

# **GOVERNANCE COMMITTEE**

## **AGENDA**

### **Board of Fire and Police Pension Commissioners**

Sam Diannitto, Chair  
Pedram Salimpour  
Robert von Voigt  
Belinda Vega

March 20, 2014  
8:30 a.m.

Los Angeles Times Building  
202 W. First Street, Suite 500  
Los Angeles, CA 90012

Commissioner Diannitto will participate telephonically from  
4612 El Reposo Drive, Los Angeles, CA 90065

An opportunity for the public to address the Board or Committee about any item on today's agenda for which there has been no previous opportunity for public comment will be provided before or during consideration of the item. Members of the public who wish to speak on any item on today's agenda are requested to complete a speaker card for each item they wish to address, and present the completed card(s) to the commission executive assistant. Speaker cards are available at the commission executive assistant's desk.

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board or applicable Committee of the Board in advance of their meetings may be viewed at the office of the Los Angeles Fire and Police Pension System (LAFPP), located at 360 East 2<sup>nd</sup> Street, 4<sup>th</sup> Floor, Los Angeles, California 90012, or by clicking on LAFPP's website at [www.lafpp.com](http://www.lafpp.com), or at the scheduled meeting. Non-exempt writings that are distributed to the Board or Committee at a scheduled meeting may be viewed at that meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the commission executive assistant, at (213) 978-4555 or by e-mail at [barbara.nobregas@lafpp.com](mailto:barbara.nobregas@lafpp.com).

Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the Department of Fire and Police Pensions, (213) 978-4545 voice or (213) 978-4455 TDD.

1. **GENERAL MANAGER PERFORMANCE EVALUATION AND POSSIBLE COMMITTEE ACTION**
2. **CONSIDERATION OF GOVERNANCE BEST PRACTICES AND POSSIBLE COMMITTEE ACTION**
3. **GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION**

# **SPECIAL MEETING**

## **AGENDA**

### **Board of Fire and Police Pension Commissioners**

March 20, 2014  
8:30 a.m.

Los Angeles Times Building  
202 W. First Street, Suite 500  
Los Angeles, CA 90012

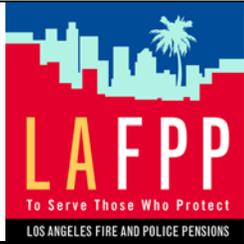
Commissioner Diannitto will participate telephonically from  
4612 El Reposo Drive, Los Angeles, CA 90065

An opportunity for the public to address the Board or Committee about any item on today's agenda for which there has been no previous opportunity for public comment will be provided before or during consideration of the item. Members of the public who wish to speak on any item on today's agenda are requested to complete a speaker card for each item they wish to address, and present the completed card(s) to the commission executive assistant. Speaker cards are available at the commission executive assistant's desk.

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board or applicable Committee of the Board in advance of their meetings may be viewed at the office of the Los Angeles Fire and Police Pension System (LAFPP), located at 360 East 2<sup>nd</sup> Street, 4<sup>th</sup> Floor, Los Angeles, California 90012, or by clicking on LAFPP's website at [www.lafpp.com](http://www.lafpp.com), or at the scheduled meeting. Non-exempt writings that are distributed to the Board or Committee at a scheduled meeting may be viewed at that meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the commission executive assistant, at (213) 978-4555 or by e-mail at [barbara.nobregas@lafpp.com](mailto:barbara.nobregas@lafpp.com).

Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the Department of Fire and Police Pensions, (213) 978-4545 voice or (213) 978-4455 TDD.

