

TRUSTEE EDUCATION AND TRAVEL POLICY

I. PURPOSE AND BACKGROUND

This Policy is intended to provide the Trustees of the Mendocino County Employees' Retirement Association (MCERA) with guidelines and procedures that recognize and affirm the central role of education in the successful discharge of their duties.

This Policy is not intended to dictate that Trustees attend only specific conferences or programs. Instead, it represents a framework for the types of opportunities that Trustees may utilize in furthering their fiduciary education. Trustees are encouraged to seek additional education in public pension matters.

Effective January 1, 2013, Section 31522.8 was added to the Government Code. This policy is intended to comply with this section, which requires Trustees to complete a minimum of 24 hours of education within the first two years of assuming office and for every subsequent two-year period in which the Board Member continues to hold office.

II. OBJECTIVES

The objectives of this policy and the Board in general, are as follows:

- A. That Trustees gain the knowledge they need to effectively carry out the business of the Board.
- B. That Trustees gain the knowledge they need to ensure they fulfill their fiduciary duties.
- C. That Trustees possess a common base of knowledge to facilitate group discussion, debate and effective decision-making.
- D. To encourage Trustees to seek and maintain a level of familiarity with public pension issues.
- E. That all newly appointed or elected Trustees are provided with the general introductory knowledge they need to enable them to actively and effectively participate in Board and Committee deliberations.

III. ASSUMPTIONS

The Policy rests on the following important assumptions:

- A. The role of a Trustee is distinct from that of management; therefore the knowledge and educational needs of a Trustee may also be distinct.
- B. Trustees are responsible for making policy decisions affecting all major aspects of plan administration. Therefore, Trustees must acquire a level of knowledge in all significant facets of the plan that is appropriate to policy determination.
- C. No single method of educating Trustees is optimal. Instead, a variety of methods may be necessary and appropriate.

IV. POLICY GUIDELINES

A. General Provisions

1. Goal. All MCERA Trustees agree to develop and maintain an adequate level of knowledge and understanding of relevant issues involved in the administration of MCERA throughout their terms as Trustees of MCERA.
2. Educational topics. Trustees agree to pursue an appropriate level of training across a broad spectrum of pension-related areas, rather than limiting their education to particular areas. Accordingly, Trustees shall endeavor to gain knowledge that is consistent with the Board's role as a high level, policy-setting and oversight body. Section 31522.8(a) identifies appropriate topics for Board education which may include, but are not limited to, the following pension related areas:
 - a. Fiduciary responsibilities
 - b. Ethics
 - c. Pension fund investments and investment program management
 - d. Actuarial matters
 - e. Pension funding
 - f. Benefits administration
 - g. Disability evaluation
 - h. Fair hearings
 - i. Pension fund governance
 - j. New Board Member orientation

3. Compliant educational opportunities. Section 31522.8(b) establishes a means for determining the programs, training, and educational sessions that qualify as Board Member education. Educational seminars sponsored by state or national pension fund organizations and seminars sponsored by accredited academic institutions shall be deemed to meet Board Member educational requirements.

The following shall provide guidance with respect to attendance at conferences with preference given to conferences sponsored by educational institutions, the Board's investment consultant, or pension industry associations such as SACRS and CALAPRS.

Appropriate educational tools for Trustees may include, but are not limited to, conferences and training events designed for Trustees sponsored by the following:

- a. State Association of County Retirement Systems (SACRS);
- b. California Association of Public Retirement Systems (CALAPRS); and
- c. Investment Manager and Consultant conference.

4. Compliance reporting. Section 31522.8(d) requires each Board to maintain a record of Board Member compliance with the Policy. This Policy and an annual report on Board Member compliance shall be placed on MCERA's Internet Website.

5. MCERA will reimburse Trustees for the cost of one or more pension or investment related subscription, up to a maximum of \$400 per year with approved documentation.

- a. Pre-approved pension or investment related periodicals include:

- i. Pension and Investments (P&I) print and/or online subscription (free);

- ii. Morningstar Investor;

- iii. Bloomberg

- iv. Financial Times

- b. Request for subscriptions that are not on the pre-approved list will be considered on an individual basis by the Retirement Board.

- c. Request for reimbursement must include:

- i. Written reimbursement request (email is acceptable)

- ii. Proof of purchase

- iii. Proof of ownership of funds

B. Role of MCERA Management

1. Management shall identify appropriate educational opportunities and include such information in Board meeting information packages for Trustees' consideration, as early in the year as possible, and throughout the year, to facilitate scheduling on the part of Board Members.
2. Staff will organize or deliver at least one special in-house education session each year covering one or more topics that would be beneficial for all Board Members. An example of such a topic would be the Brown Act.
3. Other required training. In addition to the above, mandatory training is required for Trustees regarding:
 - a. AB 1234 – Ethics Training: every two years; and
 - b. AB 1825 – Sexual Harassment Prevention Training: within six months of becoming a Trustee and every two years thereafter.

