



LOS ANGELES FIRE & POLICE PENSION SYSTEM

I. BOARD GOVERNANCE POLICIES

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LOS ANGELES FIRE & POLICE PENSION SYSTEM

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Los Angeles Fire & Police Pension System

1.0 - DEFINED TERMS

- 1.1 “System” refers to the City of Los Angeles Fire and Police Pension System.
- 1.2 “Board” refers to the City of Los Angeles Fire and Police Pension Board of Commissioners.
- 1.3 “Fund” refers to the Investment Portfolio of the City of Los Angeles Fire and Police Pension System.
- 1.4 “Section” refers to Los Angeles City Charter Section.

Attachments:

APPENDIX 1 - CHARTER PROVISIONS

APPENDIX 2 - SUMMARY OF BROWN ACT

APPENDIX 1 - CHARTER PROVISIONS

Sec. 1104. Pension and Retirement System Boards.

- (a) **Board of Fire and Police Pension Commissioners.** The Board of Fire and Police Pension Commissioners shall consist of nine members. Five shall be appointed by the Mayor, subject to the approval of the City Council. One shall be an active sworn member of the Fire Department as defined in this Article and elected by the members of the Fire Department. One shall be an active sworn member of the Police Department as defined in this Article and elected by the members of the Police Department. One shall be a retired member of the Fire Department as defined in this Article and elected by the retired members of the Fire Department. One shall be a retired member of the Police Department as defined in this Article and elected by the retired members of the Police Department.

- (d) **Terms of Board Members.** For the Board of Fire and Police Pension Commissioners and the Board of Administration for LACERS, each elected board member shall serve for a term of five years. For the Board of Administration for WPERP, the appointed retired member and each elected board member shall serve for a term of three years. The terms of board members on all boards shall be staggered as determined by each board. In case of a vacancy of an appointed seat on any board, the appointing authority for the seat shall appoint a member to serve out the unexpired term of office. In case of a vacancy of an elected seat on any board that has more than six months remaining before expiration of the term, the applicable board shall conduct an election to select a member of the group represented by the vacant seat to serve out the unexpired term of office.

Sec. 1106. Powers and Duties of Pension and Retirement Boards.

Consistent with Article XVI, Section 17 of the California Constitution, and any successor constitutional provision, and subject to the limitations set forth elsewhere in the Charter concerning anything other than pension and retirement system administration and control over system investments, each pension and retirement board of the City shall:

- (a) **Administration of the Pension or Retirement System.** Have sole and exclusive responsibility to administer its system for the following purposes:
 - (1) to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services;
 - (2) to minimize City contributions; and
 - (3) to defray the reasonable expenses of administering the system.

The duty to system participants and their beneficiaries shall take precedence over any other duty.

- (b) **Assets.** Have sole and exclusive fiduciary responsibility over the assets of its system which are held in trust for the exclusive purposes of:
 - (1) providing benefits to system participants and their beneficiaries; and
 - (2) defraying the reasonable expenses of administering the system.

- (c) **Prudent Person Standard.** Discharge its duties with respect to its system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- (d) **Investments.** Diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.
 - (1) **Investment Statement.** The board of each pension and retirement system shall adopt a statement of investment objectives and policies for the system. The statement shall include at least the desired rate of return and acceptable levels of risk for each asset class, asset allocation goals, guidelines for the delegation of authority, and information of the types of reports to be used to evaluate investment performance. At least annually, the board shall review the statement and change or reaffirm it. After each annual review, the board shall forward the statement to the Mayor and Council for informational purposes.
 - (2) **Performance Evaluation.** At least annually, the board of each pension and retirement system shall retain an outside performance evaluation firm to calculate the returns on all of the system investments.
- (e) **Actuarial Services.** Have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of its systems in accordance with recognized actuarial methods.
- (f) **Rules and Regulations.** Have the power to adopt any rules, regulations, or forms it deems necessary to carry out its administration of a pension or retirement system or assets under its control.

Sec. 1108. General Manager of Pension or Retirement Systems.

- (a) **Applicability.** Except as provided in this section, the provisions regarding general managers contained in Article V shall apply to the general managers of the pension and retirement systems of the City.
- (b) **Appointing Authority.** The Board of Fire and Police Pension Commissioners and the Board of Administration of the Los Angeles City Employees Retirement System shall appoint their respective general manager subject to confirmation by the Mayor and Council and shall remove their respective general manager subject to confirmation by the Mayor. A general manager removed pursuant to the provisions of this section may appeal the removal to the Council in the manner provided in Section 508(e).
- (c) **Annual Review.** The Board of Fire and Police Pension Commissioners and the Board of Administration for the Los Angeles City Employees Retirement System shall evaluate their respective general manager at least annually and shall set or adjust the compensation of the general manager with guidelines established by Council. Each board shall forward a copy of its performance evaluation and salary determination to the Mayor and Council.

Sec. 1110. Control of Pension and Retirement Funds.

- (a) **Special Funds.** Each pension and retirement board shall have a special trust fund or funds on deposit with the Treasurer for the purpose of segregating its revenues from the other money of the City.
- (b) **Control of Special Funds.** The board of each pension and retirement system shall have control over their respective funds. Transfers or expenditures shall be drawn upon funds only upon demands signed by the chief accounting employee of the board. All payments from the funds shall be made upon demands prepared and approved in accordance with the provisions of the Charter.
- (c) **Master Trustee or Custodian.** Each pension and retirement board, in its sole discretion, may designate one or more master trustees or custodians to hold securities and funds of the system for the purpose of carrying out the investment policies and decisions of the board.
- (d) **Fund Earnings.** The money in any pension or retirement system fund shall be invested at the sole and exclusive direction of the respective board and all earnings shall be credited to the respective funds by the Treasurer or the Master Trustee or Custodian designated by the respective board.

Sec. 1112. Management Audits.

- (a) **Conduct of Audit.** The Mayor, Council, and Controller at least once in every five years, shall jointly require a management audit to be made of the business and property of each of the pension and retirement systems by an independent qualified management auditing firm. Each audit shall examine whether the pension or retirement system is operating in the most efficient and economical manner and shall evaluate the asset allocation of the system. The firm employed to conduct the audit shall be selected by the Mayor, Council and Controller.
- (b) **Audit Results.** A copy of the report of each audit shall be transmitted to the Mayor, Council and the board of the audited pension or retirement system. Upon receipt of the audit, Council may request that some or all of the audit recommendations be implemented by a board, but the board shall retain sole and exclusive authority over administration of its system and assets to the extent provided in Article XVI, Section 17 of the California Constitution.

Sec. 1114. Council Veto of Board Decisions.

The right of Council to veto board decisions provided in Section 245 shall not apply to decisions of the City's pension and retirement boards.

Sec. 1116. Right to Retire While on Military Leave.

Any officer or employee who, while on Military Leave as defined in Section 1023 of the civil service provisions of the Charter, is or becomes entitled to retire on pension or is or becomes entitled to any benefits under any provision of this Article, may exercise such rights or claim such benefits while on Military Leave.

Sec. 1118. Gender and Number.

As used in this Article, the masculine, feminine or neuter gender, and the singular or plural number, shall each be deemed to include the others unless the context clearly indicates otherwise.

Sec. 1120. Purchases of Real Property.

- (a) **Real Estate Held in Board Name.** Notwithstanding the provisions of Sections 105 and 385 of the Charter, title to any real property or interest in real property shall be held in the name of the applicable board and any real property or interests owned by a board may be sold, leased, or encumbered by the board.
- (b) **Board Names for Real Estate Purposes.** The pension and retirement boards shall hold real property in the following names:

Board of Fire and Police Pension Commissioners of the City of Los Angeles

Board of Administration of the Los Angeles City Employees Retirement System

Board of Administration of the Water and Power Employees Retirement Plan of the City of Los Angeles

- (c) **Voting Procedure for Real Estate Investments.** Any purchase of real property by a pension or retirement board shall require approval by a majority vote of all its members but one of the affirmative votes must be cast by an elected employee member of the board.

APPENDIX 2 - BROWN ACT SUMMARY

(as amended through 1994)

(The Act is contained in Sections 54950 through 54962 of the Government Code. The following is not a complete description - it summarizes the sections most pertinent to the Board of Pension Commissioners)

1. **Open Public Meetings** - All meetings of the Board of Pension Commissioner shall be open and public, except those that meet specified requirements. (Sec. 54952, 54953)
2. **Time and Place** - The Board shall provide by its rules for the time and place of regular meetings. Meetings must be in the closest facility except under following circumstances:
 - a. inspection of real property;
 - b. administrative or judicial proceedings to which the Board is party;
 - c. meetings to discuss legislative, regulatory or items of multiagency significance;
 - d. interview of potential employees;
 - e. meetings relocated due to natural disaster or other emergency. (Sec. 54954)
3. **Agendas** - Must be posted in a location accessible to the public 72 hours before regular meetings. Such agendas shall contain a brief description of each item of business. No action or discussion can be undertaken on any item not appearing on the posted agenda, except Board members and staff may respond to statements made or questions posed by persons exercising their public testimony rights. A member of the Board or staff may ask a question for clarification, make a brief announcement or report or may provide a reference to staff or other resources for factual information, or take action to direct staff to place a matter of business on a future agenda. (Sec. 54954, 54954.2)
4. **Emergencies** - The Board may take action on items not appearing on the posted agenda upon a determination of the majority of the Board that an emergency exists. An emergency is defined as a crippling disaster, work stoppage or other activity which severely impairs public health, safety or both. (Sec. 54954.2, 54956.5)
5. **Public Comment** - Every agenda must provide members of the public with the opportunity to address the Board on any item of interest to the public, before or during Board consideration of the item. The Board may adopt reasonable rules limiting the time allotted for public comment and for each individual speaker. The agenda need not allow public comment if it has previously been considered by a committee of the Board. (Sec. 54954.3)
6. **Registration of Attendance** - No member of the public shall be required to identify him or herself by name as a condition of attendance at such public meeting. Any attendance list shall state that the signing of the document is voluntary. (Sec. 54943.3)

7. **Recording of Proceedings** - Any person attending Board meetings shall have the right to record the proceedings on an audio or video tape recorder, or still or motion picture camera unless there is a reasonable finding that such action would constitute a persistent disruption of the proceedings. Any tape made at the direction of the Board is subject to public inspection under the California Public Records Act but may be erased or destroyed 30 days from the date of recording. (Sec. 54953.5)
8. **Meeting Disruptions** - The Board may have removed from a meeting any individuals who are willfully interrupting the meeting. In the event order cannot be restored by such individuals, it may order the meeting room cleared, with the exception of representatives of the press. (Sec. 54957.9)
9. **Special Meeting** - May be called at any time by the presiding officer or by a majority of the Board, by delivering written notice to each Board member and posting such notice 24 hours before the time of the meeting. The notice must identify the time and place of the meeting and the business to be conducted. No other business may be conducted. (Sec. 54956)
10. **Closed Sessions** - Notwithstanding the above, closed sessions may be held by the Board to consider certain types of issues, examples of which include:
 - a. conference with real property negotiator;
 - b. conference with legal counsel on anticipated or existing litigation; (Sec. 54957.9)
 - c. personnel matters such as appointments, evaluations, discipline and confidential medical information;
 - d. employee relations matters – to confer with negotiators. (Sec. 54957.6)

Closed sessions must be identified and described on an agenda. Prior to holding a closed session, the item to be discussed must be disclosed in an open meeting. There must be a public report of any action taken in closed session and the vote of every member present. Minutes may be kept but are not available for public inspection. (Sec. 54954.5, 54957.1, 54957.7)

11. **Meeting Definition** - The term “meeting” includes any congregation of the majority of the Board at the same time and place to hear, discuss or deliberate upon any item that is within the jurisdiction of the Board. Any use of direct communication, personal intermediaries or technological devices employed by the majority of the Board to develop an action to be taken on an item by the Board is prohibited.

This restriction shall not apply to individual contacts or conversations between a Board member and any other person, the attendance of the majority of the Board at a conference, community meeting, notices meeting of another legislative body or board, or social or ceremonial occasion, provided the Board members do not discuss among themselves any matter within the jurisdiction of the Board. (Sec. 54952.2)

12. **Penalties for Violation** - Any Board member who attends a meeting where action is taken in violation of the Ralph Brown Act and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled, is guilty of a misdemeanor. Persons elected to serve on a Board who have not yet taken office are subject to the conduct requirement of the Act. (Sec. 54959, 54952.1)

Los Angeles Fire & Police Pension System

2.0 - GOVERNANCE PRINCIPLES

- 2.1 In governing the System, the Board is committed to acting in strict accordance with its fiduciary duties, including those of prudence, loyalty and care. Consistent with their fiduciary duties, Board members must strive to meet the highest standards of ethical conduct.
- 2.2 The Board has ultimate responsibility for the prudent and effective administration of the System; its authority is vested in the entire Board rather than in individual board members or committees.
- 2.3 All decisions of the Board should be well supported, and documented as appropriate. Furthermore, they should be arrived at through sound, clear processes.
- 2.4 The Board is most effective when it focuses on setting policy and providing oversight, rather than on operational details, which are better carried out by staff.
- 2.5 The Board is committed to continually ensuring clear and distinct roles for the Board and staff, as this is necessary for effective decision-making and oversight.
- 2.6 Effective, ongoing Board education and orientation is crucial to the Board's success and requires a strong commitment by *both* the Board and individual Board members.
- 2.7 Accountability must be accompanied by the requisite authority and resources.
- 2.8 The Board is responsible for administering the System for three fundamental purposes:
 - A. To provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services;
 - B. To minimize City contributions; and
 - C. To defray the reasonable expenses of administering the System.

The duty to system participants and their beneficiaries shall take precedence over any other duty. [Section 1106(a)]
- 2.9 Our Mission is to advance the health and retirement security of those who dedicate their careers to serve and protect the people of Los Angeles.
- 2.10 Effective monitoring by the Board requires a sharp focus on determining whether decisions have resulted in the creation of value for members and the City of Los Angeles.
- 2.11 All staff of the System is accountable to the General Manager who is, in turn, accountable to the Board.

These principles were adopted by the Board on June 8, 2006; Amended on 03/19/09.

Los Angeles Fire & Police Pension System

3.0 - DUTIES AND RESPONSIBILITIES-BOARD OF COMMISSIONERS

INTRODUCTION

- 3.1 To ensure clear accountability and authority within the System, the Board has established governance policies called Duties and Responsibilities describing the duties and responsibilities of the key decision-making bodies involved in the governance and management of the System.
- 3.2 The Board's principal role is to ensure that the System is appropriately governed and managed for the following purposes:
- A. To provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services;
 - B. To minimize City contributions; and
 - C. To defray the reasonable expenses of administering the System.

The duty to system participants and their beneficiaries shall take precedence over any other duty. [Section 1106(a)]

- 3.3 The Board shall discharge its duties with respect to the System with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims. [Section 1106(c)]
- 3.4 The Board shall have the authority to adopt any rules, regulations, or forms it deems necessary to carry out its administration of the System and the assets under its control. [Section 1106 (f)]

DUTIES AND RESPONSIBILITIES

Governance

- 3.5 The Board will:
- A. Approve, and amend as necessary, policies to ensure appropriate governance practices;
 - B. Approve the Duties and Responsibilities of the Board, the officers of the Board, each committee of the Board, and the General Manager, and amend their policies as appropriate;
 - C. Elect a President and Vice-President at the last regular meeting in July of each year;
 - D. Provide for the election of employee and retired Board members in accordance with the City Charter, Administrative Code, and Board rules;
 - E. Establish the committees of the Board and annually appoint members as follows:
 - 1) Ad Hoc Committees:

Duties and Responsibilities-Board of Commissioners

Board President forms, dissolves and appoints committee members;
and

Committee members elect the chair and vice-chair and when committee members cannot decide, the President will act as tie-breaker.