1. GENERAL MANAGER PERFORMANCE EVALUATION AND POSSIBLE COMMITTEE ACTION
2. CONSIDERATION OF GOVERNANCE BEST PRACTICES AND POSSIBLE COMMITTEE ACTION
3. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION



# ***DEPARTMENT OF FIRE AND POLICE PENSIONS***

360 East Second Street, Suite 400  
Los Angeles, CA 90012  
(213) 978-4545

---

## **REPORT TO THE GOVERNANCE COMMITTEE**

---

**MARCH 20, 2014**

**ITEM: 1**

**FROM: Raymond P. Ciranna, General Manager**

**SUBJECT: GENERAL MANAGER PERFORMANCE EVALUATION AND POSSIBLE  
COMMITTEE ACTION**

---

### **RECOMMENDATION**

That the Committee use the current Criteria, Process and Survey Instrument for the 2014-15 General Manager Evaluation and direct staff to survey Board members on the General Manager's Performance for the 2013-14 Fiscal Year.

### **DISCUSSION**

The Los Angeles City Charter delegates the responsibility for the annual review of the LAFPP General Manager to the Board. Section 12.0 of the Board Governance Policy (attached) sets forth the General Manager Performance Evaluation Policy (Policy). Per Policy, the Governance Committee is responsible for coordinating the General Manager's annual performance evaluation. This includes:

- Agreeing on any changes to the survey instrument criteria to evaluate the General Manager's performance for the next fiscal year;
- Directing a Board review of the General Manager's performance for the past year by surveying each Board member; and,
- Reviewing the surveys, meeting with the General Manager in closed session, providing a report to the Board on the survey results and a recommendation on providing the General Manager a merit pay increase up to 5 percent.

On June 20, 2013, this Committee approved the use of the current Evaluation Criteria, Process and Survey instrument for the 2013-14 General Manager Evaluation (July 1, 2013 – June 30, 2014). Staff recommends using the same Evaluation Criteria, Process and Survey instrument for the 2014-15 Fiscal Year as we believe it continues to measure the most critical qualities and skills of the General Manager. The current policy measures the performance of the General Manager within the following four areas: Strategic Planning and Implementation; Operations; Leadership and Personal Development; and, Staff Development and Supervision.

If the Committee would prefer to revise the evaluation criteria and/or survey instrument for the 2014-15 Fiscal Year, staff recommends that the Committee instruct staff to conduct an

abbreviated selection process and to report back to the Committee and Board with a recommended vendor. Alternatively, staff could conduct a review in house, although this would require research as staff does not have particular expertise in this area.

For the Fiscal Year 2013-14 General Manager Performance Evaluation, staff recommends utilizing existing confidential LAFPP personnel to coordinate the survey, provide a report and recommendation to the Committee, and present the information to the Board. From Fiscal Years 2006-2007 through 2009-2010, the Board hired an outside vendor (The Results Group) to assist the Committee and Board with the General Manager evaluation process. Since Fiscal Year 2010-2011, the General Manager performance evaluation process has not been completed as the incumbent (Michael A. Perez) had reached the top of the pay scale and due to staffing changes at that position.

The Fiscal Year 2013-14 Evaluation Package including the survey instrument will be distributed to each member of the Board by the July 17<sup>th</sup> Board meeting. The Board and staff shall treat the evaluation package as confidential. Staff will tabulate and summarize all surveys. The Committee will then meet in closed session to review the survey summary and any other information relevant to the General Manager's performance evaluation and develop a report and recommendations for the Board's consideration.

## **BUDGET**

As proposed, there is no impact to the Budget.

## **POLICY**

No policy changes are recommended

This report was prepared by:

Stephanie Clements, Chief Management Analyst (Department Personnel Officer)  
Administrative Operations Division

RPC:WSR:SHC

Attachment – Section 12.0 General Manager Performance Evaluation Policy

**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;
  - C. Pertain only to outcomes over which the General Manager has a reasonable degree of control; and
  - D. Apply only to July 1 through June 30 of the respective year being evaluated.
- 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 12.5 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;
  - C. Effective fiscal and operational controls, as evidenced by internal or external financial audits.
- 12.8 Performance evaluation criteria established pursuant to paragraph 12.7 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 the fourth quarter of each fiscal year (April – June) 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 The General Manager shall ensure that the Board is provided a final status report of the Strategic Plan projects for the evaluation period at the first Board Meeting of July.
- 12.11 Each year, the Governance Committee Chair or, if applicable, a designated third party, will distribute an Evaluation Package to each member of the Board by the second Board Meeting of July. 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.
- 12.12 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.
- 12.13 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 if applicable, third party, will in turn ensure that all completed surveys are tabulated and summarized. The product of this tabulation and summary will be known as the Survey Summary. The Survey Summary shall include all comments from every Commissioner.
- 12.14 The Governance Committee will meet as required in closed session to review the Survey Summary 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.

