whether ACERA purchases the tickets or Trustees purchase their own airline tickets.

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2. The Trustee is on a travel period longer than 3 days or is traveling internationally.

ACERA does not purchase or maintain insurance coverage for lost luggage or the personal belongings of Trustees while on ACERA business travel.

C. Parking or Other Forms of Transportation for the Airport

Airport or other business parking will be reimbursed. Trustees are urged to seek cost effective transportation to and from the airport such as shuttles or other public transportation.

VI. Lodging

A. Generally:

1. ACERA will directly pay for or reimburse for lodging expenses for a standard, single occupancy room rate during ACERA-related travel, which could also include an upgraded room where there is no increased cost.
2. ACERA will reimburse for business related services such as Wi-Fi connection, printing, and faxing when such expenses are incurred for authorized business travel.
3. If paying with a personal credit card, the Trustee must present an itemized hotel bill for reimbursement of lodging expenses.

B. Cancellations

1. ACERA will pay for costs incurred as a result of a hotel room cancellation only under extenuating circumstances such as illness or emergency.
2. A written explanation for the cancellation verified by the CEO or designee must be submitted to the Fiscal Service Department within 15 days of the cancellation.

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1. Trustees are responsible for requesting a refund from the hotel for a “no show” charge regardless of whether ACERA or the Trustee made the reservation.
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A. Trustee only Business Meals

1. ACERA will reimburse for meals during business-related travel (as distinguished from local business meals covered below in Section VIII) at a rate not to exceed \$100 per person, per day. Receipts for all meals are required.

2. As a general rule, Trustees are not expected to incur personal expense for meals while attending conferences, training workshops, and similar activities. If meals are provided and paid for as part of the cost of attendance, Trustee should exercise fiduciary responsibility and make a reasonable adjustment to the \$100 a day meal allowance. If, however, dietary restrictions prevent consumption of provided meals, no adjustment in the meal allowance is expected.

B. Business Meals for Others

1. Trustees may pay for the meals of other ACERA Trustees as part of a business-related meeting.
2. ACERA will also reimburse Trustees for meals paid for on behalf of other meeting attendees so long as the meal is for an ACERA business purpose.
3. The receipt submitted by the Trustee must include the business justification for the expense and the names of all meal recipients and their affiliation with ACERA.

VIII. Meals For Business Meetings When Not Traveling

A. Trustee Only Business Meals

1. ACERA will reimburse Trustees for meals incurred as part of a meeting only where the primary purpose of the meeting is to conduct ACERA business and there is a valid business need to meet over the meal.
2. The receipt submitted by the Trustee must include the name of each meal recipient and the business purpose for purchasing the meal for the others. Meals under this circumstance should not exceed twenty-five dollars (\$25) each for breakfast and lunch and fifty dollars (\$50) for dinner per person.

B. Trustee Only Meals at Local Conferences, Seminars, Workshops, etc.

1. ACERA will reimburse Trustees for the cost of their meals when attending a local conference, seminar, workshop, presentation, or other similar group meeting when it extends through the usual mealtime.

2. The receipt submitted by the Trustee must include the purpose of the meeting and should not exceed twenty-five dollars (\$25) each for breakfast and lunch and fifty dollars (\$50) for dinner.
3. Meals provided and paid for by ACERA for in-house training, seminars, workshops, or meetings are not included in this Board Travel Policy.

IX. Lost Receipts

- A. A receipt or a credit card statement is required for all requests for reimbursement of purchases over \$5.
- B. If a Trustee loses a receipt and cannot obtain a duplicate, the Trustee may receive reimbursement by providing ACERA with a completed Affidavit Form for Business Expenses without Receipt. The use of affidavits is expected to be an exception and not a regular practice.



MEMORANDUM TO THE GOVERNANCE COMMITTEE

DATE: November 21, 2019

TO: Members of the Governance Committee

FROM: Kathy E. Mount, Chief Counsel

SUBJECT: Review of the Conflict of Interest Policy

Introduction

The Conflict of Interest *Policy* ("Policy") provides guidance to the Board Trustees and staff about mitigating the risk of an actual or perceived conflict of interest in administering the ACERA retirement system.