2) Standing Committees:

The Board President recommends the formation and dissolution of standing committees for Board action; and

The Board President appoints committee members; and

Committee members elect the chair and vice-chair and when committee members cannot decide; the President will act as tie-breaker.

Investments

(Specific Board Investment Policies are contained in Section III of this manual)

3.6 The Board has exclusive control of the investments of the System. The assets of the System are trust funds and, as such, the Board will manage the assets in a manner consistent with its fiduciary duties as described in paragraph 3.3 above.

3.7 The Board shall conduct an asset allocation study at least every three years.

3.8 Consistent with the City Charter [Section 1106 (d)1], the Board will:

A. Adopt a Statement of Investment Objectives and Policies which shall include at least:

- 1) The desired rate of return and acceptable levels of risk for each asset class;
- 2) Asset allocation goals;
- 3) Guidelines for the delegation of authority; and
- 4) Information on the types of reports to be used to evaluate investment performance.

B. Annually review and reaffirm or amend the Statement of Investment Objectives and Policies in the first quarter of each calendar year; and

C. After each review, forward the Statement to the Mayor and Council for information purposes.

3.9 The Board will review all other investment policies deemed necessary to properly manage the Fund, including policies on alternative investments and real estate.

3.10 The Board will approve the broad investment strategies for achieving the investment objectives of the Fund.

Benefits Administration

3.11 The Board will:

Duties and Responsibilities-Board of Commissioners

- A. Approve policies necessary to ensure effective administration of member benefits;
- B. Approve all members who apply and qualify for service retirement;
- C. Determine the merits of applications for disability benefits, making necessary determinations with respect to disability, service connection and permanency of injury;
- D. Provide for and act on member appeals of decisions made by the System's staff;

Operations

- 3.12 The Board will approve a strategic plan and any updates thereto, in accordance with the Strategic Planning Policy;
- 3.13 In accordance with the City Charter, the Board will:
 - A. Provide suitable quarters, equipment and supplies for the System;[Section 511 (a)]
 - B. Adopt a budget each year setting forth the administration expenses for each Tier of the System. [Section 1210(a)]
 - C. Annually prepare and transmit to the Mayor, Council, and Controller a budget setting forth the estimated cost of maintaining the System, and containing the items specified in the City Charter, Section 1210 (b). Any resolution subsequently adopted making appropriation from the Unappropriated Balance shall promptly be filed with the Mayor and Controller. [Section 1160(a)]
- 3.14 The Board will ensure:
 - A. That all required contributions to the Fund are collected in a timely manner;
 - B. That all required distributions from the Fund are made in a timely manner;
 - C. Appropriate operational control policies are in place to provide efficient and accurate delivery of member services.

Financial, Actuarial and Accounting

- 3.15 The Board will:
 - A. Ensure that appropriate accounting, actuarial, and internal financial control policies and reporting systems are established.
 - B. Approve the annual financial statements;
 - C. Ensure a financial audit is conducted at least annually, oversee all audits, and approve any internal audit plans;
 - D. Approve an actuarial valuation and related assumptions each year, and ensure that an experience study is conducted at least every three (3) years; and
 - E. Ensure an actuarial audit or equivalent is conducted at least every 5-7 years.¹

¹ Unless the System has recently appointed, or is about to appoint, a new actuary at or about the time an actuarial audit is scheduled to be performed.

Duties and Responsibilities-Board of Commissioners

Human Resources

- 3.16 In accordance with the City Charter, the Board will:
- A. Create the necessary positions in the System; [Section 511 (a)]
 - B. Authorize the necessary deputies, assistants and employees and fix their duties and may require bonds of any or all of the employees for the faithful performance of their duties; [Section 511 (a)]
 - C. Appoint the General Manager, subject to confirmation by the Mayor and Council and remove the General Manager subject to confirmation by the Mayor; [Section 1108 (b)]
 - D. Annually review the performance of the General Manager, set or adjust the compensation of the General Manager within guidelines established by Council, and forward a copy of its evaluation and salary determination to the Mayor and Council. [Section 1108 (c)]
- 3.17 In addition, the Board will:
- A. Approve any human resource and compensation policies that may be necessary; and
 - B. Ensure that appropriate succession plans are in place to provide continuity among the System's staff.

Legal & Legislative Affairs

- 3.18 Staff will evaluate proposed legislation and in consultation with the Board will provide input to the City. The City Council in turn will establish an official City position on such legislation. Pending legislation that is determined by staff to have a significant impact on the System will be brought to the attention of the Board. [Section 254]
- 3.19 The Board will approve actions concerning lawsuits that may involve the System.

Communications

- 3.20 The Board will:
- A. Ensure that an Annual Report is posted on the Departmental website and distributed to interested parties;
 - B. Ensure the timely distribution of the Annual Member Statement to all members; and
 - C. Ensure that stakeholder communications take place, as appropriate; and
 - D. Include agendas, Board reports including appropriate consultant and investment advisor reports, and Board policies on the Departmental website.

Service Provider Appointments

- 3.21 The Board will approve the appointment and termination of the following service providers, having considered the recommendations of staff and/or advisors where appropriate:

Duties and Responsibilities-Board of Commissioners

- A. Actuarial firms
- B. Financial auditors
- C. Investment consultants
- D. Performance evaluation firms
- E. Custodian bank
- F. Investment managers and partners (traditional and alternative investments)
- G. Benefits consultants and other service providers as may be determined by the Board

Monitoring and Reporting

- 3.22 The Board will ensure that appropriate monitoring and reporting practices are established within the System. As part of this task, the Board will establish a Reporting and Monitoring Policy that sets out the routine reporting requirements of the Board.
- 3.23 At least annually, the Board shall retain an outside performance evaluation firm to calculate the returns on the Fund's investments. [Section 1106 (d) 2]
- 3.24 The Board will regularly:
- A. Monitor compliance with Board policies;
 - B. Review the performance of the Board;
 - C. Review the General Manager's job performance;
 - D. Review the funded status of the System;
 - E. Review progress on the implementation of the System's strategic plan;
 - F. Review the implementation of the System's internal financial and operating controls;
 - G. Review the investment performance of the Fund and the performance of the investment managers of the Fund, including but not limited to the value added or lost as the result of active management;
 - H. Review the levels of service quality provided to members;
 - I. Review the appropriateness of the actuarial assumptions, methods, and related matters;
 - J. Review the accuracy of the actuarial valuation process, through an actuarial audit;²
 - K. Monitor compliance with the Administrative Budget
- 3.25 The Board will review Board policies at a frequency to be set out in each policy.
- 3.26 The Board will provide for appropriate monitoring of compliance with applicable laws and regulations (e.g. IRC, GASB, City Charter, etc.).

HISTORY

- 3.27 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised 10/21/10.

² Unless the System has recently appointed, or is about to appoint, a new actuary at or about the time an actuarial audit is scheduled to be performed.

Duties and Responsibilities-Board of Commissioners

3.28 Summary of Delegations to the General Manager added February 21, 2008;
Revised 10/21/10.

REVIEW

3.29 The Board shall review these Duties and Responsibilities at least every three (3)
years.

3.30 The Board shall next review these Duties and Responsibilities by June 2013.

Duties and Responsibilities-Board of Commissioners

SUMMARY OF DELEGATIONS TO THE GENERAL MANAGER

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
I. GOVERNANCE POLICIES			
1.0 - APPENDIX 1 - CHARTER PROVISIONS			
Gov. Policies Sec. 1 Appendix 1	Control of Pension and Retirement Funds Sec. 1110(b) Control of Special Funds.	The board of each pension and retirement system shall have control over their respective funds. Transfers or expenditures shall be drawn upon funds only upon demands signed by the chief accounting employee of the board. All payments from the funds shall be made upon demands prepared and approved in accordance with the provisions of the Charter.	Chief Accounting Employee
5.0-DUTIES AND RESPONSIBILITIES-GOVERNANCE COMMITTEE			
Gov. Policies Sec. 5.2	Introduction	The General Manager shall designate a staff member who will provide administrative support to the Governance Committee and coordinate committee activities with the Committee Chair.	GM
6.0-DUTIES AND RESPONSIBILITIES-AUDIT COMMITTEE			
Gov. Policies Sec. 6.2	Purpose	The General Manager shall designate a staff member who will provide administrative support to the Audit Committee and coordinate committee activities with the Committee Chair.	GM
7.0-DUTIES AND RESPONSIBILITIES-PRESIDENT			

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 7.2 F	DUTIES and Responsibilities	F. The President and the General Manager will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination. The General Manager however may exercise discretion to communicate on routine matters without consulting the President (e.g. requests by the media for simple factual information);	GM
9.0-DUTIES AND RESPONSIBILITIES-GENERAL MANAGER			
Gov. Policies Sec. 9.1 B	Introduction	Consistent with the City Charter, the General Manager will: B. Administer the affairs of the Department as its Chief Administrative Officer. [Section 509 (a)]	GM
Gov. Policies Sec. 9.2	Introduction	The General Manager is the executive ultimately responsible to the Board for the entire operations of the System and is therefore expected to provide executive leadership for the System in implementing the programs necessary to achieve its mission, goals and objectives. It is understood, however, that the General Manager may not necessarily administer the operations directly, but will ensure proper delegation of duties to staff in a manner that maximizes the efficiency and effectiveness of the System;	GM
Gov. Policies Sec. 9.3	Introduction	The General Manager will support the Board and its committees in establishing policies by identifying and analyzing issues requiring Board policy, and providing clear, well-supported policy recommendations for their consideration.	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.4	Introduction	The General Manager will be responsible for ensuring that all rules, regulations and policies of the Board are properly implemented, with the exception of the General Manager Performance Evaluation Policy and policies governing the conduct of the Board, which are the responsibility of the Board itself.	GM
Gov. Policies Sec. 9.6	Governance	The General Manager will serve as the Secretary to the Board in accordance with the City Charter. [Section 504(a)]	GM
Gov. Policies Sec. 9.7	Governance	The General Manager and President will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination. The General Manager however may exercise discretion to communicate on routine matters without consulting the President (e.g. requests by the media for simple factual information).	GM
Gov. Policies Sec. 9.9	Governance	Through a unanimous vote, the President, or the President's designee, the Chair of the Governance Committee and the General Manager may award the Distinguish Service Medal as stipulated in Section 18.0 of this Policy. The General Manager shall also maintain a plaque on behalf of the Board, inscribed with the names and date of receipt of prior recipients.	GM
Gov. Policies Sec. 9.10 A	Investments	The General Manager will carry out all investment functions of the System including, but not limited to: A. In consultation with the Chief Investment Officer and System consultants, recommending investment policies and strategies to the Board;	GM
Gov. Policies Sec. 9.10 B	Investments	B. Managing investment staff and external service providers in the implementation of all policies and strategies;	GM/Staff

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.10 C	Investments	C. Performing investment due diligence and monitoring;	GM/CIO
Gov. Policies Sec. 9.10 D	Investments	D. Providing information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors.	GM/CIO
Gov. Policies Sec. 9.10 E	Investments	E. Rebalancing the portfolio as required.	GM/CIO
Gov. Policies Sec. 9.11 A	Benefit Admin. & Operations	In accordance with the City Charter, the General Manager will: A. Recommend to the Board prior to the beginning of each fiscal year an annual departmental budget covering the anticipated revenues and expenditures of the System, conforming so far as practical to the forms and dates provided in City Charter, Article III in relation to the general City budget. [Section 509 (e)]	GM
Gov. Policies Sec. 9.11B	Benefit Admin. & Operations	B. Expend the funds of the System in accordance with the provisions of the budget appropriation or of appropriations made after adoption of the budget. [Section 509 (d)]	GM
Gov. Policies Sec. 9.11 C	Benefit Admin. & Operations	C. Certify all expenditures of the System to the Chief Accounting Officer. [Section 509 (f)]	GM
Gov. Policies Sec. 9.11 D	Benefit Admin. & Operations	D. File with the Board and the Mayor a written report on the work of the System on a regular basis and as requested by the Mayor or the Board. [Section 509 (g)]	GM
Gov. Policies Sec. 9.12 A	Benefit Admin. & Operations	The General Manager will direct and oversee senior staff in the performance of all administrative and operational activities of the System including, but not limited to: A. In consultation with System consultants, where appropriate, developing and recommending to the Board all policies necessary to ensure effective administration of member benefits;	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.12 B	Benefit Admin. & Operations	B. Managing administrative staff involved in the delivery of service to plan members and in the operations of the System;	GM & Senior Staff
Gov. Policies Sec. 9.12 C	Benefit Admin. & Operations	C. Overseeing actuarial valuations and audits;	GM & Senior Staff
Gov. Policies Sec. 9.12 D	Benefit Administration and Operations	D. In consultation with Board and System consultants, developing and recommending to the Board an annual Strategic Plan;	GM & Senior Staff
Gov. Policies Sec. 9.12 E	Benefit Admin. & Operations	E. Authorizing payments and, in conjunction with the President and City Attorney executing agreements related to the administration of System and the appointment of all service providers, consistent with the Departmental Budget and internal controls of the System;	GM & Senior Staff
Gov. Policies Sec. 9.12 F	Benefit Admin. & Operations	F. Ensuring effective and timely communications with members and stakeholders on matters relating to the administration of System; and	GM & Senior Staff
Gov. Policies Sec. 9.12 G	Benefit Admin. & Operations	G. Co-ordinating and approving staff travel for education and due diligence purposes, subject to the travel resolution that forms part of the annual budget. The General Manager is authorized to approve travel expenditures by staff of up to \$4,500 per trip. (Travel Resolution)	GM & Senior Staff
Gov. Policies Sec. 9.13 A	Financial and Accounting	The General Manager will: A. Oversee the preparation of the annual financial statements of the System;	GM
Gov. Policies Sec. 9.13 B	Financial and Accounting	B. Coordinate the annual financial audit and ensure appropriate responses to any management letters or issues arising out of such audits;	GM
Gov. Policies Sec. 9.13 C	Financial and Accounting	C. Ensure necessary internal audits of the operations are performed as required; and	GM/IA
Gov. Policies Sec. 9.13 D	Financial and Accounting	D. Ensure all necessary internal controls are in place to protect the assets of the System and ensure all policies and procedures are followed.	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.14 A	Human Resources	In accordance with the City Charter, the General Manager will: A. Appoint, discharge, suspend, or transfer the employees of the System, other than the Secretary of the Board and the Chief Accounting Officer, all subject to the civil service provisions of the Charter; [Section 509 (b)]	GM
Gov. Policies Sec. 9.14 B	Human Resources	B. Issue instructions to employees, in the line of their duties, all subject to the civil service provisions of the Charter. [Section 509 (c)]	GM
Gov. Policies Sec. 9.14	Human Resources	The General Manager will ensure ongoing assessment of the human resource needs of the System and the development of appropriate human resource programs and procedures, as necessary, including an employee education program.	GM
Gov. Policies Sec. 9.17 A	Service Providers	The General Manager will: A. Cause all necessary due diligence to be undertaken in the appointment of service providers and provide information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors, and ensure sound recommendations are provided to the Board in connection with the appointment or termination of service providers for which the Board has retained appointing authority.	GM
Admin. Code & Gov. Policies Sec. 9.17 B	Service Providers	B. Appoint those service providers in accordance with Administrative Code Section 10.1.1 which provides authority for the General Manager to approve service agreements for up to \$20,000 for not more than a one-year period.	GM
Gov. Policies Sec. 9.17 C	Service Providers	C. Regularly monitor the performance of all service providers and report regularly to the Board on all such monitoring efforts.	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.18	Monitoring and Reporting	The General Manager will ensure that monitoring and control mechanisms are in place to ensure that policies and procedures are properly implemented and that the operations of the System are effective.	GM
Gov. Policies Sec. 9.20	Other	In accordance with the Charter, the General Manager will exercise any further powers in the administration of the System as may be conferred upon him or her by the Board. [Section 509 (h)]	GM
12.0-GENERAL MANAGER PERFORMANCE EVALUATION POLICY			
Gov. Policies Sec. 12.10	Evaluation Process	Each year, the General Manager will distribute an Evaluation Package to each member of the Board. The Evaluation Package will include: A. A copy of this policy; B. The performance criteria established by the Governance Committee for the year in question; C. Any survey forms to be completed by members of the Board; and D. Any supporting information or data that the General Manager believes may assist the Board in carrying out the evaluation	GM
13.0-MONITORING AND REPORTING POLICY			