- 12.15 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.
- 12.16 Upon completion of the Board's discussion, the President and the General Manager will sign a Written Summary Evaluation indicating the results of the Survey Summary, 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 shall cause the Written Summary Evaluation to be placed in the General Manager's personnel file and ensure that the Survey Summary and all completed survey forms are destroyed.
- 12.17 The Board may grant the General Manager a merit pay increase in accordance with City Council guidelines [Section 1108 (c)]. Further, the Board may grant the General Manager additional increases (i.e., Cost of Living Adjustments, Retirement Contribution Offsets, or similar increases) in accordance with City Council guidelines.
- 12.18 The Board will promptly notify the Office of the Mayor the results of the evaluation. Further, 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.
- 12.19 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**

- 12.20 The Board adopted this policy on June 8, 2006; Amended 03/06/08, 03/19/09, 03/01/12.

#### **REVIEW**

- 12.21 The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- 12.22 The Board shall next review this policy by March 2015.

**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.

Attachment  
General Manager Performance Evaluation Policy

GENERAL MANAGER EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4
<b><u>Strategic Planning and Implementation</u></b> (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
<b>Specific Observations:</b> _____ _____ _____ _____ _____				
<b><u>Operations</u></b> (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

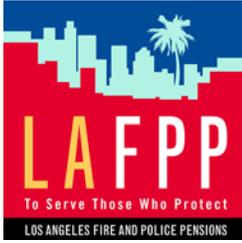
Attachment  
**General Manager Performance Evaluation Policy**

<b>GENERAL MANAGER EVALUATION</b>	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
<b>Specific Observations:</b> _____ _____ _____ _____ _____				
<b>Leadership and Personal Development</b> (Ethics and Conduct, Stakeholder Relations, Professional/Technical Competence, Problem Solving and Decision- Making, Flexibility, Self-Development, Communication, Credibility)				
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

Attachment  
**General Manager Performance Evaluation Policy**

<b>GENERAL MANAGER EVALUATION</b>	<b>Unacceptable 1</b>	<b>Needs Improvement 2</b>	<b>Meets Expectations 3</b>	<b>Exceeds Expectations 4</b>
<b><u>Staff Development and Supervision</u></b>				
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
<b>Specific Observations:</b> _____ _____ _____ _____ _____				

**Completed by:** \_\_\_\_\_ **on (date)** \_\_\_\_\_



# ***DEPARTMENT OF FIRE AND POLICE PENSIONS***

360 East Second Street, Suite 400  
Los Angeles, CA 90012  
(213) 978-4545

---

## **REPORT TO THE GOVERNANCE COMMITTEE**

---

**MARCH 20, 2014**

**ITEM: 2**

**FROM: Raymond P. Ciranna, General Manager**

**SUBJECT: CONSIDERATION OF GOVERNANCE BEST PRACTICES AND POSSIBLE  
COMMITTEE ACTION**

---

### **RECOMMENDATION**

That the Committee recommend to the Board:

- 1) Require at least one elected and one appointed Commissioner sit on each standing and ad hoc committee;
- 2) Require standing and ad hoc committees to elect a new chair and vice-chair every two years;
- 3) Clarify that in the absence of the committee chair, the vice-chair presides over committee meetings; and
- 4) Approve revisions to Governance Policy Sections 3.0 Duties and Responsibilities – Board of Commissioners, 4.0 Benefits Committee, 5.0 Governance Committee, 6.0 Audit Committee, and Section 14.0 Board Operations Policy to reflect these changes.

