



## **BOARD EDUCATION AND TRAVEL POLICY**

### **Background and Purpose**

- 1) The Retirement Board's fiduciary duties of loyalty, skill, care and diligence extend across all facets of plan administration. Accordingly, in order to satisfy their fiduciary duties and mitigate the risk of legal liability to the San Francisco City and County Employees' Retirement System ("Retirement System" or "SFERS") and members of the Retirement Board ("Board") personally, Board members acknowledge the need to acquire and maintain a level of knowledge of all significant facets of the Plan that is appropriate for prudent policy determination. The Board as a whole will encourage its members to secure the necessary knowledge as required by this policy, and monitor the members' compliance with this policy.
- 2) This policy statement is to be implemented in compliance with the relevant provisions of the California Constitution and in harmony with existing philosophy, values, objectives, policies and guidelines previously approved by the Board.
- 3) Each Board member brings unique skills and experience to the Retirement Board, and possesses differing amounts of knowledge in the area of pension plan and fund administration.
- 4) No single method of educating Board members is optimal. Instead, a variety of methods may be necessary and appropriate.

### **Policy Objectives**

- 5) The objectives of this policy are to:
  - a) Ensure that all Board members are provided with adequate opportunity and assistance to acquire the knowledge they need to effectively carry out their fiduciary duties;<sup>1</sup>
  - b) Establish the importance of fiduciary education at SFERS, and of the level of commitment to such education that is expected of Board members; and
  - c) To facilitate travel by Board members for the purposes of obtaining fiduciary education on matters relevant to SFERS.

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<sup>1</sup> The scope of this policy is limited to the education of Retirement Board members.

## **Policy Guidelines**

### **General Provisions**

- 6) Board members agree to develop and maintain an adequate level of knowledge and understanding of relevant issues pertaining to the governance and administration of SFERS throughout their terms on the Retirement Board.
- 7) Board members agree to pursue appropriate education across a range of pension-related areas, rather than limiting their education to particular areas. The general topic areas to be pursued include:
  - a) Fiduciary responsibilities
  - b) Ethics
  - c) Legislation
  - d) Governance and decision-making
  - e) Pension fund investments and management
  - f) Risk management
  - g) Actuarial funding matters
  - h) Benefits administration
  - i) Disability retirement
  - j) Deferred compensation plan design, funding, and investments
- 8) Appropriate educational tools for Board members include, but are not limited to:
  - a) External conferences, seminars, workshops, roundtables, courses or similar vehicles;
  - b) Association meetings or events;
  - c) Internal educational seminars or briefings;
  - d) Relevant periodicals, journals, textbooks or similar materials; and
  - e) Electronic media such as webinars and other on-line resources.
- 9) On an ongoing basis, the Executive Director will identify appropriate educational opportunities and include details of such in Retirement Board meeting information packages for Board members' consideration. Conferences and seminars recommended by the Executive Director should include an average of at least 5 hours of substantive educational content per day, if they require overnight lodging or other significant travel-related expenses. Board members are also encouraged to suggest educational vehicles that may provide value to the Retirement Board, which may be included in or provided in addition to the on-site fiduciary and conflict of interest training that the Executive Director is to coordinate for the Board.
- 10) Board members will attempt to meet the following minimum goals:

- a) To secure, over time, a useful level of understanding in each of the topic areas listed in paragraph 7 above;
- b) To attend at least one conference annually, which includes an average of at least 5 hours of substantive educational content per day of the conference. In accordance with paragraph a) above, Board members are encouraged to attend conferences, on occasion, that address pension topics other than investments.
- c) To participate in internal educational seminars or briefings that may be organized, including at least one hour of fiduciary education and one hour of conflict of interest education each year. The Board will be provided at least one internal education session covering a minimum of two topics of interest to the Board. Such sessions may be appended to regular Retirement Board or committee meetings or organized as stand-alone sessions.
- d) To receive at least 8 hours of training per year on the topic areas listed in paragraph 7 above.