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 13 Appendix 1	Routine Reports 1. Monthly Report	Presented by the General Manger. Addresses a range of issues including, but not limited to: - Summary of Investment Performance - Asset Allocation - Pension Division Activities - Budget Compliance - Contract Expirations/Renewals - Staffing/Organization Structure Updates - Board Committee Assignments - Status Report of Board Assignments to Staff	GM
Gov. Policies Sec. 13 Appendix 1	Routine Reports - Administration and Operations Reports 12. Strategic Plan	Presented by the General Manager. Summarizes the status of each initiative contained in the annual strategic plan.	GM
Gov. Policies Sec. 13 Appendix 1	Routine Reports - Administration and Operations Reports 14. Annual Report	Presented by the General Manager (distributed). Reviews the operations and activities of the System during the last fiscal year. The financial statements shall be part of the annual report and indicate the financial position of the System.	GM
Gov. Policies Sec. 13 Appendix 1	Routine Reports - Administration and Operations Reports 17. Staff and Board Travel Report	Presented by the General Manager. Summary of staff travel approved by General Manager and cumulative fiscal year summary of Board travel.	GM
14.0-BOARD OPERATIONS POLICY			

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 14.12	Agendas, minutes and Meeting Materials	The Board President and General Manager have the authority to place items on the agenda. Any Board member may propose items for future Board meetings, provided they do so in advance at a Board meeting. Emergency items may be placed on Board meeting agendas in accordance with Sections 54954.2 and 54956.5 of the Ralph M. Brown Act. ⁷	GM
Gov. Policies Sec. 14.20	Decision-Making Process	Prior to any committee recommendations being brought forward to the Board, staff shall review the recommendations and prepare any necessary commentary to accompany them for the Board's consideration. In most cases, staff will prepare such commentary and provide it to the Board within two weeks of the committee meeting. This requirement may be waived by the General Manager upon determination by the General Manager that the committee's recommendation has already been adequately reviewed and analyzed by staff prior to the committee meeting	GM
Gov. Policies Sec. 14.21	Decision-Making Process	Because the Board has elected not to have an investment committee, investment matters involving policy decisions or service provider selection or termination will normally be considered by the Board at two separate meetings. At the first meeting, investment matters shall be presented to the Board for information purposes only. The Board may take formal action only at the second meeting at which the item is considered. Notwithstanding the above, the President and General Manager may agree to schedule a particular investment matter for board action at the first meeting at which it is to be considered, if they believe it is	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		prudent to do so under the circumstances. Such agreement shall be reflected in the minutes of the Board meeting.	
15.0-STRATEGIC PLANNING POLICY			
Gov. Policies Sec. 15.6	The Planning Process	The General Manager shall seek input from the Board and the Board's appropriate consultants/advisors on current or new strategic initiatives for inclusion in the Strategic Plan.	GM
Gov. Policies Sec. 15.7	The Planning Process	<p>In conjunction with the proposed budget, the General Manager will annually present a proposed, updated strategic plan to the Board for review, discussion and approval. The format of the Strategic Plan will be at the discretion of the General Manager, but will normally include:</p> <p>A. The mission statement and long-term objectives of the System; B. The status of all current strategic initiatives; C. Proposed new initiatives, along with supporting information and planning parameters, which may include:</p> <ol style="list-style-type: none"> 1) Reasons for undertaking the initiative; 2) Timelines for completion; 3) Assignment of responsibilities for implementation; 4) Budget implications; 5) Criteria for assessing the success of the initiative; and 6) Provisions for reporting to the Board. 	GM
II BOARD OPERATING POLICIES AND PROCEDURES			
2.0-FISCAL ADMINISTRATION APPENDIX 1 - GUIDELINES FOR TRAVEL AND PERSONAL EXPENSES			

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 2. Appendix A7	General Guidelines	All travel expense statements will require approval as designated in the Department's Annual Budget and will be reviewed by the Chief Accounting Employee for compliance with the System's travel guidelines before payment is authorized.	Chief Accounting Employee
Operating Policies & Procedures Sec. 2 Appendix A8	General Guidelines	Travel expenses for Board Members are subject to approval by the Board President and for staff by the Department Head. For other requirements, refer to Section 2.5 (Approval of Travel).	GM
Operating Policies & Procedures Sec. 2 Appendix C1	Personal Vehicle	1. Use of this alternative mode of transportation in lieu of air travel must be authorized by the General Manager or Board President in advance of travel.	GM
Operating Policies & Procedures Sec. 2 Appendix D3	Ground Transportation	2. Automobile rental is allowable if it is less expensive or more appropriate for the efficient conduct of System business than the use of taxi or bus. Pre-approval by the General Manager or Board President is required. Written justification is needed.	GM
Operating Policies & Procedures Sec. 2 Appendix E4	Meals	3. Reimbursement for meals of persons other than Board member(s) or staff will only be allowed upon certification by the Board President or General Manager that such expenditures were for a public purpose and necessary for the conduct of Plan business. The name(s) and organization of the person(s) hosted and the nature of the Plan business discussed must be specified on the Personal Expense Statement (Form Gen. 16) or on the Other Travel Expense Authorization/Approval form.	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 2 Appendix K1	Other Expenses	1. Other travel expenses are allowable when deemed necessary in the conduct of System business provided such expenses are reviewed and certified by the Board President or General Manager as reasonable, proper, and incurred in pursuit of System business. Otherwise, these expenses become personal expenditures.	GM
3.0-PENSION PROCESSING			
Operating Policies & Procedures Sec. 3.3	Authority of the Board and General Manager	The General Manager shall present to the Board all eligible pension applications. The Board as a ministerial act shall approve all properly qualified service pension and surviving spouse applications. On August 7, 2003 the Board adopted Resolution 04008 delegating authority to the General Manager to perform this function. The General Manager's actions are reported to the Board at the next subsequent Board meeting. The General Manager shall adopt procedures for the submission, verification and withdrawal of applications and shall determine whether applicants meet the qualifications specified in the Charter and Administrative Code.	GM
Operating Policies & Procedures Sec. 3.4 B	Disability Application Process	The General Manager shall be responsible for selecting physicians to examine applicants. Physicians, preferably Board certified in their specialty, shall whenever possible be rotated considering geographical and availability constraints. Refusal by an applicant to be examined will cause suspension of disability application processing. The General Manager may consider applicant objections to physicians made for good cause to select a different physician.	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 3.7	Survivor Benefit Applications	Applications for surviving spouse, minor or dependent children or dependent parent benefits when members are deceased while on active duty due to indisputably service connected causes shall be processed automatically by staff for service connected benefits.	Staff
Operating Policies & Procedures Sec. 3.10	Recovery of Erroneous Payments	The Department of Fire and Police Pensions shall have the authority to recover any payments made in error, or as a result of failure of a beneficiary to notify the Department of discontinuation of entitlement to benefits (e.g. due to death of a pensioner or surviving spouse; remarriage of a surviving spouse; marriage, attainment of Charter specified age for a minor, or discontinuation of full-time student status of a minor).	Staff
	4.0-HEARINGS		
Operating Policies & Procedures Sec. 4.5	Assignment of Cases	The General Manager shall rotate the assignment of cases between all the commissioners in an equitable manner. No commissioner, including the President of the Board, shall be excluded from this responsibility.	GM
	5.0-MEMBER ACCOUNTS		
Operating Policies & Procedures Sec. 5.1	Crediting of Interest	<p>The General Manager shall determine the approximate earned investment income of all funds for each (6) six-month period ending December 31 and June 30, excluding profits and losses from the sale of securities, as follows:</p> <p>Earned Investment Income for the six-month period divided by (1/2 of the beginning asset balance + each of the following five months asset balance + 1/2 of ending asset balance) divided by six</p>	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>months.</p> <p>A recommendation shall be presented to the Board, based upon this calculation. The Board shall adopt an official interest rate that shall be credited to individual member contribution accounts.</p>	
Operating Policies & Procedures Sec. 5.2	Refunds of Contributions	<p>Upon the written request of terminated System members, the General Manager shall process refunds of contributions, plus interest credited as of the last day of each June and December, and additional interest for any period of service between the next preceding last day of June and December and the end of the pay period preceding the date of termination, at the rate at which regular interest was last credited to plan member's individual accounts.</p>	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 5.3	Contributions owed to the System	The General Manager is authorized to collect mandatory contributions owed to the System that were not collected. For amounts less than or equal to a member's biweekly contribution, no notification is required to the member. For amounts greater than a member's biweekly contribution, the member shall be notified of the amount due and provided an opportunity to pay the total amount in a lump sum. If the member does not pay such amount within 30 days of such notification, the General Manager is authorized to initiate deductions from the member's salary in the amount of 4% until the amount due has been collected. This 4% deduction may be reduced upon the member's election to pay interest equivalent to the Board approved assumed actuarial rate in effect when the agreement is made. The payment period, not to exceed ten years, shall be determined in advance by the member, except however, the General Manager may prescribe a minimum payment amount. The entire balance may be paid at any time. If the member applies for a pension prior to completing the agreement, the entire balance of the purchase agreement, including interest accrued to date, becomes due.	GM
Operating Policies & Procedures Sec. 5.4	Contributions Collected in Error	The General Manager is authorized to refund mandatory and non-mandatory contributions collected in error.	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 5.6	Workers' Compensation Award	Disability pension payments must be reduced by the total amount of compensation awarded or paid pursuant to Workers' Compensation. As to Workers' Compensation payments being received concurrently with a disability pension, the General Manager is directed to reduce the monthly pension by the monthly equivalent of the Workers' Compensation payments. As to Workers' Compensation awards or payments received prior to the granting of the disability pension, the General Manager is directed to deduct from monthly pension payments on an installment basis until the total amount of prior Workers' Compensation has been offset. Each deduction made on an installment basis shall be in an amount of no less than twenty-five (25) percent of the monthly gross pension amount. The member, at his or her discretion, may elect to repay the full amount of prior Workers' Compensation at any time. The member and General Manager may agree on deduction amounts greater than twenty-five (25) percent. If a member, upon being granted a disability pension, is eligible to receive a pension payment retroactive to a date earlier than the Board action date, the deduction provisions stated above shall be applied to the retroactive pension payment.	GM
III. INVESTMENT POLICIES			
1.0-INVESMENT GUIDELINES			

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 1.7 B	Rebalancing	B. Staff will monitor the portfolio's asset allocation relative to the target allocations. If the actual allocations fall within the defined ranges, no rebalancing will be required. If actual allocations to an asset class, or within an asset class based on a target investment structure within a given asset class, fall outside the predetermined range, Staff will implement a rebalancing back to the mid-point between the end of the range that was exceeded and the target allocation. In no event will rebalancing occur more frequently than every three months.	Investment Staff
Investment Policies Sec. 1.7 C	Rebalancing	C. In rebalancing, Staff should prioritize implementation procedures as follows: 1. Investing net contributions into asset classes that are below their range limitations; 2. Drawing cash flowing out of the portfolio (for benefit payments and expenses) from asset classes that are above their range limitations (using interest payments, rental revenues and dividends); and 3. Selling over weighted assets and/or buying underweighted assets.	Investment Staff
Investment Policies Sec. 1.7 F	Rebalancing	Staff will report all rebalancing activities to the Board on a quarterly basis at a minimum. In circumstances where it is impractical to rebalance the portfolio for any market or portfolio-specific reason, Staff shall assess the rebalancing options, notify the Board of the out of balance situation, and report its recommendations to the Board. Staff shall seek approval from the Board to implement rebalancing according to Staff's recommended rebalancing plan in situations that involve leaving the portfolio, or some portion of the portfolio out of balance for an extended period of time.	Investment Staff

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
	2.0 PRIVATE EQUITY INVESTMENTS		
Investment Policies Sec. 2.3	Use of Private Equity Advisors	Managers may receive information about prospective investments from Board members or staff, and each Manager shall designate a contact person within the firm to receive and coordinate all such information. The General Manager shall designate a staff person to coordinate such communications between the Managers and Board or staff members. Prospective investments referred by a Board or staff member shall not influence the Manager's evaluation of the prospective investment. Such referrals and information will be given solely in the interest of contributing to the deal flow seen by the Manager, and supplementing the information the Manager gathers.	GM
Investment Policies Sec. 3.3B(1)	Investment Policies Risk Management 1) Defined Roles for Participants	<p>The real estate program shall be planned, implemented, and monitored through the coordinated efforts of the Board, Staff, Real Estate Consultant ("Consultant") and Investment Managers ("Manager" or "Managers"). Set forth below is the delegation of the major responsibilities of each participant.</p> <p>Duties of the LAFPP Staff</p> <ul style="list-style-type: none"> <input type="checkbox"/> Reports to the Board on matters of policy. <input type="checkbox"/> Oversees Consultant's preparation of the Strategic Plan and Investment Plan. <input type="checkbox"/> Participates with the Consultant in the Annual Real Estate Portfolio Review, including Budget and Management Plans and presents summary findings to the Board. <input type="checkbox"/> Brings any non-conforming items or significant issues to the attention of the Board. <input type="checkbox"/> Documents and monitors funding procedures. <input type="checkbox"/> Completes any other activity as directed by the Board. 	CIO

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 3.4A(1)e	Investment Procedures Individually Managed Accounts 1) Manager Selection Process	e. Staff and Consultant, shall review and evaluate RFI responses, identify material issues related to each candidate, including proposed fee structures, and compile numerical rankings for each respondent for each objective evaluation factor.	Investment Staff
Investment Policies Sec. 3.4A(1)f	Investment Procedures Individually Managed Accounts 1) Manager Selection Process	f. Staff and Consultant, shall prepare a report to the Board that reviews the findings of interviews/on-sites.	Investment Staff
Investment Policies Sec. 3.4A(1)g	Investment Procedures Individually Managed Accounts 1) Manager Selection Process	g. Staff, with the assistance of Consultant, shall coordinate final presentations which will be held at a noticed meeting.	Investment Staff
Investment Policies Sec. 3.4A(1)i	Investment Procedures Individually Managed Accounts 1) Manager Selection Process	i. Staff and Consultant will negotiate and close manager agreements, including final fee structures.	Investment Staff
Investment Policies Sec. 3.4A(3)a	Investment Procedures Individually Managed Accounts 1) Control and Monitoring	a. Staff and Consultant will meet with the Manager personnel directly responsible for portfolio and asset management for a review and evaluation of the reasonableness of the submitted Budget and Management Plan.	Investment Staff
	5.0 EMERGING MANAGER		