### **BACKGROUND**

The 2012-13 Strategic Plan included Project No. 9 (Governance Best Practices), with the goal to ensure the Board follows board governance best practices as recognized within the pension industry and supported by academic and institutional research. Since then, staff have recommended and implemented several governance best practices actions of the Governance Committee and the Board including:

- Reinstating a Board Self-Assessment Policy;
- Moving Strategic Planning and Budgeting responsibilities out of the Audit Committee and making them a full Board activity;
- Scheduling quarterly standing committees in advance as part of the Board's Annual Meeting Schedule; and
- Reducing the number of ad hoc & standing committees from seven to five.

As part of this assignment, on November 21, 2013, staff also reported back to the Governance Committee on committee structure best practices and suggested changes. Based on staff research, the Board report did not include any recommended changes to our current committee structure. At that meeting, staff reported that having committees is a best practice because they allow Board members additional time to delve into complicated issues. Also, LAFPP's three standing committees align with other similarly sized systems and boards. It was also discussed that there is no 'one-size fits all' approach to the number of committees a Board establishes. This is generally because while every Board is unique, every Board's committee structure is also unique. At that meeting, the Committee directed staff to prepare recommendations back to the Committee that address committee composition and committee chair and vice-chair elections.

## **DISCUSSION**

As set forth in Governance Policy Section 3.5 Duties and Responsibilities – Board of Commissioners, the Board President forms and dissolves ad hoc committees, recommends the formation or dissolution of standing committees for Board action, and appoints standing and ad hoc committee members. Committee members elect the chair and vice-chair of their respective standing committee, although the Board President will act as a tie-breaker if the committee cannot decide on a chair and vice-chair. It should be noted that the committees have not been observing the policy of electing a vice-chair.

Per the Governance Policy, ad hoc committees are comprised of three to four members and standing committees are comprised of four members, but the Policy does not speak to the composition of each committee. As currently written, each ad hoc and standing committee can be filled with all elected or all appointed Commissioners, which could lead to one-sided committee recommendations. (Note: our current committee composition is well diversified).

In the past, some Board members have expressed concerns that the Board does not adequately consider the work of the committee when hearing an item, resulting in committees being less effective while taking up significant Board and staff time. Staff understands this is an area all Boards struggle with; however, we believe that revising the Governance Policy to ensure appointed/elected committee representation would help address this concern, especially with the most controversial items. It should be acknowledged that some controversial issues will be debated at both the Committee level and the full Board level. To possibly minimize Board and Staff time, the Board President and Committee Chair may decide to debate an item only at the Board level.

Staff also recommends changing the Governance Policy to require that ad hoc and standing committee chair and vice-chair elections take place every two years. Current Governance Policies do not specify how often chair and vice-chair ad hoc and standing committee elections must occur. Requiring an election every two years would allow Commissioners an opportunity to head a committee if he/she chooses to do so.

Finally, Governance Policy Section 14.26 states that if the committee chair is absent, that the remaining members of the committee will elect a temporary chair. Staff recommends electing a vice-chair to each committee pursuant to policy, and revising the policy to stipulate that the vice-chair would preside over committee meetings in the absence of a committee chair.

## **BUDGET**

There is no budgetary impact as recommended.

## **POLICY**

The City Attorney will review the proposed policy revisions prior to Board approval.

This report was prepared by:

Stephanie Clements, Chief Management Analyst  
Administrative Operations Divisions

RPC:WSR:SHC

### Attachments (5)

*Attachment I – Revised Governance Manual Section 3.0 - Duties & Responsibilities - Board of Commissioners*

*Attachment II – Revised Governance Manual Section 4.0 - Benefits Committee*

*Attachment III – Revised Governance Manual Section 5.0 - Governance Committee*

*Attachment IV – Revised Governance Manual Section 6.0 - Audit Committee*

*Attachment V – Revised Governance Manual Section 14.0 - Board Operations Policy*

## 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; —must appoint at least one appointed and one elected Commissioner to each aAd hHoc cCommittee; and

Committee members elect the chair and vice-chair and when committee members cannot decide, the President will act as tie-breaker. Elections for the chair and vice-chair must take place every two years.