The Policy is scheduled for review by the Governance Committee and the Board every three years to ensure that it remains relevant and appropriate. The Board last reviewed the Policy on December 20, 2018, but is being brought back to your Committee after only one year in order to comply with the review schedule created in 2019 which grouped related policies together for review at the same time. After this review the Policy will be reviewed again in November 2022.

Proposed Revisions

Staff made some formatting and grammar changes to make the Policy more readable and easier to follow, but they are not substantive changes. The only other change is to update the citations for various code section and regulations.

Recommendation

Staff recommends that the Committee recommend to the Board to:

1. Adopt the proposed revisions to the Policy, and
2. Find that:
 - This Policy is necessary and continues to address the recurring need for effective operation of the Board.
 - This Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.
 - The issues addressed by this Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA.
 - This Policy continues to be appropriate in meeting the needs of ACERA, and does not overlap with other existing Board policies.

Memo to Governance Committee re: *Conflict of Interest Policy*

November 21, 2019

Page 2 of 2

Attachments: **Exhibit A:** Proposed Conflict of Interest Policy (redlined version)
Exhibit B: Proposed Conflict of Interest Policy (clean version)

Exhibit A



Conflict of Interest Policy

I. Purpose

The 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 policy, a conflict of interest is defined as any matter that could reasonably be expected to interfere with the obligation of Trustees and Staff to discharge their duty to the system solely in the interest of, and for the exclusive purpose of providing benefits to, participants and their beneficiaries.

II. Definitions

A. The Board hereby incorporates by reference into this Policy the terms and definitions contained in the Political Reform Act of 1974 (“Act”); the regulations of the Fair Political Practices Commission (“FPPC”) (2 Cal. Code of Regs. §§181~~100~~ et seq.); and Government Code §§1090, 1091, and 1091.5; and any amendments to these laws.

B. **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:

1. Each ACERA Trustee and Alternate Trustee
2. Chief Executive Officer
3. Chief Investment Officer

C. **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:

1. Assistant Chief Executive Officers
2. Fiscal Services Officer

3. Chief Counsel
 4. Benefits Manager
 5. Associate Counsel
 6. Human Resources Officer
 7. Project & Information Services Manager
 8. Chief of Internal Audit
 9. Senior Investment Officer
 10. Investment Officer
 11. Consultants
- D. 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.
- E. 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:
1. Make a governmental decision;
 2. Serve in Staff capacity and participate in making a governmental decision; or
 3. 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.
- F. 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.

A more detailed description of the designated employees and disclosure categories can be found in 2 Cal. Code of Regs. §§18700.1(a)(2)(A) and 18702.2 through 18740.

III. Assumptions

- A. With respect to ACERA activities, the duty of an ACERA Trustee or Staff member to ACERA's participants 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, perceived conflicts should be treated as actual conflicts of interest under this policy.
- C. Safeguarding the trust of plan beneficiaries is paramount. Conflicts of interest, bribes, gifts, or favors that elevate private gains over the duty of Trustees and Staff to ACERA 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 ways that benefit them or third parties rather than beneficiaries. A policy therefore should consist of general guidelines and principles that will provide Trustees and Staff with direction in most situations that arise.
- E. In situations where the law or policy is not clear, the best interests of 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 establish and maintain an independent relationship to ensure that Trustees and Staff can remain objective when conducting the affairs of ACERA.

IV. Policy Guidelines

- A. Board Trustees and Staff of ACERA:
 - I. Gifts:
 - a. Shall 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.

- b. Can accept gifts if Trustees and Staff adhere to the applicable FPPC laws and legislation regarding disclosure requirements, gift value limits, etc. so long as the gift is not in violation of the previous paragraph or the applicable laws and regulations.

2. Behested Payments:

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 is either a Board member of the non-profit or charity or participates in collecting charitable contributions for the non-profit or charity.

- 3. 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.
- 4. 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.
- 5. 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 beneficiaries and plan participants.
- 6. 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.
- 7. 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.
- 8. 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 excusing himself or herself from the Board deliberations and voting.
- 9. Shall not represent any business entity before the Board or senior management in return for any form of compensation.
- 10. 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.