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 5.4	Monitoring and Change of Status	<p>Emerging Managers and Funds of Emerging Manager Funds shall be subject to the standard Monitoring and Watch Status procedures of LAFPP. Staff will report to the Board annually regarding any change of status of emerging Managers in the Program.</p> <p>When an emerging manager is retained directly by LAFPP, staff shall automatically notify the Board when that emerging manager's assets under management grow larger than the LAFPP Policy-defined maximum assets under management of \$1.5 billion.</p>	Investment Staff
Investment Policies Sec. 5.5	Funding	As part of any staff and or General Investment Consultant analysis and recommendations regarding our asset manager structure, staff is directed to address the Department's Emerging Manager Policy.	Investment Staff
	7.0 PROXY GUIDELINES		
Investment Policies Sec. 7	Proxy Issues	The Board delegates to the General Manager the voting of normally routine proxy solicitation matters, such as election of directors and appointment of independent auditors. Exceptions shall be brought to the Board's attention at the General Manager's discretion.	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 7.1	Election of Directors	<p>The Board authorizes the General Manager to vote accordingly on the following proxy issues:</p> <p>7.1 Election of Directors – Withhold votes from director nominees if 40% or more of the directors are (1) employees or (2) have financial ties to the company, if 33% or more serving on the nominating committee are employees or have ties, if any director nominee attends less than 75% of the board and committee meetings during the previous fiscal year, if the company does not have an independent chair or lead director, or from audit committee member nominees if non-audit services exceed 40% of fees. In a contested election, vote for all management nominees.</p>	GM
Investment Policies Sec. 7.109	Social Issues	7.109 Social Issues – Abstain from voting on all social issues. The General Manager shall present exceptional issues to the Board.	GM
Investment Policies Sec. 7.110	General Manager Authority	<p>The Board instructs the General Manager to use his or her discretion as to whether or not proxy issues may be voted by Staff for the purpose of protecting the Pension System's economic interest, when such issues are not covered in the existing guidelines or timing does not allow the issue to be brought to the Board. The General Manager will report to the Board on all votes cast in this manner.</p> <p>In researching potentially significant proxy issues, the General Manager is also instructed to obtain and consider recommendations from the applicable investment advisor(s) on proxy issues which may have economic impact on the corporation or on the value of its stock.</p>	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		As to proxy matters for non-U.S. securities, the Board delegates to the international equity advisors the authority to vote the Board's proxies in accordance with the guidelines set forth above for the General Manager on U.S. proxy matters.	
	8.0 MANAGER SELECTION AND RETENTION		
Investment Policies Sec. 8.4	Watch List	Staff will have the responsibility to manage the details of terminating an investment manager.	Investment Staff
	12.0 DUTIES AND RESPONSIBLE PARTIES		
Investment Policies Sec. 12.1(5)	Duties of the Board or its Designate(s)	The Board shall expect Staff to administer the Fund's investments in a cost-effective manner subject to Board approval. These costs include, but are not limited to, management, consulting and custodial fees, transaction costs, and other administrative costs chargeable to the Board.	Investment Staff
Investment Policies Sec. 12.2	Duties of Staff	The Staff provides analysis and recommendations to the Board on a wide variety of investments and investment related matters. Additionally, Staff oversees and directs the implementation of Board policies and manages the Fund on a day-to-day basis. Furthermore, Staff's responsibilities include the following details: 1. Invests the Fund's cash without requiring Board's permission as set forth elsewhere in the Board's Investment Guidelines. 2. Monitors investment managers for adherence to appropriate policies and guidelines. 3. Evaluates and manages the relationships with brokers, managers, and custodian(s) to the Fund to ensure that they are providing all of the necessary assistance to Board and to Staff.	Investment Staff

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>4. Conducts the manager search process, as approved by the Board, with assistance from consultants as needed.</p> <p>5. The Staff will manage Portfolio restructuring resulting from portfolio rebalancing or manager terminations with the assistance of consultants and managers, as needed.</p> <p>6. The Staff and its designee(s) shall be responsible for organizing and/or participating in any special research for the Board.</p> <p>7. The Staff shall ensure that Investment Managers conform to the terms of their contracts and that performance-monitoring systems are sufficient to provide the Board with the most timely, accurate, and useful information as possible.</p> <p>8. The Staff shall advise and keep the Board apprised of any other events of investment significance.</p> <p>9. Implements/Administers policies made by the Board.</p>	
ADMINISTRATIVE CODE			

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Admin. Code Sec. 504	City Charter	<p>Sec. 504. Secretary and Chief Accounting Employee.</p> <p>(a) Secretary to the Board. The head of each department shall appoint an employee of the department other than a member of the board, to serve as secretary to the board. The secretary shall perform those duties imposed upon him or her by the Charter, ordinance or order of the board.</p> <p>(b) Chief Accounting Employee. The head of each department shall appoint an employee of the department, other than a member of the board or the chief administrative officer, to serve as chief accounting employee. The chief accounting employee shall perform those duties imposed upon him or her by the Charter, by ordinance, or by the board.</p>	GM & Chief Accountant
Admin. Code Sec. 506	City Charter	<p>Sec. 506. Powers of the Board and the Head of the Department. Subject to the provisions of the Charter, and to any ordinances as are not in conflict with the grants of power made to each department in the Charter:</p> <p>(a) Management. The head of each department shall have power to supervise, control, regulate and manage the department.</p> <p>(b) Rules and Regulations. The head of each department shall have the power to make and enforce all rules and regulations necessary for the exercise of the powers conferred upon the department by the Charter. The board of each department under the control and management of a general manager shall have the power to make and enforce all rules and regulations necessary for the exercise of powers and the performance of the duties conferred upon that board by the Charter. Every</p>	GM

Duties and Responsibilities-Board of Commissioners

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		order or resolution adopting a rule of general application to be followed by the public shall be published once in a daily newspaper and shall take effect upon publication. Those rules, when adopted by order of a general manager who is the head of a department, shall be subject to the approval of the Mayor.	
BUDGET 2007-08			
Budget 2007-08 Schedule 3	Travel Resolution	Authorizations For Travel The General Manager is authorized to approve travel expenditures by staff of up to \$4500 per trip.	GM

Los Angeles Fire & Police Pension System

4.0 - DUTIES AND RESPONSIBILITIES-BENEFITS COMMITTEE

INTRODUCTION

- 4.1 The Benefits Committee will be comprised of four members, all of whom shall be appointed by the Board President. Chair and vice-chair shall be elected by the committee members.
- 4.2 The General Manager shall designate a staff member who will provide administrative support to the Benefits Committee, and coordinate committee activities with the Committee Chair.

OPERATIONAL RULES

- 4.3 The Benefits Committee will adhere to the following operational rules:
- A. The presence of a majority, three members, of the Benefits Committee shall constitute a quorum.
 - B. All actions of the Benefits Committee shall be by a vote of the majority of the Benefits Committee, provided a quorum is present.
 - C. To be effective, any action of the Benefits Committee shall be approved by the Board, unless otherwise provided herein.
 - D. The Benefits Committee shall meet at least semi-annually, or as deemed necessary by the Benefits Committee.
 - E. The Benefits Committee agenda will be set by the Chair of the Committee or the Board President and may only contain: items referred to the Committee by the Board, the Board President or the General Manager; routine items addressed in these Duties and Responsibilities; or items pertaining to the operations or functions of the Committee as per 4.4 below.
- 4.4 Notwithstanding 4.3C above, in consultation with the Board President, the Benefits Committee may determine its own calendars, schedules, and other operating practices, provided they are consistent with the City Charter, Administrative Code, and other applicable legislation (e.g. Brown Act).

DUTIES AND RESPONSIBILITIES

- 4.5 The Benefits Committee will be responsible for reviewing matters pertaining to benefit design and the determination of benefits, as referred to the Committee by the Board or President at a public meeting, and for providing recommendations to the Board for its consideration. Issues the Benefit Committee may consider include, but are not limited to:
- A. Health subsidy program;
 - B. The disability application procedures;
 - C. Changes in pension plan benefit design, including those requiring amendments to the City Charter or Administrative Code; and

Duties and Responsibilities-Benefits Committee

- D. Policy on Payment of Actuary Studies with Plan Assets, per II. Operating Policies and Procedures/Section 7.0.
 - E. Audits of the City-approved medical and dental plans that are administered by the Los Angeles Police Relief Association, Los Angeles Fire Relief Association, Los Angeles Police Protective League and United Firefighters of Los Angeles City.
- 4.6 The Benefits Committee will review benefit provisions that the Board or staff determines are unclear and require clarification by the Board or the City, and will provide recommendations to the Board for its consideration.
 - 4.7 The Benefits Committee will regularly review the continued appropriateness of benefit-related policies and review compliance with such policies.
 - 4.8 The Benefits Committee will report regularly to the Board on its activities.
 - 4.9 At the request of the Board, the Benefits Committee will undertake such other benefit-related initiatives, as may be necessary or desirable to further the success of the System.

HISTORY

- 4.10 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised 11/18/10.

REVIEW

- 4.11 The Board shall review these Duties and Responsibilities at least every three years.
- 4.12 The Board shall next review these Duties and Responsibilities by November 2013.

Los Angeles Fire & Police Pension System

5.0 - DUTIES AND RESPONSIBILITIES-GOVERNANCE COMMITTEE

INTRODUCTION

- 5.1 The Governance Committee will be comprised of four members, all of whom shall be appointed by the Board President. Chair and vice-chair shall be elected by the committee members.
- 5.2 The General Manager shall designate a staff member who will provide administrative support to the Governance Committee and coordinate committee activities with the Committee Chair.

OPERATIONAL RULES

- 5.3 The Governance Committee will adhere to the following operational rules:
- A. The presence of a majority, three members, of the Governance Committee shall constitute a quorum.
 - B. All actions of the Governance Committee shall be by a vote of the majority of the Governance Committee, provided a quorum is present.
 - C. To be effective, any action of the Governance Committee shall be approved by the Board, unless otherwise provided herein.
 - D. The Governance Committee shall meet at least semi-annually, or as deemed necessary by the Governance Committee.
 - E. The Governance Committee agenda will be set by the Chair of the Committee or the Board President and may only contain: items referred to the Committee by the Board, the Board President or the General Manager; routine items addressed in these Duties and Responsibilities; or items pertaining to the operations or functions of the Committee as per 5.4 below.
- 5.4 Notwithstanding 5.3C above, in consultation with the Board President, the Governance Committee may determine its own calendars, agendas, schedules, and other operating practices, provided they are consistent with the City Charter, Administrative Code, and other applicable legislation (e.g. Brown Act).

DUTIES AND RESPONSIBILITIES

- 5.5 The Governance Committee will:
- A. In consultation with the General Manager and the Board President, develop and recommend to the Board Duties and Responsibilities for the:
 - 1) Board;
 - 2) Committees of the Board;
 - 3) President and Vice President of the Board; and
 - 4) General Manager;and periodically recommend to the Board such amendments as may be necessary or advisable;

Duties and Responsibilities-Governance Committee

- B. Review, develop and recommend to the Board for approval, new governance policies as may be necessary, and review existing governance policies in accordance with the schedule for review established within each policy;
- C. Coordinate the annual performance evaluation of the General Manager, as set out in the General Manager Performance Evaluation Policy.
- D. Monitor and report on compliance with the governance policies of the Board;
- E. Report regularly to the Board on its activities;
- F. At the request of the Board, undertake such other governance-related initiatives as may be necessary or desirable to contribute to the success of the System; and,
- G. The Chair of the Governance Committee, may award the Distinguished Service Medal as stipulated in Section 18.0 of this Policy.

HISTORY

- 5.6 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Reviewed 10/21/10; Revised 05/19/2011.

REVIEW

- 5.7 The Board shall review these Duties and Responsibilities at least every three years.
- 5.8 The Board shall next review these Duties and Responsibilities by May 2014.

Los Angeles Fire & Police Pension System

6.0 - DUTIES AND RESPONSIBILITIES - AUDIT COMMITTEE

PURPOSE

- 6.1 The Audit Committee will be comprised of four members, all of whom shall be appointed by the Board President. The Committee Chair and Vice-Chair shall be elected by the committee members.
- 6.2 The General Manager shall designate a staff member who shall provide administrative support to the Audit Committee and coordinate committee activities with the Committee Chair.

OPERATIONAL RULES

- 6.3 The Audit Committee will adhere to the following operational rules:
- A. The presence of a majority (three members) of the Audit Committee shall constitute a quorum.
 - B. All actions of the Audit Committee shall be by a vote of the majority of the Audit Committee, provided a quorum is present.
 - C. To be effective, any action of the Audit Committee shall be approved by the Board, unless otherwise provided herein.
 - D. The Audit Committee shall meet at least semi-annually, or as deemed necessary by the Audit Committee Chair.
 - E. The Audit Committee agenda will be set by the Chair of the Committee or the Board President and may only contain: items referred to the Committee by the Board, the Board President, or the General Manager; routine items addressed in these Duties and Responsibilities; or items pertaining to the operations or functions of the Committee as per 6.4 below.
- 6.4 Notwithstanding 6.3C above, in consultation with the Board President, the Audit Committee may take action with respect to its own calendars, schedules, and other operating practices, provided they are consistent with the City Charter, Administrative Code, and other applicable legislation (e.g. Brown Act).

RESPONSIBILITIES

- 6.5 The Audit Committee shall assist the Board in fulfilling its fiduciary oversight responsibilities in connection with the financial reporting, internal control, and audit functions of the System, including but not limited to those set out below.

Financial Statements & Audits

- 6.6 The Audit Committee will:
- A. Review the scope of the annual external financial audit and the general approach to be used in said audit on or about June of each year.

Duties and Responsibilities-Audit Committee

- B. Review the annual audited financial statements and any accompanying management letters submitted by the external financial auditor, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- C. Recommend the annual, audited financial statements to the Board for approval.
- D. Review any significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and any professional and regulatory pronouncements, and consider their impact on the financial statements.
- E. Review the findings and recommendations of the City's external auditor with management and the Internal Auditor.
- F. Review and approve the department's response to the City's external auditor with management and the Internal Auditor.

Internal Controls & Internal Audit

- 6.7 The Audit Committee will assist the Board in overseeing the internal control and audit functions by:
- A. Working with the Internal Auditor and management to establish the initial annual Internal Audit Plan and the risk assessment upon which it is based.
 - B. Reviewing all subsequent updates to the annual Internal Audit Plan.
 - C. Reviewing the manner in which, and the extent to which, external audit resources will be used to support internal resources in carrying out the Internal Audit Plan.
 - D. Reviewing all internal audit reports and recommendations, and management's responses thereto.
 - E. Reviewing with management and the Internal Auditor the duties of the Internal Audit Division, as well as the objectives, activities, staffing, budget, qualifications, organizational structure, and performance of the Internal Audit Division.
 - F. Reviewing any reassignment or termination of the Internal Auditor by the General Manager.
 - G. Reviewing any other significant personnel issues or problems concerning the Internal Auditor that the General Manager may raise. The Audit Committee expects that the General Manager will keep it apprised of such issues or problems, as they develop.
- 6.8 The Audit Committee shall periodically review compliance with policies and laws pertaining to conflicts of interest and ethics, and compliance with provisions of the City Charter and Administrative Code.

Engagement of Service Providers

- 6.9 The Audit Committee will:
- A. Oversee the search process for the external financial auditor and shall recommend a candidate(s) to the Board to be interviewed or appointed.
 - B. Periodically review the performance of the external financial auditor.

Duties and Responsibilities-Audit Committee

- C. Oversee the search process for other auditors or advisors undertaking audit-related activities for the System and, where necessary, recommend candidates to the Board to be interviewed or appointed.