### ***Orientation Program***

- 11) The Executive Director will develop a formal orientation program, covering the general topic areas outlined in paragraph 7 above, for the benefit of new Board members. The aim of the orientation program is to introduce or orient new Board members to their fiduciary responsibilities and legal obligations, the workings of the Retirement System, and the key issues involved in administering the benefits and investments of the retirement system. The Board expects that new Board members will quickly begin to build on their orientation by participating in continuing education, both external and internal.
- 12) Staff will provide regular reports to the President on the status of each new Board member's orientation relative to the orientation guidelines contained in this policy.

### ***Elements of the Orientation Program***

- 13) The Executive Director will meet with each new Board member to plan their orientation process as soon as possible following their election or appointment to the Board. The Board recognizes that each Board member has different orientation needs and priorities, as well as different time constraints. The Executive Director will attempt to tailor each orientation, with the goal of providing an introductory overview of each of the following issues during the first year of a Board member's first term:
  - a. General history, background, and structure of SFERS.
  - b. Current and pending issues before the Board.
  - c. Introductions to members of SFERS senior management.
  - d. Fiduciary responsibilities.
  - e. The Sunshine Ordinance, the Brown Act, and other pertinent legislation.
  - f. Requirements pertaining to filing of statements of economic interests.

- g. The Board's terms of reference and governance policies.
  - h. The investment program of the defined benefit program (DB).
  - i. Actuarial and funding matters.
  - j. Benefits administration and plan design.
  - k. Disability retirement.
  - l. The deferred compensation (DC) plan design, funding, and investments.
- 14) As part of their orientation Board members will also be provided:
- a. A copy of Board member reference materials or access thereto.
  - b. A listing of recommended educational opportunities; and
  - c. Any other relevant information and documentation deemed appropriate by the Executive Director.
- 15) During the course of their first 18 months on the Retirement Board, new board members will endeavor to attend the CALAPRS Principles of Pension Management Program.

***Education Needs Assessment***

- 16) The Executive Director will bi-annually conduct an education needs assessment of the Board in order to determine education topics of interest to Board members as well as Board members' preferences regarding training methods (e.g. preferred training vehicles; and length, timing, and location of internal training). The results of the assessment, along with a recommended Board education plan, will be presented to the Governance Committee for review and subsequent recommendations to the Board for approval.

***Attendance at Conferences & Association Meetings***

- 17) Approval for attendance and reimbursement of travel expenses in connection with conferences, seminars and association meetings will be in accordance with the provisions set out in Appendix 1 of this policy.
- 18) Each board member is generally limited to seven seminars or conferences per fiscal year that require travel outside of the nine Bay Area counties (defined in Appendix 1, Section 5). No more than one of the seven conferences may involve travel to a destination outside North America. North America is defined as: 1) the United States of America and its territories, 2) Canada and 3) Mexico. Board members may request Board approval to attend any number of conferences held within the nine Bay Area counties.
- 19) In cases where attendance at a particular conference is limited:
- a) The Retirement Board will, by majority vote, select those members who are authorized to attend;

- b) Designate the remaining interested members as alternate attendees, who may attend in the event the members originally selected are unable to attend; and
  - c) In authorizing attendance, the Retirement Board will give priority to those Board members who have not previously attended the conference or seminar in question, so as to carry out the Retirement Board's intent to distribute conference and seminar opportunities on a fair and equitable basis.
- 20) The Board Secretary will retain and catalogue all relevant conference materials submitted to the office of the Executive Director by Board members. Where appropriate, the Executive Director may distribute copies to Board and staff members.
- 21) A quorum of the Retirement Board or a Committee are not authorized to meet together for business purposes unless there is appropriate public notice of the meeting. A quorum of the Board is four members and Committees (other an Investment) is two members, However, a quorum of the Board or Committee may attend educational conferences, seminars, and social activities, provided that such members act in accordance with the Brown Act and the Sunshine Ordinance.