11. Shall not use one'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.
 12. Shall not use one's official position to secure confidential ACERA information for any purpose other than the exercise of official duties.
 13. 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 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.
- C. When a real 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, 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. §1870530 (i.e., rule of necessity).
- D. In order to facilitate compliance with the provisions of this policy, Trustees and Staff, may pay for their own meals, beverages, or entertainment when interacting with existing or potential service providers, and in turn shall be reimbursed for said expenditures by ACERA. Receipts shall be obtained when ordinarily given and claims shall be submitted to the Chief Executive Officer for reimbursement.
- E. The ACERA Legal Department 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.

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 no later than April 1.
4. Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

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

1. 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.
2. 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.
3. 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.

4. 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. New Trustees shall attend ethics training no later than one year from the first day of service with ACERA. 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

~~A. The Board adopted this policy on November 18, 1999.~~

~~B.A.~~ The Board reviewed and affirmed this policy, with revisions, on ~~December 20, 2018~~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.

Exhibit B



Conflict of Interest Policy

I. Purpose

The 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 policy, a conflict of interest is defined as any matter that could reasonably be expected to interfere with the obligation of Trustees and Staff to discharge their duty to the system solely in the interest of, and for the exclusive purpose of providing benefits to, participants and their beneficiaries.

II. Definitions

A. The Board hereby incorporates by reference into this Policy the terms and definitions contained in the Political Reform Act of 1974 (“Act”); the regulations of the Fair Political Practices Commission (“FPPC”) (2 Cal. Code of Regs. §§18110 et seq.); and Government Code §§1090, 1091, and 1091.5; and any amendments to these laws.

B. 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:

1. Each ACERA Trustee and Alternate Trustee
2. Chief Executive Officer
3. Chief Investment Officer

C. 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:

1. Assistant Chief Executive Officers
2. Fiscal Services Officer

3. Chief Counsel
 4. Benefits Manager
 5. Associate Counsel
 6. Human Resources Officer
 7. Project & Information Services Manager
 8. Chief of Internal Audit
 9. Senior Investment Officer
 10. Investment Officer
 11. Consultants
- D. 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.
- E. 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:
1. Make a governmental decision;
 2. Serve in Staff capacity and participate in making a governmental decision; or
 3. 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.
- F. 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.

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 member to ACERA's participants 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, perceived conflicts should be treated as actual conflicts of interest under this policy.
- C. Safeguarding the trust of plan beneficiaries is paramount. Conflicts of interest, bribes, gifts, or favors that elevate private gains over the duty of Trustees and Staff to ACERA 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 ways that benefit them or third parties rather than beneficiaries. A policy therefore should consist of general guidelines and principles that will provide Trustees and Staff with direction in most situations that arise.
- E. In situations where the law or policy is not clear, the best interests of 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 establish and maintain an independent relationship to ensure that Trustees and Staff can remain objective when conducting the affairs of ACERA.

IV. Policy Guidelines

- A. Board Trustees and Staff of ACERA:
 - I. Gifts:
 - a. Shall 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.

- b. Can accept gifts if Trustees and Staff adhere to the applicable FPPC laws and legislation regarding disclosure requirements, gift value limits, etc. so long as the gift is not in violation of the previous paragraph or the applicable laws and regulations.
2. Behested Payments:

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 is either a Board member of the non-profit or charity or participates in collecting charitable contributions for the non-profit or charity.
3. 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.
4. 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.
5. 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 beneficiaries and plan participants.
6. 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.
7. 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.
8. 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 excusing himself or herself from the Board deliberations and voting.
9. Shall not represent any business entity before the Board or senior management in return for any form of compensation.
10. 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.

11. Shall not use one'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.
 12. Shall not use one's official position to secure confidential ACERA information for any purpose other than the exercise of official duties.
 13. 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 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.
- C. When a real 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, 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).
- D. In order to facilitate compliance with the provisions of this policy, Trustees and Staff, may pay for their own meals, beverages, or entertainment when interacting with existing or potential service providers, and in turn shall be reimbursed for said expenditures by ACERA. Receipts shall be obtained when ordinarily given and claims shall be submitted to the Chief Executive Officer for reimbursement.
- E. The ACERA Legal Department 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.