Independence

- 6.10 The Audit Committee shall work to assure and maintain the independence of all internal and external audits by:
 - A. Reviewing the independence of the external financial auditor and any other audit firms that may be retained by the System.
 - B. Ensuring that internal and external auditors have access to all documents, information and systems in the organization necessary to carry out their duties or mandates.
 - C. Ensuring there are no unjustified restrictions or limitations placed on the Internal Auditor.

Special Investigations & Whistleblower Mechanisms

- 6.11 The Audit Committee will:
 - A. Recommend to the Board and oversee special investigations as needed.
 - B. Develop and recommend to the Board for approval an appropriate mechanism for any individual to provide, in a confidential manner, information concerning potentially fraudulent financial reporting or breaches of internal control to the audit committee or other appropriate party.

Strategic Plan and Budget Review

- 6.12 The Audit Committee shall:
 - A. Review the strategic plan and annual administrative budget of the System proposed by management, and thereafter recommend the plan and the budget to the Board for adoption.
 - B. Review any amendments to the plan and the budget proposed by management and provide recommendations to the Board for approval.

Committee Reporting

- 6.13 The Audit Committee shall:
 - A. Review all reports that the organization issues that relate to the responsibilities of the Audit Committee.
 - B. Review compliance with the administrative budget.
 - C. Regularly report to the Board on the activities of the Audit Committee at least once a year but no later than June 30th of each year beginning June 30, 2008.
- 6.14 The Audit Committee shall perform any other activities related to these Duties and Responsibilities as requested by the Board.

Duties and Responsibilities-Audit Committee

HISTORY

- 6.15 The Board adopted these Duties and Responsibilities on July 12, 2007; Revised 09/02/10

REVIEW

- 6.16 The Board shall review these Duties and Responsibilities at least every three years.
- 6.17 The Board shall next review these Duties and Responsibilities by September 2, 2013.

Los Angeles Fire & Police Pension System

7.0 – DUTIES AND RESPONSIBILITIES-PRESIDENT³

INTRODUCTION

- 7.1 Consistent with the City Charter, the Board shall elect one of its members President and that member shall hold office for a term of one year or until a successor has been elected. Elections shall be held during the Board's last meeting in July of each year, but the Board shall, by election, fill the unexpired term of any vacancy occurring in the office of President within 30 days of the date the vacancy occurs. In addition to the Charter requirement, members of the Board shall be limited to two consecutive one-year terms as President of the Board of Fire and Police Pension Commissioners, provided that a Board member may serve for more than two terms as President if no more than two of such terms are consecutive. This term limit provision is added to ensure that no one individual member have undue influence over, or be perceived as having control over, the entire Board. To further support this ideal, the Offices of President and Vice President shall be equally represented by appointed and elected members of the Board.

DUTIES AND RESPONSIBILITIES

- 7.2 The President will exercise the powers and will perform the duties and functions as specified herein:
- A. Recommend to the Board for its consideration the formation, or dissolution of standing committees;
 - B. Form and dissolve ad hoc committees;
 - C. Appoint members to each standing or ad hoc committee;
 - D. Approve the agenda for each Board meeting. Every effort shall be made to contact the President to approve the agenda. However, if the General Manager is unable to review the agenda with the President sufficiently in advance of a Board meeting, the General Manager shall have the authority to approve the agenda for such meeting;
 - E. Preside at all Board meetings, ensuring that such meetings are conducted in an efficient manner and in accordance with the City Charter and Administrative Code, applicable public meeting laws, and relevant Board policies, including utilizing Robert's Rules of Order as a guideline in conducting meetings;
 - F. The President and the General Manager will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination. The General Manager however may exercise discretion to communicate on routine matters without consulting the President (e.g. requests by the media for simple factual information);

³ In accordance with the City Charter Section 503

Duties and Responsibilities-President

- G. Work to ensure that the Board discharges its duties and responsibilities as set forth in the City Charter and Administrative Code, the Board's Duties and Responsibilities, and any other policies of the Board;
- H. Approve the travel expenses incurred by the General Manager and the Board, as appropriate;
- I. The President, or the President's designee, may award and present the Distinguished Service Medal as stipulated in Section 18.0 of this Policy; and
- J. Be available to provide assistance to the committee chairs in the exercise of their duties.

HISTORY

- 7.3 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised on 11/05/09 and 05/19/11.

REVIEW

- 7.4 The Board shall review these Duties and Responsibilities at least every three years.
- 7.5 The Board shall next review these Duties and Responsibilities by May 2014.

Los Angeles Fire & Police Pension System

8.0 – DUTIES AND RESPONSIBILITIES-VICE PRESIDENT⁴

INTRODUCTION

- 8.1 Consistent with the City Charter, the Board shall elect one of its members Vice-President and that member shall hold office for a term of one year or until a successor has been elected. Elections shall be held during the Board's last meeting in July of each year, but the Board shall, by election, fill the unexpired term of any vacancy occurring in the office of Vice-President within 30 days of the date the vacancy occurs. In addition to the Charter requirement, members of the Board shall be limited to two consecutive one-year terms as Vice President of the Board of Fire and Police Pension Commissioners, provided that a Board member may serve for more than two terms as Vice President if no more than two of such terms are consecutive. This term limit provision is added to ensure that no one individual member have undue influence over, or be perceived as having control over, the entire Board. To further support this ideal, the Offices of President and Vice President shall be equally represented by appointed and elected members of the Board.

DUTIES AND RESPONSIBILITIES

- 8.2 The Vice-President will exercise the powers and will perform the duties and functions as specified herein:
- A. Assume the duties of the President when the President is absent, or when the President shall designate the Vice-President to act; and
 - B. Assume the duties of President for the balance of the President's term or until the Board elects a new President in the event of the death, resignation, removal from office, or permanent disability of the President.
- 8.3 When acting for the President, the Vice-President shall have all of the powers of the President and shall assume all of the duties of the President.

HISTORY

- 8.4 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised on 11/05/09.

REVIEW

- 8.5 These Duties and Responsibilities shall be reviewed by the Board at least every three years.
- 8.6 The Board shall next review these Duties and Responsibilities by October 15, 2012.

⁴ In accordance with the City Charter Section 503

Los Angeles Fire & Police Pension System

9.0 - DUTIES AND RESPONSIBILITIES-GENERAL MANAGER

INTRODUCTION

- 9.1 Consistent with the City Charter, the General Manager will:
- A. be appointed by the Board, subject to confirmation by the City Council and the Mayor; [Section 1108 (b)] and
 - B. Administer the affairs of the Department as its Chief Administrative Officer. [Section 509 (a)]
- 9.2 The General Manager is the executive ultimately responsible to the Board for the entire operations of the System and is therefore expected to provide executive leadership for the System in implementing the programs necessary to achieve its mission, goals and objectives. It is understood, however, that the General Manager may not necessarily administer the operations directly, but will ensure proper delegation of duties to staff in a manner that maximizes the efficiency and effectiveness of the System;
- 9.3 The General Manager will support the Board and its committees in establishing policies by identifying and analyzing issues requiring Board policy, and providing clear, well-supported policy recommendations for their consideration.
- 9.4 The General Manager will be responsible for ensuring that all rules, regulations and policies of the Board are properly implemented, with the exception of the General Manager Performance Evaluation Policy and policies governing the conduct of the Board, which are the responsibility of the Board itself.

GOVERNANCE

- 9.5 The General Manager will assist the Board in carrying out its governance role by:
- A. Recommending policies to ensure appropriate governance practices;
 - B. Coordinating fiduciary education;
 - C. Coordinating Board member travel arrangements, with the exception of air travel.
- 9.6 The General Manager will serve as the Secretary to the Board in accordance with the City Charter. [Section 504(a)]
- 9.7 The General Manager and President will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination. The General Manager however may exercise discretion to communicate on routine matters without consulting the President (e.g. requests by the media for simple factual information).
- 9.8 The Administrative Code Section 4.1407(e)(3) requires the General Manager to serve on the City's Deferred Compensation Board effective July 1, 2008.

Duties and Responsibilities-General Manager

- 9.9 The General Manager may award the Distinguished Service Medal as stipulated in Section 18.0 of this Policy.

Investments

- 9.10 The General Manager will carry out all investment functions of the System including, but not limited to:
- A. In consultation with the Chief Investment Officer and System consultants, recommending investment policies and strategies to the Board;
 - B. Managing investment staff and external service providers in the implementation of all policies and strategies;
 - C. Performing investment due diligence and monitoring;
 - D. Providing information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors.
 - E. Rebalancing the portfolio as required.

Benefit Administration and Operations

- 9.11 In accordance with the City Charter, the General Manager will:
- A. Recommend to the Board prior to the beginning of each fiscal year an annual departmental budget covering the anticipated revenues and expenditures of the System, conforming so far as practical to the forms and dates provided in City Charter, Article III in relation to the general City budget. [Section 509 (e)]
 - B. Expend the funds of the System in accordance with the provisions of the budget appropriation or of appropriations made after adoption of the budget. [Section 509 (d)]
 - C. Certify all expenditures of the System to the Chief Accounting Officer. [Section 509 (f)]
 - D. File with the Board and the Mayor a written report on the work of the System on a regular basis and as requested by the Mayor or the Board. [Section 509 (g)]
- 9.12 The General Manager will direct and oversee senior staff in the performance of all administrative and operational activities of the System including, but not limited to:
- A. In consultation with System consultants, where appropriate, developing and recommending to the Board all policies necessary to ensure effective administration of member benefits;
 - B. Managing administrative staff involved in the delivery of service to plan members and in the operations of the System;
 - C. Overseeing actuarial valuations and audits;
 - D. In consultation with Board and System consultants, developing and recommending to the Board an annual Strategic Plan;
 - E. Authorizing payments and, in conjunction with the President and City Attorney executing agreements related to the administration of System and

Duties and Responsibilities-General Manager

the appointment of all service providers, consistent with the Departmental Budget and internal controls of the System;

- F. Ensuring effective and timely communications with members and stakeholders on matters relating to the administration of System; and
- G. Co-ordinating and approving staff travel for education and due diligence purposes, subject to the travel resolution that forms part of the annual budget.

Financial and Accounting

9.13 The General Manager will:

- A. Oversee the preparation of the annual financial statements of the System;
- B. Coordinate the annual financial audit and ensure appropriate responses to any management letters or issues arising out of such audits;
- C. Ensure necessary internal audits of the operations are performed as required; and
- D. Ensure all necessary internal controls are in place to protect the assets of the System and ensure all policies and procedures are followed.

Human Resources

9.14 In accordance with the City Charter, the General Manager will:

- A. Appoint, discharge, suspend, or transfer the employees of the System, other than the Secretary of the Board and the Chief Accounting Officer, all subject to the civil service provisions of the Charter; [Section 509 (b)]
- B. Issue instructions to employees, in the line of their duties, all subject to the civil service provisions of the Charter. [Section 509 (c)]

9.15 The General Manager will ensure ongoing assessment of the human resource needs of the System and the development of appropriate human resource programs and procedures, as necessary, including an employee education program.

Legislation and Litigation

9.16 The General Manager will carry out the following duties with the assistance of legal counsel:

- A. Monitor trends regarding legislation that may have a significant impact on the System;
- B. Evaluate proposed legislation and in consultation with the Board provide input to the City. The City Council in turn will establish an official City position on such legislation. Pending legislation that is determined by staff to have a significant impact on the System will be brought to the attention of the Board;
- C. Coordinate, with the City Attorney, all legal proceedings involving the System; [Section 272]
- D. Provide recommendations to the Board concerning settlements or other client decisions in legal actions involving the System; [Section 272 (c)]

Service Providers

- 9.17 The General Manager will:
- A. Cause all necessary due diligence to be undertaken in the appointment of service providers and provide information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors, and ensure sound recommendations are provided to the Board in connection with the appointment or termination of service providers for which the Board has retained appointing authority.
 - B. Appoint those service providers in accordance with Administrative Code Section 10.1.1 which provides authority for the General Manager to approve service agreements for up to \$20,000 for not more than a one-year period.
 - C. Regularly monitor the performance of all service providers and report regularly to the Board on all such monitoring efforts.

MONITORING AND REPORTING

- 9.18 The General Manager will ensure that monitoring and control mechanisms are in place to ensure that policies and procedures are properly implemented and that the operations of the System are effective.
- 9.19 The General Manager will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities. Furthermore, the General Manager will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to the System, and provide recommended courses of action as appropriate.

FOR SUMMARY OF BOARD DELEGATIONS TO THE GENERAL MANAGER SEE SECTION 3.0 – DUTIES AND RESPONSIBILITIES-BOARD OF COMMISSIONERS

OTHER

- 9.20 In accordance with the Charter, the General Manager will exercise any further powers in the administration of the System as may be conferred upon him or her by the Board. [Section 509 (h)]

HISTORY

- 9.21 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised 10/21/10 and 05/19/11.

REVIEW

- 9.22 The Board shall review these Duties and Responsibilities at least every three years.
- 9.23 The Board shall next review these Duties and Responsibilities by May 2014.

Los Angeles Fire & Police Pension System

10.0 - BOARD EDUCATION POLICY

BACKGROUND AND PURPOSE

- 10.1 The Board is charged with the sole and exclusive fiduciary responsibility for the assets of the System, and is granted the sole and exclusive responsibility for administering the System in a manner that will assure prompt delivery of benefits and related services to members of the System.

The Board shall discharge its duties with respect to its system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims. This standard of sound pension management imposes a continuing need for Board members and staff to build and maintain their knowledge of pension and investment issues. Accordingly, this policy is intended to guide the Board's education efforts. [Section 1106(c)]

EXPECTATIONS OF BOARD MEMBERS

- 10.2 Throughout their terms on the Board, Board members are strongly encouraged to develop their knowledge and understanding of a broad range of pension-related issues including, but not limited to:

- A. Fiduciary duty law
- B. Pension and other relevant legislation (e.g. California Constitution and the Brown Act)
- C. Pension and disability benefits administration, funding, and liability
- D. Health benefits administration, funding, and liability
- E. Actuarial science
- F. Institutional portfolio management:
 - 1) Asset/liability management
 - 2) Capital market theory (asset class characteristics)
 - 3) Active and passive investment management
 - 4) Investment performance measurement
 - 5) Investment costs
- G. The financial audit and internal control functions

- 10.3 Board members are also strongly encouraged to:

- A. Complete the in-house Board orientation program within 60 days of joining the Board (see Sections 9.6-9.9 below).
- B. Participate in all in-house education seminars or presentations delivered by either staff or outside experts.
- C. Attend at least three (3) approved educational conferences each year. (Attendance shall not exceed a maximum of six (6) conferences each fiscal year.) Conference agendas shall contain at least five hours of high quality

educational content, as opposed to content geared towards marketing or the promotion of investment management and related sponsors.

THE BOARD EDUCATION PROGRAM

- 10.4 The System's Board education program will contain three key components:
- A. New Board member orientation
 - B. In-house training and education
 - C. Association conferences (e.g. CALAPRS, NCPERS, SACRS, IFEBP, etc.).

