

**GOVERNANCE COMMITTEE/SPECIAL MEETING
OF THE
RETIREMENT BOARD OF ADMINISTRATION
WATER AND POWER EMPLOYEES' RETIREMENT PLAN**

MINUTES

August 12, 2009

Present:

Barry Poole, Chair
Cindy Coffin
Michael Moore
Javier Romero
Jeff Peltola
H. David Nahai

Absent:

None

Staff Present:

Sangeeta Bhatia, Retirement Plan Manager
Monette Carranceja, Asst. Retirement Plan Manager
Mary C. Higgins, Asst. Retirement Plan Manager
Jeremy Wolfson, Chief Investment Officer
Julie Escudero, Utility Executive Secretary

Others Present:

Mike Wilkinson, Deputy City Attorney

Mr. Poole called the meeting to order at 9:45 a.m.

Ms. Bhatia indicated a quorum of the Board was present.

Public Comments

There were no public comments.

1. Continuation of Discussion of IFS Management Audit Recommendations

Ms. Bhatia reported that at the meeting of June 30, 2009, the Retirement Board and the Governance Committee met to discuss the recommendations from the management audit that was conducted by Independent Fiduciary Services (IFS) and, at that time, the Board requested Staff come back with the recommendations categorized in terms of what has already been implemented, what needed a Charter change, and what required a meet and confer process.

She indicated a matrix showing each of those categories, plus a comprehensive list, was provided to the Board for discussion and then depending on how the Board wished to proceed, they could select one of the categories and go down the list in that manner.

It was the consensus of the Board to forego the Meet and Confer or Charter change recommendations and, instead, review the comprehensive list one by one and determine the priorities. The following table identifies those items addressed by the Board and the priority assigned to each:

IFS MANAGEMENT AUDIT RECOMMENDATIONS – PRIORITY LISTING


Rec	Description	Priority
1a/01	Amend Charter to add establishment and final approval of Plan's budget as specific power and duty of the Retirement Board	High
1a/02	Amend Charter to give Board ultimate authority to (1) appoint Plan Manager and Plan staff and (2) terminate Plan Manager; and, to be considered separately (3) set Plan Manager's compensation and staff's pay schedule	High - - - Seek legal opinion
1a/03	Provide the Plan with the authority for one or more exempt positions	Low
1a/04	Amend Brown Act to exclude investments	Low/No Action
1b/01	City Atty opine on indemnification of Board and staff regarding fiduciary breach, etc.	In progress
1b/02	Evaluate desired level of insurance protection	Done
1b/03	Insurance training for Board members	Done
2a/01	One or more Board members should have investment, finance or accounting expertise	Done
2a/02	Allow ex-officio members to designate a representative to attend meetings	Low
2a/03	Board should evaluate Plan Manager annually and adopt formal evaluation process	Medium
2a/04	Board should establish and participate in a self-evaluation process	Medium
2a/05	Board should hold annual off-site meeting(s) to discuss long-range issues, strategic planning, etc.	High
2a/06	Create charters describing roles and responsibilities of each committee; committees should report to Board monthly	Medium
2a/07	Create delegations of authority to Plan Manager	Low
2a/08	All committee recommendations be reported to Board in formal motion or resolution; each committee charter should contain such a requirement	Done/ No Action
2a/09	Use material from Cortex to form comprehensive written governance framework	Medium
2a/10	Develop Governance Statement	Medium
2a/11	Conduct governance training after completion of governance document	Low
2a/12	Adopt an investment-related Standard Operating Procedures manual and develop new policies and procedures as needed	Low
2a/13	Include, in investment-related policies and procedures, the date of adoption, review provisions, and dates of amendments	Done/ No Action

Rec	Description	Priority
2a/14	Develop detailed position descriptions for investment staff	Done
2a/15	Develop and adopt Strategic Plan	High
2a/16	Update the May 10, 2000, memorandum and distribute to Board members	In progress
2a/17	Develop a new Board member orientation handbook; set aside time to meet with new members to address questions regarding responsibilities (*Javier Romero would like a mentoring program)	Medium
2a/18	Hold periodic compulsory educational sessions for trustees	Medium
2a/19	Develop formal new member and continuing education program for Board members	Low
2a/20	Develop more educational seminars on investment strategies and products and risk mgmt (*Mr. Nahai would like a one-day comprehensive training)	High
2a/21	Adopt a Travel and Education Policy	Medium
2a/22	Staff should prepare an annual Travel and Education Report for the Board's review	Low

2. Update from City Attorney on Governance Issues

No discussion took place on this item.

The meeting adjourned at 11:28 a.m.



 BARRY POOLE
 Chairperson

9/28/09


 Date



 SANGEETA BHATIA
 Retirement Plan Manager

9/28/09

 Date



 JULIE ESCUDERO
 Utility Executive Secretary

9.28.09

 Date