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the Conflict of Interest Code for ACERA or the date of assuming office whichever is later.

4. 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. New Trustees shall attend ethics training no later than one year from the first day of service with ACERA. 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

- A. The Board reviewed and affirmed this policy, with revisions, on ____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.



MEMORANDUM TO THE GOVERNANCE COMMITTEE

DATE: November 21, 2019

TO: Members of the Governance Committee

FROM: Kathy E. Mount, Chief Counsel

SUBJECT: Review of the Conflict of Interest Code

Introduction

California law requires that “every agency shall adopt and promulgate a Conflict of interest Code. . . which shall have the force of law. . .” *Cal. Govt. Code 87300*. Government Code section 82011(b) provides that the Code will be reviewed by the Alameda County Board of Supervisors after adoption by the ACERA Board of Retirement. Every even-numbered year, the Board of Supervisors shall direct a local agency to review its Conflict of Interest Code and, if a change is made, to submit an amended Conflict of Interest Code to the Board of Supervisors. *Cal. Govt. Code 87306.5(a)*. If, after reviewing its Code, no changes are made by the local agency, the Chief Executive Officer will submit a written statement to that effect to the Board of Supervisors no later than October of the even-numbered year. *Cal. Govt. Code 87306.5(b)*.

The Conflict of Interest Code (“Code”) is scheduled for review by the Governance Committee every three years to ensure that it remains relevant and appropriate. The Policy was last reviewed by the Board on July 20, 2017, and is being brought to your Committee at this time so any changes can be submitted to the Board of Supervisor in 2020, and to keep the Code on the same schedule as the Conflict of Interest Policy. After this review the Code will be reviewed again in three years. If there is reason for a change in the meantime, any change that is made will be reported to the Board of Supervisors in October of the even-numbered year.

This Code continues to be necessary and relevant as it is required by law.

Proposed Revisions

There are no proposed revisions to the Code at this time.

Recommendation

Staff recommends that the Committee recommend to the Board to adopt the Code with no revisions, and find that this Code is necessary and meets the requirements of California law.

Attachments: **Exhibit A:** Proposed 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.



MEMORANDUM TO THE GOVERNANCE COMMITTEE

DATE: November 21, 2019

TO: Members of the Governance Committee

FROM: Kathy E. Mount, Chief Counsel

SUBJECT: Policy re Remote Access by Trustees to Board and Committee Meetings

The Policy re Remote Access by Trustees to Board and Committee Meetings (Policy) is a new policy for your Committee's consideration.

Introduction

The Brown Act authorizes legislative bodies such as the ACERA Board of Trustees or Committees to use any type of teleconferencing in connection with any meeting "for the benefit of the public and the legislative body." *Section 54953(b)(1)*.¹ For purposes of this section, "teleconference" means "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both." *Section 54953(b)(4)*.

Under section 54953(b)(1), a legislative body may, but is not required to, permit a meeting that includes remote teleconferencing if the legislative body concludes that teleconferences will be "for the benefit of the public and the legislative body. . ." The proposed Policy outlines the requirements ACERA must follow should it choose to permit Trustees to appear from a remote location.

Key Elements of the Policy

The Policy contains the following specific requirements under Section 54953(b) for remote location access by Trustees:

1. Teleconferencing may be used for all purposes during any meeting. *Section 54953(b)(2)*.
2. All votes must be by rollcall. *Section 54953(b)(2)*.
3. Agendas must be posted at each teleconference location. *Section 54953(b)(3)*.

¹ Further references are to the Government Code unless otherwise specifically state.

4. The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body. *Section 4953(b)(3).*
5. Each teleconference location must be identified in the notice and agenda of the meeting. *Section 54953(b)(3).*
6. Each teleconference location must be accessible to the public. *Section 54953(b)(3).*
7. At least a quorum of the legislative body must be present within ACERA's jurisdiction (Alameda County) either in one location or remotely. *Section 54953(b)(3).*
8. The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location. *Section 54953(b)(3).*

A script for use by the Board or Committee Chair is attached to the Policy to assist in making sure that all required procedures are followed when a Trustee appears remotely.