New Board Member Orientation

- 10.5 Staff will be responsible for designing and making available to each new Board member a formal Board orientation program, using consultants where appropriate.
- 10.6 The specific contents of the Board orientation program will be determined by staff, but will generally cover the following areas:
- A. Role and expectations of Board members
 - B. Fiduciary duties of Board members, conflict of interest guidelines, open meeting laws, Proposition 162, and other relevant law to be provided by the City Attorney
 - C. Overview of organizational structure and the roles of staff, and key service providers including the actuary, investment consultant, custodian, investment managers, attorneys and auditors
 - D. The disability application process
 - E. Overview of member services
 - F. Board governance policies and practices
 - G. Benefit structure of the System, delivery, and Board authority
 - H. Health benefits program structure, delivery, and Board authority
 - I. Investment and funding policies of the System
 - J. Structure of current investment program and portfolios
 - K. Current asset allocation process
 - L. Investment manager selection and due diligence process
 - M. Budget process
 - N. Audit process
 - O. Ethics responsibilities
- 10.7 In covering the above concepts with new Board members, it is expected that staff will schedule in-house orientation sessions. The scheduling and duration of such sessions should be determined with input from the Board member(s) in question. As a general guide, it is expected that, in total, the orientation sessions will require at least two days to complete.
- 10.8 As part of the orientation process, Board members will also be provided:
- A. A user friendly Board Reference Manual, the contents of which are to be determined by staff (See Appendix 1 for sample contents).

- B. A listing of recommended conferences to be attended during a Board member's first year on the Board.
- C. Suggested reading material of an educational nature.
- D. Other relevant information and documentation deemed appropriate by staff.

In-house Education and Training

- 10.9 The System views in-house education and training to be an essential element of an effective Board education program. Accordingly,
- A. Staff will schedule education sessions during Board or committee meetings so as to coincide with key policy decisions on the Board's agenda. To ensure that the Board is able to make such policy decisions in an informed manner, the education sessions will occur at least one meeting prior to the meeting at which the policy decision is to be made. For example, if the Board is scheduled to make a decision to invest in a new asset class, staff should schedule one or more education sessions on the asset class in question at least one meeting prior to the meeting at which the Board is to make its decision. These sessions may include a panel of consultants as appropriate for the asset class to ensure that the Board receives a balanced presentation.
 - B. In addition to the above, staff will coordinate special education sessions throughout the year on other topics of general interest and importance to the Board, and that will enhance the Board's ability to govern the System. It is expected that a minimum of one special education session will be organized each year. When possible, efforts should be made to coordinate educational training sessions with other systems or CALAPRS.
 - C. Given the changing needs and time availability of Board members, staff is expected to consult with the Board when scheduling in-house education sessions so as to maximize the likelihood of full attendance. Notwithstanding this, it is the responsibility of each Board member to make all reasonable efforts to attend all in-house education sessions.

Conferences

- 10.10 The System believes that attending high quality conferences can also be of great value to Board members in effectively carrying out their fiduciary duties by, for example, exposing Board members to new issues and insights and enabling them to meet and learn from their peers throughout the pension industry.
- 10.11 While many conferences may be beneficial, the Board has found that conferences sponsored by industry associations (e.g. CALAPRS) or by academic institutions (e.g. the Wharton School) are particularly effective (see Appendix 3 for a listing of sample associations).
- 10.12 Staff is responsible for identifying high quality conferences and bringing them to the attention of the Board. Individual Board members are also encouraged to bring quality conferences to the attention of the Board.

- 10.13 Upon returning from a conference, Board members are encouraged to complete a conference evaluation form and submit it to the General Manager to assist in the evaluation of conferences for future recommendation to the Board. (see Appendix 3 - Conference Attendance Report)

Involvement by Staff

- 10.14 An additional objective of the Board Education Policy is to establish over time a *common or shared* understanding by the Board and staff of the major issues and concepts involved in the governance and management of the System. Accordingly, the Board expects that staff will, whenever practical, participate in all in-house Board education and training.

REPORTING AND MONITORING

- 10.15 An annual report summarizing the various educational activities, including travel, undertaken by the Board will be prepared by the General Manager and provided to the Board.

HISTORY

- 10.16 This policy was adopted by the Board on June 8, 2006; Revised 10/21/10.

REVIEW

- 10.17 The Board will review this policy at least every three years to ensure that it continues to effectively meet the needs of the Board.
- 10.18 The Board shall next review this policy by June 2013.

APPENDIX 1 - BOARD REFERENCE MANUAL

Some suggested items for inclusion in the Board Reference Manual include:

- a. Commissioners Contact Information
- b. Current Committee Assignments
- c. Ethics Information
- d. LAFPP Organizational Chart
- e. Summary of LAFPP Sections
- f. Disability Training Board Reports
- g. Medical and Dental Training
- h. Travel Flow Chart
- i. Travel and Education Policy
- j. LAFPP Annual Report
- k. Budget: current fiscal year
- l. Strategic Plan
- m. Summary Plan Description of Tier 5
- n. Pension Reform
- o. Fiduciary Responsibilities
- p. Actuarially Speaking by Grant Boyken
- q. Suggested Readings

BOARD POLICY MANUAL

- I. Board Governance Policies
- II. Board Operating Policies and Procedures
- III. Board Investment Policies

APPENDIX 2 – RECOMMENDED ASSOCIATIONS

The following Industry Associations have been found to offer educational conferences that are particularly useful for Board members:

- a. CALAPRS - (California Association of Public Retirement Systems) - <http://www.calaprs.org>
- b. NCPERS - (National Conference on Public Employee Retirement Systems) - (<http://www.ncpers.org>)
- c. IFEBP - (International Foundation of Employee Benefit Plans) - <http://www.ifebp.org/>
- d. SACRS - (State Association of County Retirement Systems) - <http://www.sacrs.org>

The following academic institutions also offer programs that may be particularly useful for Board members:

- The Wharton School at the University of Pennsylvania

APPENDIX 3 - CONFERENCE ATTENDANCE REPORT

Board Member Name: _____

Name of Conference: _____

Date of Conference: _____

Location of Conference: _____

Key Topics Covered: _____

For each of the following statements, please select the response that best describes your opinion:

	Strongly Disagree	Disagree	Agree	Strongly Agree
The conference covered topics that were relevant to the business of the Pension Board.				
Most if not all sessions were informative and well presented.				
The conference provided a good opportunity to network with, and learn from, industry peers.				
The conference was well organized.				
The conference represented good value.				
I would recommend that fellow Board members attend this conference in the future.				

Additional Comments: _____

Signature: _____

Los Angeles Fire & Police Pension System

11.0 - BOARD SELF-EVALUATION POLICY

Repealed 10/21/2010

Los Angeles Fire & Police Pension System

12.0 - GENERAL MANAGER PERFORMANCE EVALUATION POLICY

INTRODUCTION

- 12.1 In accordance with the City Charter, the Board has the authority to hire the General Manager, subject to confirmation by the Mayor and City Council and may remove the General Manager, subject to confirmation by the Mayor. The General Manager, if so removed, may appeal the removal to the City Council as provided in section 508(e) of the City Charter. [Section 1108 (b)],
- 12.2 In accordance with the City Charter, the Board is responsible for annually evaluating the performance of the General Manager. [Section 1108 (c)] Accordingly, the Board has established this General Manager Performance Evaluation Policy, the objectives of which are to:
- A. Assist the Board in establishing and communicating clear and meaningful goals and performance targets for the General Manager; and
 - B. Ensure the General Manager receives useful and objective performance feedback from the Board on a periodic basis.

ROLES AND RESPONSIBILITIES

- 12.3 Evaluating the performance of the General Manager is a primary responsibility of the Board and therefore should include the participation of all Board members.
- 12.4 The Governance Committee will be responsible for co-coordinating the implementation of this policy.

EVALUATION CRITERIA

- 12.5 The Board will ensure that any criteria used to evaluate the General Manager:
- A. Are defined in advance;
 - B. Are objective in nature and, to the extent possible, measurable; and
 - C. Pertain only to outcomes over which the General Manager has a reasonable degree of control.
- 12.6 At a minimum, evaluation criteria will include Board satisfaction with the general management and leadership abilities of the General Manager, as determined through the use of a General Manager Performance Evaluation Survey.
- 12.7 In addition to the above minimum criterion, the Board may over time establish other criteria as appropriate. These must meet the conditions set out in 11.5 above and may include, but are not limited to:
- A. Implementation of the annual strategic plan;
 - B. Implementation and management of Board policies and associated reporting to the Board;

General Manager Performance Evaluation Policy

- C. Effective fiscal and operational controls, as evidenced by internal or external financial audits.
- 12.8 Performance evaluation criteria established pursuant to paragraph 11.7 above will be recommended by the Governance Committee to the Board for approval.

EVALUATION PROCESS

- 12.9 The General Manager will meet with the Governance Committee in about the third quarter of each fiscal year to discuss and establish:
- A. The proposed evaluation criteria for the General Manager for the next year and their relative weights; and
 - B. Any proposed evaluation forms or surveys, or other measurement tools to be used in evaluating the General Manager for the year in question.
- 12.10 Each year, the General Manager will distribute an Evaluation Package to each member of the Board. The Evaluation Package will include:
- A. A copy of this policy;
 - B. The performance criteria established by the Governance Committee for the year in question;
 - C. Any survey forms to be completed by members of the Board; and
 - D. Any supporting information or data that the General Manager believes may assist the Board in carrying out the evaluation.
- 12.11 The General Manager at his or her discretion may also provide the Board with a self-assessment of the extent to which the General Manager believes the performance criteria were met.
- 12.12 The Board shall treat the Evaluation Package as confidential. Completed survey forms will be returned to the Chair of the Governance Committee or, if applicable, directly to a designated third party, within a predetermined time period. The Committee Chair or third party will in turn ensure that all completed surveys are tabulated and summarized.
- 12.13 The Governance Committee will meet as required in closed session to review the survey results and any other information relevant to the General Manager's performance evaluation and develop a report and recommendations for the Board's consideration. The General Manager will be present at the meeting(s) and may participate in the discussion of the results.
- 12.14 The Chair of the Governance Committee will report to the Board on the results of the Committee's review of the General Manager's performance. The discussion of the General Manager's performance will be held in closed session and the General Manager will be present.
- 12.15 Upon completion of the Board's discussion, the President and the General Manager will sign a written summary evaluation indicating whether the General Manager is in good standing or to be placed under review, the details of any merit pay increase and any other details as appropriate. The President will cause

General Manager Performance Evaluation Policy

the written summary to be placed in the General Manager's personnel file and ensure that completed survey forms are destroyed.

- 12.16 The General Manager may be granted a merit pay increase in accordance with City Council guidelines [Section 1108 (c)]. The Board will promptly notify the Offices of the Controller and City Administrative Officer of the amount of any merit pay increase granted by the Board to implement the Board's action.
- 12.17 If the Board places the General Manager under review, the General Manager will meet with the Board every quarter to discuss his or her performance until the under review status is removed by the Board.

HISTORY

- 12.18 The Board adopted this policy on June 8, 2006; Amended 03/06/08, 03/19/09.

REVIEW

- 12.19 The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- 12.20 The Board shall next review this policy by December 8, 2011.

Los Angeles Fire & Police Pension System

APPENDIX 1 - GENERAL MANAGER EVALUATION SURVEY INSTRUMENT

GENERAL MANAGER LEADERSHIP SKILLS SUBJECTIVE EVALUATION FORM

In accordance with the System's *General Manager Performance Evaluation Policy*, the Board is required to evaluate the performance of the General Manager. This evaluation form is designed to facilitate the gathering of input from Board members concerning leadership, management and related qualities and skills.

The results of this evaluation will be tabulated and summarized by the Chair of the Governance Committee. A summary of the results will be presented to the Board, along with any other information and analysis necessary to complete the evaluation.

Board members are asked to complete this questionnaire and submit it to [party] by [MONTH, DAY, YEAR].

INSTRUCTIONS

The Board members will use a scale of 1- 4 to rate the General Manager on his or her success with regard to each of the following criteria, (please circle the appropriate number), where:

- 1. = UNACCEPTABLE**
- 2. = NEEDS IMPROVEMENT**
- 3. = MEETS EXPECTATIONS**
- 4. = EXCEEDS EXPECTATIONS**

In addition each of the raters should use the Specific Observations comment sections to elaborate and provide substantiation for the rating.

General Manager Performance Evaluation Policy

GENERAL MANAGER EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4
<u>Strategic Planning and Implementation</u> (Planning, Vision)				
1. Sought input from the Board and the Board's consultants/advisors in the development of new strategic initiatives.	1	2	3	4
2. Assisted the Board in establishing a strategic direction for the System.	1	2	3	4
3. Identified issues of strategic importance and brought them to the Board's attention.	1	2	3	4
4. Contributed to the Board accomplishing its current year strategic objectives.	1	2	3	4
Specific Observations: _____ _____ _____ _____ _____				
<u>Operations</u> (Budgeting and Financial Management, Risk Management, Continuous Improvement, Board Support, Stakeholder Relations)				
5. Demonstrated leadership in setting organizational priorities.	1	2	3	4
6. Acted responsibly in preparing a financially sound operating Budget for Board adoption.	1	2	3	4
7. Ensured the Board received the budget and subsequent financial reports in a timely fashion.	1	2	3	4
8. Managed the budget in a fiscally responsible manner keeping revenue and costs in balance.	1	2	3	4
9. Demonstrated a commitment to continuous improvement in system services and operations; maintained good customer relations and responsive to stakeholder needs/issues.	1	2	3	4

General Manager Performance Evaluation Policy

GENERAL MANAGER EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4
10. Evaluated and considered risk exposure in managing current programs and proposing new programs or services.	1	2	3	4
11. In a complete and timely fashion, provides the Board with the information it needs to carry out its responsibilities and assures that all meetings are well planned and organized.	1	2	3	4
<p>Specific Observations: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>				
<p><u>Leadership and Personal Development</u> (Ethics and Conduct, Stakeholder Relations, Professional/Technical Competence, Problem Solving and Decision- Making, Flexibility, Self-Development, Communication, Credibility)</p>				
12. Demonstrates a strong principled and ethical leadership style and promotes high standards of conduct and job performance to subordinates.	1	2	3	4
13. Approaches his duties and responsibilities in a professional manner and demonstrates up to date knowledge and competencies in the administration of a public pension system.	1	2	3	4
14. Prepares organized and informative reports and correspondence.	1	2	3	4
15. Communicates orally with the Board, as well as with stakeholders, in a clear and effective manner.	1	2	3	4
16. Is committed to identifying and addressing areas of performance or personal development that need attention.	1	2	3	4
17. Demonstrates the ability to provide leadership and appropriately handle stressful situations.	1	2	3	4

General Manager Performance Evaluation Policy

GENERAL MANAGER EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4
<u>Staff Development and Supervision</u>				
18. Maintains effective control over operations and effectively hires, retains, assigns and leads and directs staff in the performance of their duties and assignments.	1	2	3	4
19. Demonstrates a commitment to improving the performance, technical and personal development of staff.	1	2	3	4
20. Is respected by staff and promotes a positive work culture.	1	2	3	4
Specific Observations: _____ _____ _____ _____ _____				

Completed by: _____ **on (date)** _____

Los Angeles Fire & Police Pension System

13.0 - MONITORING AND REPORTING POLICY

BACKGROUND AND PURPOSE

- 13.1 In keeping with the duty of the Board to oversee the activities and performance of the System, the Board has established this Monitoring and Reporting Policy, which sets out the Board's expectations concerning the reports it is to receive on a regular basis.

PRINCIPLES AND ASSUMPTIONS

- 13.2 The Board should receive all appropriate information that is relevant to its duties and responsibilities in a timely manner.
- 13.3 The system of reporting to the Board is a dynamic one, and often must change over time to meet the changing needs of the Board. A process should be in place to help direct and keep track of such changes.
- 13.4 To the extent practical, reports to the Board should be in written form. Verbal reports should be accompanied by supporting documentation where feasible. The Commission Executive Assistant will work with the General Manager to ensure this is completed.