### **Monitoring and Reporting**

- 22) Board members will inform the Executive Director or Board Secretary of any pension and investment-related meetings, conferences, seminars, and association meetings attended, when it is reasonable to assume the Board member was invited to attend such event by virtue of being a member of the Board. Board members will furthermore complete and submit an External Activities Form to the Board Secretary summarizing pertinent details concerning the event.
- 23) Upon returning from a conference, attendees shall report to the Board with a written assessment of the quality and relevance of each conference , and the information or knowledge attained at the conference in relation to the topics listed in paragraph 7.
- 24) On an annual basis, the Executive Director will submit a report to the Board on the educational activities of the Board. At a minimum, the report will summarize:
- i) Attendance by Board members at conferences during the year;
  - ii) Internal educational sessions held during the year; and
  - iii) Other educational activities of Board members.
- 25) The Executive Director shall provide a quarterly travel expenditure report covering Board member travel outside San Francisco County to the Retirement Board. Such report shall identify the Board member, location, cost, and purpose of travel.

### **Policy Review**

- 26) The Retirement Board will review this policy at least every five (5) years to ensure that it remains relevant and appropriate.

**Policy History**

27) The Retirement Board adopted this policy on June 8, 2004.

The Retirement Board reviewed and amended this policy on July 11, 2006; July 10, 2007; October 14, 2008; July 12, 2011; April 10, 2013; December 13, 2017, and May 18, 2023.

## APPENDIX 1

### TRAVEL EXPENSE REIMBURSEMENT GUIDELINES

#### Travel Authorization

- 1) Each board member is generally limited to seven seminars or conferences per fiscal year that require travel outside of the nine (9) Bay Area counties (defined in Section 5 below). No more than one of the seven conferences may involve travel to a destination outside of North America, as defined in SFERS Board Education and Travel Policy Section 21. Board members may request board approval to attend any number of conferences held within the nine (9) Bay Area counties.
- 2) New Board members should prioritize attending the CALAPRS Principles of Pension Management Program or other introductory pension conference before attending other conferences except for regular meetings of CALAPRS.
- 3) Attendance by board members at seminars and conferences requiring reimbursement of expenses from SFERS requires prior approval of the Board, and is subject to the limits set out in paragraphs 1 and 2 above.
- 4) Attendance by board members at association meetings, due diligence visits or other board business requiring travel outside of the nine (9) Bay Area counties also requires prior approval of the Board.
- 5) Travel within the nine (9) Bay Area counties which will require only modest expenses (e.g. mileage, parking, BART, muni, or taxi) does not require board approval. If other expenses are involved, the same rules are applicable as for travel outside the nine (9) Bay Area counties.  
  
The nine (9) Bay Area counties, as defined by the City Controller's expense policy are: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.
- 6) The Board may ratify travel and expense reimbursement by board members for which prior approval was not obtained for good cause explained in written communication to the Board.
- 7) The acceptance of any gifts which enable board members to attend seminars and conferences requires prior board approval in strict compliance with applicable local and state laws.
- 8) Review and approval of educational travel will depend on the cost, substance and quality of the seminar or conference. As a general rule, travel to a conference or seminar outside of the nine (9) Bay Area counties should only be approved if the conference/seminar agenda contains an average of five (5) hours of substantive educational content per day. The Board may waive this requirement if the best interests of SFERS would be served by such a waiver.
- 9) The Board recognizes that board members are often considered experts in their professional fields or as having considerable experience as a fiduciary. As such, they are often invited to speak at conferences. While SFERS encourages the exchange of professional information, it must be

evident that a conference or seminar as a whole would provide value to SFERS, before attendance is authorized.

**Cost of Administration**

- 10) Travel expenses of board members shall be direct costs of administration to SFERS and may not be paid through third party contracts or otherwise without express approval of the Board or the Executive Director. Board members shall pay special attention to reporting requirements for expenses paid or reimbursed by third parties.
- 11) Claims for reimbursement of travel expenses shall be submitted within 20 days following completion of the travel for which expenses are claimed. Mileage claim forms shall be submitted at least once each quarter if expenses are claimed.

**Cash Advances**

- 12) Cash advances will not be allowed unless specifically approved by the Board.

**Expenses For Travel Companions**

- 13) Expenses of travel companions, including spouses and domestic partners, are not reimbursable by SFERS.