C. Conferences and Seminars

1. The Board will allocate sufficient funds annually in its budget to enable Trustees to attend specified conferences. Accordingly, Board approval is not required for attendance at such conferences. Trustees, however, shall confirm with the Executive Director that there is sufficient space and funding.
2. If a conference is not listed in the budget attendance at that conference shall require Board approval. In approving a particular educational opportunity, the Board shall consider:
 - a. The extent to which an opportunity is expected to provide Trustees with the understanding and information they need to carry out their responsibilities;
 - b. The extent to which the opportunity meets the requirements of this policy;
 - c. The cost-effectiveness of the program in light of travel, lodging and related expenses; and
 - d. The timeliness and relevance of the opportunity.
3. Reimbursement for travel and associated expenses relating to educational conferences shall be in accordance with the provisions of the County Travel Policy, unless superseded by a MCERA travel policy.

4. In cases where attendance at a particular conference is limited:
 - a. The Chair and Executive Director shall jointly determine whether it is necessary for management to participate; and then
 - b. The Chair shall determine which interested Trustees shall attend, on a rotating basis.
 - c. If a limited number of Trustees attend a particular conference, they will report back to the Board on the conference and provide an evaluation of the conference.
5. Trustees may provide the Executive Director with copies of any educational material acquired at conferences that they deem to be useful. The Executive Director shall in turn make said materials available to the Board for reference purposes.

V. ORIENTATION PROGRAM

- A. A formal orientation program shall be developed by the Executive Director for the benefit of new Trustees. The aim of the orientation program shall be to ensure that new Trustees are in a position to contribute fully to Board and Committee deliberations, and effectively carry out their fiduciary duties as soon as possible upon joining the Board.
- B. As part of the orientation process, new Trustees shall, within 45 days of their election or appointment to the Board, attend the New Trustee Orientation Program that includes:
 1. ~~Be briefed by the Executive Director on the~~ The history and background of MCERA;
 2. ~~A~~ ~~Be~~ ~~brief~~ ~~inged~~ by the Board Chair;
 3. Be introduced to staff of MCERA;
 4. Be provided a tour of MCERA offices by management;
 5. ~~Be briefed on their fiduciary~~ Fiduciary duties, conflict of interest guidelines and The Brown Act;
 6. ~~Be advised by the Executive Director of where the~~ The location of the following resources: ~~may be found on the Association website or other locations as appropriate~~
 - a. The 37 Act, ~~the Brown Act~~, and the MCERA By-Laws;
 - b. Most recent plan description and member handbook;
 - c. Copies of MCERA Board policies;

- d. Most recent actuarial valuation and financial statements;
- e. Most recent asset/liability study;
- f. Most recent investment performance report;
- g. Most recent budget;
- h. Organizational chart;
- i. Names and phone numbers of the other Trustees and the Executive Director;
- j. Listing of current Committee assignments;
- k. Listing of current MCERA service providers;
- l. List of upcoming educational opportunities;
- m. A copy of the Board's liability insurance policy; and
- n. Other relevant information and documentation from management or the Chair; for example, disability process guidelines/information.

C. The Executive Director shall review and ~~if necessary~~ update the orientation material as needed.

D. During the course of their first year on the Board, new Trustees shall endeavor to attend the SACRS New Trustee Training Program and/or the CALAPRS Principles of Pension Management Program.

E. Prior to their first official meeting of the Board, new Trustees shall endeavor to attend a meeting of the Board as an observer.

F. Within 30 days of being appointed or elected to the Board, Trustees must complete a Form 700 Statement of Economic Interests. Management shall provide new Trustees with all the necessary assistance in properly completing the Statement.

VI. POLICY REVIEW

This Policy is subject to change in the exercise of the Board's judgment. The Board will review this policy at least every three years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations. In the event of legislative changes to the pertinent sections addressed in this policy, the Board will review the policy as appropriate.

VII. POLICY HISTORY

The Board adopted this policy on 12/16/09

This policy was amended and adopted on 12/12/2012

The Board amended this policy on February 17, 2016.

The Board reviewed this policy on May 10, 2017.

The Board reviewed this policy on June 17, 2020.

The Board reviewed this policy on August 16, 2023.

The Board amended this policy on July 17, 2024.