GUIDELINES

- 13.5 The Board will be provided the routine reports outlined in Appendix 1 with a frequency also set out therein. The Board may be provided other ad hoc reports as required.
- 13.6 Requests by Board members for additional routine reports and changes to existing routine reports shall require Board approval and an amendment to Appendix 1 of this policy.

HISTORY

- 13.7 The Board adopted this policy on June 8, 2006; Reviewed 10/21/10.

REVIEW

- 13.8 The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- 13.9 The Board shall next review this policy by June 2013.

APPENDIX 1 - ROUTINE REPORTS

Monthly Report

Report Name	Frequency	Presented By	Description and Purpose of Report
1. Monthly Report	Monthly	General Manager	Addresses a range of issues including, but not limited to: <ul style="list-style-type: none"> - Summary of Investment Performance - Asset Allocation - Pension Division Activities - Budget Compliance - Contract Expirations/Renewals - Board Committee Assignments - Status Report of Board Assignments to Staff

Investment & Funding Reports

Report Name	Frequency	Presented By	Description and Purpose of Report
2. Investment Performance	Quarterly	Investment Consultant	Report on compliance with asset mix policy and investment performance for the total Fund, for each asset class, and by investment manager. Provides analysis based on return over various periods (3 months, 1 year, 5 year, etc.), and seeks to identify sources of returns.
3. Investment Manager Compliance Exception Report	On an Exception Basis only	CIO	In the event that the investment managers are not investing plan assets in compliance with their mandate, investment agreement, regulatory requirements and System policy, the findings will be summarized for the Board.
4. Report on Investment Costs	Annually in the Budget	CIO	Evaluates the costs of the investment program.

Investment & Funding Reports (continued)

Report Name	Frequency	Presented By	Description and Purpose of Report
5. Proxy Voting	In the Annual report	CIO	Confirms compliance with the Board's Proxy Voting Policy, and summarizes how the System exercised its voting rights in public companies. Specific reports available upon request.
6. Real Estate	Semi-Annually	Real Estate Consultant	Provides overview of real estate portfolio and performance.
7. Actuarial Valuation	Annually	Actuary	Summarizes the results of the actuarial valuation for the System, together with any recommendations.
8. Asset Allocation Study	At least every three years	Asset Allocation Consultant	A study of the relationship between the System's assets and liabilities.
9. Actuarial Experience study	Every 3 years	Actuary	Reviews the appropriate long-term economic assumptions such as investment return and wage and price inflation, and demographic assumptions such as disability rates, mortality rates.
10. Actuarial Audit	Every 5-7 years ⁵	Actuarial Auditor	An independent review of the validity of the analyses and methodologies used in preparing the System's actuarial valuation.
11. Managers' Brokerage Usage	Semi-Annually	CIO	Status report on brokerage activity of each active large cap equity manager and the percentage of trading with minority and women owned brokerage firms.

⁵ Unless the System has recently appointed, or is about to appoint, a new actuary at or about the time an actuarial audit is scheduled to be performed.

Administration and Operations Reports

Report Name	Frequency	Presented By	Description and Purpose of Report
12. Strategic Plan: Status Report	Semi-Annually	General Manager	Summarizes the status of each initiative contained in the annual strategic plan.
13. External Financial Audit	Annually	Chief Accountant/ Auditor	Confirms that the financial statements present fairly, in all materials respects, the financial status of the System, in accordance with generally accepted accounting principles.
14. Annual Report	Annually	Distributed	Reviews the operations and activities of the System during the last fiscal year. The financial statements shall be part of the annual report and indicate the financial position of the System.
15. Legal Affairs	Quarterly	City Attorney	An update on significant litigation, potential litigation, and on changes and potential changes to legislation that would significantly affect the System.
16. Due Diligence	At least semi-annually	Performance Measurement Consultant	Summary of recent due diligence visits to service providers.
17. Staff and Board Travel Report	Quarterly	General Manager	Summary of staff travel approved by General Manager and cumulative fiscal year summary of Board travel.

Governance Reports

Report Name	Frequency	Presented By	Description and Purpose of Report
18. General Manager Evaluation	Annually	Chair, Governance Committee	Summarizes the performance assessment of the General Manager.
19. Annual Governance Report	Annually	Chair, Governance Committee	A summary confirmation of compliance with the governance policies of the Board.
20. Trustee Education Report	Annually	Chair, Governance Committee	Summarizes the activities of the Board with respect to education.

Los Angeles Fire & Police Pension System

14.0 - BOARD OPERATIONS POLICY

PURPOSE

- 14.1 This Board Operations Policy is intended to describe the manner in which the Board will appoint officers, establish committees and conduct its meetings and affairs, so as to ensure efficient operation of the Board and its committees.

GOVERNANCE

Board Officers

- 14.2 In accordance with the City Charter, the Board shall elect one of its members President and one Vice-President. Elections shall be held during the Board's last meeting in July of each year, but the Board shall, by election, fill the unexpired term of any vacancy occurring in these offices within 30 days of the date the vacancy occurs. [Section 503(a)]
- 14.3 The President shall preside at all meetings of the Board. During the absence of the President the Vice President shall preside, and in the absence of the President and Vice-President, the Board members shall elect a temporary chair.

Meetings

- 14.4 At least two regular meetings shall be held each month. Meetings may be added or cancelled at the direction of the President of the Board. Special meetings may be called by the President, or Vice President, or in the absence of the President, by a majority of the Board members. [Section 503(b)]
- 14.5 To assist Board members in planning ahead to attend Board and committee meetings, the Board shall annually adopt a schedule for regular Board meetings and may adopt schedules for any standing committees that are expected to meet on a regular basis.
- 14.6 All meetings of the Board shall be open to the public, and the requirements of the Ralph M. Brown Act (Government Code 54950-54962) shall govern all such meetings.
- 14.7 The President or presiding member of the Board shall determine all questions of procedure and order. Parliamentary formality shall not be required; however Robert's Rules of Order shall be utilized as a guideline to resolve any procedural questions. Any issues involving a potential conflict of interest of a Board member may be referred to the Board's legal counsel for advice and determination.

Agendas, Minutes and Meeting Materials

- 14.8 The General Manager shall prepare the agenda for each Board and committee meeting for approval by the President or the appropriate committee chair respectively.⁶
- 14.9 Every Agenda for a regular Board or committee meeting shall provide the public an opportunity to address the Board or committee at each meeting during posted public comment session, on any item under the subject matter jurisdiction of the body. With respect to any item, which is already on the agenda, the public will be given the opportunity to comment before or during the Board or committee's consideration of the item. The public shall also be given an opportunity to comment on closed session items prior to adjournment into closed session. Where a member of the public raises an issue not yet before the Board or committee, the item may be discussed but no action may be taken at that meeting. To ensure the efficient conduct of Board and committee business, there shall be a 3-minute limit on public comment by a member of the public per agenda item or new matter which is to be enforced by the presiding officer. [Ralph M. Brown Act, Sec. 54954.3]
- 14.10 Board meeting materials will normally be provided to Board members at least six calendar days in advance of meetings. Committee meeting materials will also normally be provided to committee members at least six days in advance of committee meetings. Appropriate Board meeting materials will be posted on the Departmental website.
- 14.11 Minutes for each Board and committee meeting shall be prepared, which provide a summary of all business conducted and a disposition of all motions, and shall be presented to the appropriate body for approval. Once approved, the minutes will be signed by the President or committee chair and the General Manager and shall form part of the permanent records of the Board and will be posted on the Departmental website.
- 14.12 The Board President and General Manager have the authority to place items on the agenda. Any Board member may propose items for future Board meetings, provided they do so in advance at a Board meeting. Emergency items may be placed on Board meeting agendas in accordance with Sections 54954.2 and 54956.5 of the Ralph M. Brown Act.⁷

Quorum and Voting Requirements

- 14.13 The Board shall exercise the powers conferred upon it by the Charter by order or resolution adopted by a majority of its members. Action of the Board shall be attested by the signatures of the President or Vice-President, or two members of

⁶ Committee agendas will be set by committee chairs or the Board President and may only contain: items referred to the committee by the Board, the Board President or the General Manager; or routine items addressed in Sections 4.0 and 5.0 of this manual (see Items 4.5E and 5.3E).

⁷ The Board may take action on items not appearing on the posted agenda upon a determination of the majority of the Board that an emergency exists. An emergency is defined as a crippling disaster, work stoppage or other activity, which severely impairs public health, safety or both. [Ralph M. Brown Act, Sec. 54954.2, 54956.5]

the Board, and by the signature of the Secretary of the Board. [Sections 503(c), 1106, and 1120]

- 14.14 Until electronic voting becomes available, to provide a clear record of Board actions, roll call for voting at Board meetings shall be taken when the vote is not unanimous.
- 14.15 The Board shall consist of nine members. Five Board members shall constitute a quorum for Board meetings. Three committee members shall constitute a quorum for committee meetings. Ad hoc committees will be comprised of a maximum of four members and a minimum of three members, with quorums of three members and two members respectively.
- 14.16 All motions transacted by a committee are subject to Board approval, unless the Board has granted the committee specific authority to act on its own (e.g. actions pertaining to the committee's own operation such as approving agenda, meeting schedules, etc.).
- 14.17 Any Board member may attend, and participate in discussions of, any meeting of any committee of the Board; however, at any committee meeting (or at any committee meeting that has become a Special Meeting of the Board due to the presence of a quorum of the Board), only members of the committee may vote. Committees only have the authority to vote on recommendations to the full Board.

Active Elected Employee Member - Real Estate Vote

- 14.18 Any purchase of real property or interest in real property shall require approval by a majority vote of all the Board members, but one of the affirmative votes must be cast by an active elected employee member of the Board. [Section 190.07 of the old City Charter, Pre 2000]

Decision-Making Process

- 14.19 The General Manager shall ensure that all matters scheduled to go before the Board or Board committees are thoroughly researched and analyzed by staff or appropriate outside experts; and this shall include any recommendation by a committee being put forward for Board consideration or approval.
- 14.20 Prior to any committee recommendations being brought forward to the Board, staff shall review the recommendations and prepare any necessary commentary to accompany them for the Board's consideration. In most cases, staff will prepare such commentary and provide it to the Board within two weeks of the committee meeting. This requirement may be waived by the General Manager upon determination by the General Manager that the committee's recommendation has already been adequately reviewed and analyzed by staff prior to the committee meeting.
- 14.21 Because the Board has elected not to have an investment committee, investment matters involving policy decisions or service provider selection or termination will normally be considered by the Board at two separate meetings. At the first

meeting, investment matters shall be presented to the Board for information purposes only. The Board may take formal action only at the second meeting at which the item is considered.

Notwithstanding the above, the President and General Manager may agree to schedule a particular investment matter for board action at the first meeting at which it is to be considered, if they believe it is prudent to do so under the circumstances. Such agreement shall be reflected in the minutes of the Board meeting.

Committees

- 14.22 The Board President may establish any ad hoc committees or recommend to the Board the formation of any standing committee deemed necessary to support the Board in carrying out its responsibilities.
- 14.23 The Board President will annually approve the members of each standing and ad hoc committee. Committee members will elect the chair and vice-chair of the committee. Standing and ad hoc committees will be comprised of not more than four members with a minimum of three members on ad hoc committees. Vacancies in committees may be filled at any time by the Board President.
- 14.24 Notwithstanding 14.23 above, members and chairs of ad hoc committees shall serve on such committees until the committee has fulfilled their duties and responsibilities and is disbanded.
- 14.25 In determining the members and chairs of each committee, the President and the Board shall consider:
- A. The need to maintain a level of continuity in committee membership; and
 - B. The need to ensure to the extent possible that Board members' committee appointments reflect their areas of interest and experience; and
 - C. The need to ensure that Board members gain experience in different committees.
- 14.26 The chair of each committee shall preside at all meetings of the committee. In the absence of the committee chair, the remaining members of the committee will elect a temporary chair.
- 14.27 The Board shall approve Duties and Responsibilities:
- A. For standing committees, based on the recommendation of the Governance Committee; and
 - B. For ad hoc committees, the Board President will disband ad hoc committees once they have fulfilled their assigned duties.
- 14.28 The current standing committees of the Board are:
- A. Benefits Committee
 - B. Governance Committee
 - C. Audit Committee

Attendance and Compensation

- 14.29 The General Manager and the Commission Executive Assistant, or a designee of the General Manager shall attend all Board meetings. No action shall be taken without the General Manager or his or her designee being allowed an opportunity to participate in the discussion.
- 14.30 A hearing reporter shall be present at all disability hearings conducted by the Board and at other meetings deemed necessary by the Board.
- 14.31 Members of the Board shall be compensated at the rates established in the Administrative Code. The rate shall be applied once each day or portion thereof, of actual attendance at a Board meeting or a committee meeting held for the purposes of conducting the business of the System.

HISTORY

- 14.32 The Board adopted this policy on June 8, 2006; Amended 07/12/07; Reviewed 10/21/10.

REVIEW

- 14.33 The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- 14.34 The Board shall next review this policy by June 2013.

Los Angeles Fire and Police Pension System

15.0 - STRATEGIC PLANNING POLICY

BACKGROUND AND OBJECTIVES

- 15.1 The Pension Board believes that effective strategic planning is critical to the long-term success of the System and has adopted this Strategic Planning Policy to guide the planning effort.
- 15.2 The objectives of this policy are:
- A. To ensure that planning occurs in a rigorous and systematic manner;
 - B. To ensure clear and appropriate roles for the Board and staff in the planning process;
 - C. To facilitate the communication of the System's strategic direction throughout the organization and to interested external parties.

Time Frames

- 15.3 The strategic planning cycle shall correspond to the System's fiscal year. The planning horizon, however, may be several years in duration, depending on the nature of the goals and projects set out in the strategic plan.

The Planning Process

- 15.4 The Board recognizes that staff is continually reviewing and assessing the strategic direction of the System. The formal process of preparing the annual strategic plan, however, will normally begin in conjunction with the budget process when staff will begin to review and consider:
- A. The appropriateness of the System's mission statement and long-term objectives;
 - B. Progress made in implementing the previous years' strategic planning initiatives;
 - C. Current business initiatives, which may need to be carried forward into the next fiscal year.
 - D. New business initiatives that may need to be undertaken to meet the mission and goals of the System.
- 15.5 When identifying strategic planning initiatives, possible functional areas to be addressed include, but are not limited to:
- A. Investments;
 - B. Funding;
 - C. Member services and benefit administration;
 - D. Human resources;
 - E. Operations and computer systems; and
 - F. Governance.

- 15.6 The General Manager shall seek input from the Board and the Board's appropriate consultants/advisors on current or new strategic initiatives for inclusion in the Strategic Plan.
- 15.7 In conjunction with the proposed budget, the General Manager will annually present a proposed, updated strategic plan to the Board for review, discussion and approval. The format of the Strategic Plan will be at the discretion of the General Manager, but will normally include:
- A. The mission statement and long-term objectives of the System;
 - B. The status of all current strategic initiatives;
 - C. Proposed new initiatives, along with supporting information and planning parameters, which may include:
 - 1) Reasons for undertaking the initiative;
 - 2) Timelines for completion;
 - 3) Assignment of responsibilities for implementation;
 - 4) Budget implications;
 - 5) Criteria for assessing the success of the initiative; and
 - 6) Provisions for reporting to the Board.
 - D. Wherever feasible, the use of metrics to consider new projects and evaluate the status of ongoing projects.
- 15.8 In approving the strategic plan, the Board will satisfy itself that the plan is reasonable and supports the mission and long-term objectives of the System.
- 15.9 Once the strategic plan is approved, additional initiatives will only be added if the necessary additional resources can be secured.