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 must appoint at least one appointed and one elected Commissioner to each standing committee; and

Committee members elect the chair and vice-chair and when committee members cannot decide; the President will act as tie-breaker. Elections for the chair and vice-chair must take place every two years.

### **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.

**Duties and Responsibilities-Board of Commissioners*****Benefits Administration***

- 3.11 The Board will:
- 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

### **Duties and Responsibilities-Board of Commissioners**

- E. Ensure an actuarial audit or equivalent is conducted at least every 5-7 years.<sup>1</sup>

### **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.
- 3.20 Only the Board can authorize legal opinions and retain all attorney-client privileges, as to all legal opinions, as specified in Section 16.0 of this Policy.

### **Communications**

- 3.21 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

---

<sup>1</sup> 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**

- D. Include agendas, Board reports including appropriate consultant and investment advisor reports, and Board policies on the Departmental website.

### ***Service Provider Appointments***

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

- 3.23 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.
- 3.24 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]
- 3.25 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;<sup>2</sup>
  - K. Monitor compliance with the Administrative Budget

---

<sup>2</sup> 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**

- 3.26 The Board will review Board policies at a frequency to be set out in each policy.
- 3.27 The Board will provide for appropriate monitoring of compliance with applicable laws and regulations (e.g. IRC, GASB, City Charter, etc.).

**HISTORY**

- 3.28 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised 10/21/10, 03/01/12.
- 3.29 Summary of Delegations to the General Manager added February 21, 2008; Revised 10/21/10.

**REVIEW**

- 3.30 The Board shall review these Duties and Responsibilities at least every three (3) years.
- 3.31 The Board shall next review these Duties and Responsibilities by March 2015.

## 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. The Benefits Committee must include at least one elected and one appointed Commissioner. Chair and vice-chair shall be elected by the committee members every two years.
- 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
  - 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.

**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. The Governance Committee must include at least one elected and one appointed Commissioner. Chair and vice-chair shall be elected by the committee members every two years.
- 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. Coordinate the annual Board performance and educational needs assessment, as set out in the Board Member Self-Assessment Policy.
- E. Monitor and report on compliance with the governance policies of the Board;
- F. Report regularly to the Board on its activities;
- G. 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,
- H. The Chair of the Governance Committee, may award the Distinguished Service Medal as stipulated in Section 18.0 of this Policy. (Amended 12/05/13)

**HISTORY**

- 5.6 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Reviewed 10/21/10; Revised 05/19/2011; Revised 12/05/13.

**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 2016.**

**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 Audit Committee must include at least one elected and one appointed Commissioner. The Committee Chair and Vice-Chair shall be elected by the committee members every two years.
- 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.

- 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.
  - A. Reviewing any reassignment or termination of the Internal Auditor by the General Manager.
  - B. 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.

- 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.

***Committee Reporting***

- 6.12 The Audit Committee shall:
  - A. Review all reports that the organization issues that relate to the responsibilities of the Audit Committee.
  - B. Regularly report to the Board on the activities of the Audit Committee at least once a year but no later than June 30<sup>th</sup> of each year beginning June 30, 2008. (Amended 09/19/13)
- 6.13 The Audit Committee shall perform any other activities related to these Duties and Responsibilities as requested by the Board.

**HISTORY**

- 6.14 The Board adopted these Duties and Responsibilities on July 12, 2007; Revised 09/02/10 and 09/19/13.

**REVIEW**

- 6.15 The Board shall review these Duties and Responsibilities at least every three years.

6.16 The Board shall next review these Duties and Responsibilities by September 2016.

**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.<sup>1</sup>
- 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.<sup>2</sup>

### ***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

---

<sup>1</sup> 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).

<sup>2</sup> 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 and must select at least one elected and one appointed Commissioner to sit on each standing and ad hoc committee. Committee members will elect the chair and vice-chair of the committee every two years. 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 vice-chair presides over the meeting~~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.