Recommendation: Recommend to the Board of Retirement the following:

1. Adopt the proposed Policy; and
2. Find that:
 - a) Both the public and ACERA would benefit from permitting Trustees to appear from remote locations at Board and Committee meetings;
 - b) The Policy addresses a matter within the responsibility of the Board to effectively administer Board and Committee operations;
 - c) The 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
 - d) The Policy does not overlap with other existing Board policies.

Attachment: **Exhibit A:** Proposed Remote Access Policy



Policy

Remote Access by Trustees to Board and Committee Meetings

I. Purpose

To provide guidance to the Board of Retirement (Board) and ACERA Staff (Staff) when Board of Retirement Trustees wish to appear at Board and Committee meetings from a remote location.

II. Assumptions

A. The Brown Act authorizes a legislative body such as the ACERA Board of Trustees or Board Committees to use any type of teleconferencing in connection with any meeting “for the benefits of the public and the legislative body.”¹ For purposes of this section, “teleconference” means “a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.”²

B. A legislative body may, but is not required to, permit a meeting that includes remote teleconferencing if the legislative body concludes that teleconferences will be “for the benefit of the public and the legislative body. . .”³ If teleconferencing is permitted, Section 54953(b) contains the following specific requirements:

1. Teleconferencing may be used for all purposes during any meeting.⁴

¹ Government Code section 54953(b)(1). All future reference are to the Government Code unless specified otherwise.

² Section 54953 (b)(4).

³ Section 54953(b)(1)

⁴ Section 54353(b)(2)

2. All votes must be by rollcall.⁵
 3. Agendas must be posted at each teleconference location.⁶
 4. The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body.⁷
 5. Each teleconference location must be identified in the notice and agenda of the meeting.⁸
 6. Each teleconference location must be accessible to the public.⁹
 7. At least a quorum of the legislative body must be present within ACERA's jurisdiction (Alameda County) either in one location or remotely.¹⁰
 8. The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location.¹¹
- C. The Board finds that providing a teleconferencing option will benefit the public and the legislative bodies, and wishes to make teleconferencing available as an option for Trustees to facilitate their participation in Board and Committee meetings.

III. Policy Guidelines

- A. At least a quorum of the legislative body must be present within ACERA's jurisdiction boundaries.¹² There is no limit to the number of teleconference locations permitted,

⁵ Section 54953(b)(2).

⁶ Section 54953(b)(3)

⁷ Section 54953(b)(3)

⁸ Section 54953(b)(3).

⁹ Section 54953(b)(3).

¹⁰ Section 54953(b)(3).

¹¹ Section 54953(b)(3)

¹² Section 54953(b)(3).

meaning that all members of the legislative body could appear at remote locations so long as a quorum are appearing from remote locations within Alameda County.

- B. The Trustee appearing from a remote location is responsible for verifying that:
 - 1. The agenda was properly posted;
 - 2. Copies of the agenda and public materials are available at the site;
 - 3. The teleconference equipment is working and that members of the public are able to hear what is happening in the meeting;
 - 4. Members of the public who wish to address the legislative body are permitted to do so.

- C. Each audio/video teleconference location must be identified in the notice and agenda of the meeting including:
 - 1. The teleconferencing location, the street address, and any suite or office number so the teleconference can be readily located by members of the public seeking to join the meeting.¹³
 - 2. The identity of the Trustee appearing remotely.
 - 3. Agenda must be posted at all teleconferencing locations at least 72 hours before the meeting in a location that is freely accessible to the public. Weekend hours may be included to satisfy this requirements, but the agenda must be accessible for the entire 72-hour period.¹⁴ Thus, the agendas should be posted both outside the main facility of a teleconference location at a main entrance (e.g., visible outside an office building) and outside the specific teleconference location (e.g., outside the particular room or office door). Agendas should remain visible at these location until the meeting is completed.
 - 4. Each audio video teleconference location must be accessible to the public, which precludes setting a teleconference location in moving vehicles or offices not accessible to the public, or which are not ADA accessible. Vacationing members

¹³ Section 54953(b)(3).

¹⁴ 78 Ops Cal. Atty Gen 327 (1995)

wishing to teleconference should realize that the public must have access to the member's hotel room or cruise ship cabin if that is where the teleconference will occur, and that the specific location will appear on the agenda.