Communications

- 15.10 Should staff determine that changing circumstances will not allow it to meet a particular initiative; the Board will be informed in a timely manner.
- 15.11 Staff will provide the Board with a semi-annual update on the implementation of the strategic plan or more frequently if circumstances dictate.

HISTORY

- 15.12 The Board adopted this policy on June 8, 2006; Revised 09/03/09.

REVIEW

- 15.13 The Board will review this process at least every three (3) years to ensure that it remains relevant and appropriate.
- 15.14 The Board shall next review this policy by September 1, 2012.

Los Angeles Fire & Police Pension System

16.0 – DUTIES AND RESPONSIBILITIES – CITY ATTORNEY

INTRODUCTION

- 16.1 As provided in the City Charter, the City Attorney:
- A. Shall be the legal advisor to the City, and to all City boards, departments, officers and entities. The City Attorney shall give advice or opinion in writing when requested to do so by any City officer or board; [Section 271 (b)] and
 - B. Shall keep records of all actions and proceedings in which the City or any officer or board is an interested party, and copies of all written opinions given by the City Attorney's office; [Section 271 (e)]

CONTROL OF LITIGATION

- 16.2 As provided in Section 272 of the City Charter, the City Attorney may initiate civil litigation on behalf of the City or the People of the State of California. The City Attorney shall manage all litigation of the City subject to client direction and subject to the City Attorney's duty to act in the best interest of the City and to conform to professional and ethical obligations. In the course of litigation, the Board shall make client decisions in litigation exclusively involving the policies and funds over which the Charter gives this Board control.

SETTLEMENT OF LITIGATION

- 16.3 As provided in Section 273 of the City Charter, the Board shall have the authority to approve or reject settlement of litigation exclusively involving the policies and funds over which the Charter gives the Board control.

EMPLOYMENT OF ASSISTANTS

- 16.4 As provided in Section 274 of the City Charter, the City Attorney may appoint assistants, deputies, clerks and other persons as the City Council shall prescribe by ordinance. Each Assistant City Attorney must, at the time of appointment, be qualified to practice in all courts of the state and must have been so qualified for at least two years immediately preceding the appointment. Employment in the City Attorney's office shall be subject to Section 1050 of Article X of the Charter.
- 16.5 Funding for staff of the Retirement Benefits Division of the City Attorney's Office shall be included as an administrative expense in the Budget and shall be paid from fund assets. The City Attorney shall request funding annually and the Board shall determine the level of funding provided.

EMPLOYMENT OF OTHER LEGAL COUNSEL

- 16.6 As provided in City Charter Section 275, upon recommendation of the Board, and the written consent of the City Attorney, the City may contract with Attorney's outside of the City Attorney's Office to assist the City Attorney in providing services to the Los Angeles Fire and Police Pension System.
- 16.7 In order to effectively serve the System, the City Attorney shall maintain contracts with outside counsel specializing in the following areas:
 - A. Fiduciary law
 - B. Real Estate and Alternative Investments
 - C. Tax law
 - D. Securities Litigation
- 16.8 When selecting outside counsel, the Office of the City Attorney shall solicit bids from qualified firms and work with one or more staff representative(s) designated by the Board to establish a short list of the most highly qualified candidates, conduct interviews, and recommend firms for the Board's consideration.
- 16.9 The City Attorney shall assist LAFPP staff in tracking the use of outside legal counsel and accounting for all expenses incurred. The costs for outside counsel shall be included in the System's administrative budget.
- 16.10 With the concurrence of the General Manager, the City Attorney may contact specialized outside counsel whenever the staff of the Retirement Benefits Division does not have the expertise to address questions raised by the Board or staff. Additionally, the Board may request the use of outside legal counsel at any time they believe it would be prudent to do so.

HISTORY

- 16.11 The Board adopted this policy on October 1, 2009

REVIEW

- 16.12 The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- 16.13 The Board shall next review this policy by October 2012.

Los Angeles Fire & Police Pension System

17.0 –CITY ATTORNEY PERFORMANCE EVALUATION POLICY

INTRODUCTION

- 17.1 As provided in the City Charter, the City Attorney shall be the legal advisor to the City, and to all City boards, departments, officers and entities. The City Attorney shall give advice or opinion in writing when requested to do so by any City officer or board. [Section 271 (b)]
- 17.2 The Retirement Benefits Division of the City Attorney's Office serves as the Board's legal advisor under Charter Section 271 (b). The Retirement Benefits Division is supervised by an Assistant City Attorney, who for the purpose of this policy, shall be referred to as 'the City Attorney.'
- 17.3 The Board has determined that annually evaluating the performance of the City Attorney is of value. Accordingly, the Board has established the City Attorney Performance Evaluation Policy, the objectives of which are to:
- A. Assist the Board in establishing and communicating clear and meaningful expectations to the City Attorney; and
 - B. Ensure the City Attorney receives clear and meaningful feedback to continuously improve client service.

ROLES AND RESPONSIBILITIES

- 17.4 Evaluating the performance of the City Attorney is a responsibility of the Board and therefore should include the participation of all Board members.
- 17.5 Staff shall also evaluate the performance of the City Attorney and provide their feedback to the Board for consideration.
- 17.6 The Governance Committee will be responsible for coordinating the implementation of this policy.

EVALUATION CRITERIA

- 17.7 The Board will ensure that any criteria used to evaluate the City Attorney:
- A. Are defined in advance;
 - B. Are objective in nature, and to the extent possible, measurable; and
 - C. Pertain only to outcomes over which the City Attorney has a reasonable degree of control.
- 17.8 At a minimum, evaluation criteria will include Board satisfaction with the timeliness, clarity and soundness of legal advice, the effective management of litigation, and the effective and appropriate use of resources, as determined through the use of a City Attorney Performance Evaluation Survey.

City Attorney Performance Evaluation Policy

- 17.9 Using the same evaluation survey, key staff will express their satisfaction with the City Attorney's performance and provide a summary of those findings to the Board to include in any feedback provided to the City Attorney.

EVALUATION PROCESS

- 17.10 In July of each year, the General Manager will distribute an Evaluation Package to each member of the Board and to key staff. The Evaluation Package will include:
- A. A copy of this policy;
 - B. The performance evaluation survey forms to be completed by members of the Board;
 - C. Any supporting information or data that the General Manager believes may assist the Board in carrying out the evaluation.
- 17.11 The Board and staff shall treat the Evaluation Package as confidential. Completed survey forms will be returned to the General Manager within a pre-determined time period. The General Manager will ensure that all completed surveys are tabulated and summarized, segregating the results of the Board from that of staff.
- 17.12 The evaluation results will be shared with the City Attorney to provide an opportunity to address any disputed responses. The City Attorney responses will be included in the final report to the Board.
- 17.13 The Board will meet as required in closed session to review a staff report on the survey results, a draft letter to the City Attorney front office to highlight strengths and any expectations for the future, and any other information relevant to the City Attorney's performance evaluation. The City Attorney will not be present at the meeting, unless the Board requests the City Attorney to attend to participate in the discussion of the results.
- 17.14 The Board will authorize the President and General Manager to present the Board evaluation to the City Attorney, in a confidential manner following the meeting.
- 17.15 Upon completion of the Board's discussion, the President will sign a written summary evaluation, indicating the Board's general level of satisfaction with the City Attorney and any expectations for the future, to be submitted to the Office of the City Attorney. Written survey forms will be destroyed.

HISTORY

- 17.16 This policy is adopted on May 6, 2010; Amended May 19, 2011. The first evaluation period shall be from March 18, 2010 through March 17, 2011, with subsequent periods corresponding to the City's fiscal year (July 1st – June 30th).

REVIEW

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

17.18 The Board shall next review this policy by May 2014.

Attachment:

APPENDIX 1 – CITY ATTORNEY PERFORMANCE EVALUATION

APPENDIX 1 – CITY ATTORNEY PERFORMANCE EVALUATION

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Unable to Assess (U/A)	Observations/Comments
Approaches duties and responsibilities in a professional manner and demonstrates up to date knowledge and competencies in public pension law.	1	2	3	4	U/A	
Identifies legal and fiduciary concerns and brings them to the Board’s and staff’s attention.	1	2	3	4	U/A	
Provides clear and impartial legal advice to the Board and staff to enable them to carry out their responsibilities.	1	2	3	4	U/A	
Provides timely legal advice to the Board and staff to enable them to carry out their responsibilities.	1	2	3	4	U/A	
Manages litigation efficiently.	1	2	3	4	U/A	
Provides timely reports with sufficient detail about what is taking place in a law suit to enable the Board to make effective decisions.	1	2	3	4	U/A	
Conducts a comprehensive review of law suits early on, providing the Board an effective analysis of the case strength, strategies, options, exposure and settlement options.	1	2	3	4	U/A	

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Unable to Assess (U/A)	Observations/Comments
Assigns experienced and capable counsel with a proven track record of good results to handle each case.	1	2	3	4	U/A	
When outside counsel are assigned to a case, fully involve LAFPP staff in their selection with merit and cost as exclusive criteria.	1	2	3	4	U/A	
Obtains good results in litigation.	1	2	3	4	U/A	
Where appropriate, during and after a law suit, provides LAFPP staff effective recommendations to avoid future litigation.	1	2	3	4	U/A	
Ensures internal and outside legal resources are available to assist the Board and staff carry out their responsibilities.	1	2	3	4	U/A	
Manages risk effectively.	1	2	3	4	U/A	

Completed by: _____ Date: _____ For Period Ending: _____
 (Title)

Los Angeles Fire & Police Pension System

18.0 – DISTINGUISHED SERVICE MEDAL

INTRODUCTION

18.1 The Board of Fire and Police Pension Commissioners hereby establishes a Distinguished Service Medal. The Medal may be awarded to individuals who have made an outstanding contribution to the Board or to the Department.

CRITERIA AND RESPONSIBILITIES

18.2 The Board of Fire and Police Pension Commissioners will adhere to the following criteria in awarding the Distinguished Service Medal:

- A. The Medal may be awarded from time to time by a unanimous vote of the Board President, or the President's designee, the Chair of the Governance Committee and the General Manager.
- B. Candidates shall be nominated by a Commissioner or General Manager.
- C. Recipients must be present or former Commissioners, System members or Department employees.
- D. The award is awarded by the Board of Fire and Police Pension Commissioners, in the name of the Department, and presented by the President, or the President's designee, at a Board Meeting or an appropriate event approved by the Board.
- E. The award consists of a medal, ribbon and citation.
- F. The General Manager shall maintain a plaque on behalf of the Board, in a prominent location, inscribed with the names and date of receipt of prior recipients.

HISTORY

18.3 The Board adopted this policy on May 19, 2011.

REVIEW

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

18.5 The Board shall next review the policy by May 2014.

Los Angeles Fire & Police Pension System

19.0 – COMPENSATION OF LEGAL FEES, BENEFITS, AND EXPENSES FOR THE CITY ATTORNEY LEGAL SERVICES POLICY EFFECTIVE JULY 1, 2011

INTRODUCTION

- 19.1 As provided in the City Charter, the City Attorney:
- A. Shall be the legal advisor to the City, and to all City boards, departments, officers and entities. The City Attorney shall give advice or opinion in writing when requested to do so by any City officer or board; [Section 271 (b)] and
 - B. Shall keep records of all actions and proceedings in which the City or any officer or board is an interested party, and copies of all written opinions given by the City Attorney's office; [Section 271 (e)]
- 19.2 The objective of this policy is:
- A. To establish an equitable compensation arrangement for the legal fees, benefits, and expenses incurred by the Office of the City Attorney, Retirement Benefits Division (City Attorney), staff based on the actual number of hours worked by City Attorney staff on LAFPP's business.

COMPENSATION

- 19.3 In exchange for the services provided by the City Attorney, LAFPP shall compensate the City Attorney quarterly for direct, indirect, and shared costs related to salaries (fees), benefits, and expenses incurred by its staff in performing the legal work of LAFPP. These costs are defined as follows:
- A. Direct Costs
 1. Direct costs include salaries that are incurred by City attorneys only (not support staff) working directly on LAFPP's business.
 2. LAFPP shall compensate the City Attorney quarterly for the services provided by the City Attorney which are reasonably necessary. The fees for such services shall be based upon the time expended to render the required services, with fractions thereof being stated to the tenth of an hour, and shall be computed at a rate not to exceed the bi-weekly salary rates of the respective staff in the Office of the City Attorney, Retirement Benefits Division. The direct costs paid to the City Attorney shall be based on the bi-weekly salary rates of staff in effect during the time services are provided as specified in their respective MOU agreements with the City of Los Angeles.
 - B. Indirect Costs
 1. LAFPP shall compensate the City Attorney quarterly for the indirect costs incurred by its staff. This cost includes fringe benefits, central services, and department administration and support fees. The amount to be compensated shall be based upon the application of the most current cost allocation plan (CAP) rates in effect for the City Attorney, as posted on

the City Controller's website, to the direct costs incurred by LAFPP as specified in Section 19.3, A.1. above.

C. Shared Costs

1. LAFPP shall compensate the City Attorney quarterly for shared costs incurred by its staff. Shared costs include salaries incurred by City Attorney clerical staff, hours worked by City Attorney staff in joint support of LAFPP, LACERS, and WPERP, and compensatory time off (CTO) taken by City Attorney staff. LAFPP shall be responsible for its portion of shared costs based upon the percentage of City Attorney staff time used by LAFPP at the end of each quarter.

D. Expenses

1. All expenses incurred and paid for by LAFPP in support of the City Attorney, including but not limited to office space lease, office furniture and equipment, parking, dues, subscriptions, publications, travel expenses, training, copy machine rental, office supplies, and computer equipment shall be charged back to LACERS and WPERP for reimbursement to LAFPP based upon the percentage of City Attorney staff time used by each party. Conversely, LAFPP shall reimburse LACERS and WPERP accordingly for City Attorney expenses incurred and paid for by LACERS and WPERP.
2. City Attorney staff shall not incur any cost related to LAFPP without first receiving approval in writing from the General Manager.

E. LAFPP's Reservation of Rights to Adjust Invoices

1. LAFPP shall reserve the right to adjust invoices accordingly any time LAFPP determines that fees and expenses were not properly invoiced by the City Attorney, and shall reserve payment until such invoices comply with the provisions of this policy.

PAYMENT

- 19.4 LAFPP shall make payment for direct costs, indirect costs, shared costs, and expenses incurred by the City Attorney only after satisfactory approval by the General Manager of LAFPP of the quarterly invoice submitted by the City Attorney.
- 19.5 LAFPP shall process payment within thirty (30) calendar days after receiving the quarterly invoice submitted by the City Attorney, or 30 calendar days after any invoice dispute is resolved, whichever is later. LAFPP shall not pay interest or finance charges on any outstanding balance(s).

AUDITS AND REVIEWS

- 19.6 LAFPP shall conduct periodic audits of the City Attorney's timekeeping entries and invoices as they pertain to LAFPP's business to ensure compliance with the procedures as outlined in this policy.

- 19.7 LAFPP shall review all invoices and shall request that the City Attorney adjust such invoices to comply with the procedures as outlined in this policy.

COMPLETE AGREEMENT

- 19.8 This policy supersedes all prior communications and all previous written and oral agreements, and shall constitute the complete and exclusive understanding between LAFPP and the Office of the City Attorney relating to the subject matter of this policy.

ORDER OF PRECEDENCE

- 19.9 The terms and conditions contained in the body of this policy shall supersede, control, and prevail over any conflicting term or condition contained in any other document.

HISTORY

- 19.10 The Board adopted this policy on November 3, 2011.

REVIEW

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

- 19.12 The Board shall next review this policy by November 2014.