5. All telephones used for teleconferencing must have a functioning speaker to enable public access, even if there are no members of the public present at a particular location. If mobile phones are used, they must be physically located at the physical location listed on the agenda for the remote meeting.
 6. The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location.¹⁵ All members of the legislative body must be able to hear and respond to public comments from all locations, and the public must be able to hear all Board or Committee deliberations.¹⁶ The meeting must be conducted so that participants by audio alone are clearly identified.
 7. All votes must be taken by rollcall. The Act requires that all votes, regardless of topic, be taken by rollcall.¹⁷
- D. The Board Chair may use the script attached as Attachment A (or a similar script) as a guide during the meeting to ensure that all procedures are followed when a Trustee is appearing remotely.

IV. Policy Review

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

V. Policy History

- A. The Board adopted this policy on. _____, 2019.

¹⁵ Section 54953(b)(3)

¹⁶ Section 54953(a).

¹⁷ Section 54953(b)(2)

Attachment A

SAMPLE SCRIPT FOR BOARD MEETING WITH TRUSTEE APPEARING REMOTELY VIA TELECONFERENCE

1. Administrative support staff member will call the remote Trustee and ensure that the Trustee is on the speaker phone in the Board chambers.
2. Board Chair: "I call this meeting to order. As reflected on the agenda, Trustee ____ will appear via telephone from the remote address listed on the agenda. I will now ask Trustee ____ to identify himself (or herself) and confirm that he (or she) is able to hear the proceedings."
3. Remote Trustee: "This is Trustee _____. I am able to hear the proceedings."
4. Board Chair: "Trustee _____, is there anyone else present at the remote location besides yourself?"
5. Remote Trustee: "There is no one else present. [Or, identify the number of individuals present.]"
6. Board Chair: "Trustee _____, can you confirm that the agenda for this meeting is posted at the remote location, and has been posted in a location visible to members of the public for at least 72 hours before the start of this meeting?"
7. Remote Trustee: "Yes."
8. Board Chair: "Trustee _____, can you also confirm that the remote location is open to the public, is ADA accessible and the proceedings are being heard via a speaker phone which can be heard by anyone in the remote location?"
9. Remote Trustee: "Yes."
10. Board Chair: "Finally, Trustee _____, can you confirm the copies of the agenda [and related public materials, if any] are available at the remote location for any member of the public who attends the meeting?"
11. Remote Trustee: "Yes."
12. Board Chair: I will take this opportunity to ask all Trustees, staff members and others to identify themselves when speaking during the meeting to assist the remote Trustee in understanding the participation in the meeting.
13. Staff member: "I will now call the roll (calls roll). Trustee _____ is appearing remotely."

14. Board Chair: When calling for public comment: “I now call for Public Comment from any members of the public at the ACERA headquarters location for any matter on the agenda or within the jurisdiction of this Committee.”

15. If there is public comment: Board Chair: “I now recognize the speakers from the ACERA headquarters location and give them each 4 minutes for public comment.”

16. Board Chair: “Trustee ____, is there anyone who wishes to make a public comment at your location?”

17. Remote Trustee: “There is no public comment at this location. [Or, there is one speaker at this location.]”

18. Board Chair: [If needed] “I now recognize the speakers from the remote location and give them each 4 minutes for public comment.”

19. Board Chair: [go through the process of introducing agenda items and hearing from staff and other participants. If new speakers address the Board, the Board Chair states: “Trustee ____ is appearing via teleconference from a remote location and will be participating in this meeting over a speaker phone. Please introduce yourselves and when you are speaking before this Committee identify yourself for the benefit of the remote Trustee.”

20. If there are motions, at the end of discussion, Board Chair will announce a roll call vote.

21. Administrative Staff member will conduct a roll call vote of all voting Trustees, including the remote Trustee, and announce the results of the vote.

22. Board Chair: “As all business on the agenda has been completed, I declare this meeting adjourned. Trustee ____, we will now disconnect the phone line to the remote location.”

23. Administrative Staff member will disconnect the phone line to the remote location and confirm it has been disconnected.