

# **SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM**

## **TRUSTEE EDUCATION POLICY**

### **I. PURPOSE**

The purpose of this Trustee Education Policy is to establish guidelines and procedures for the Trustees of the Santa Barbara County Employees' Retirement System (the "System") that recognize and affirm the importance of education to the success of fulfilling their fiduciary responsibilities.

### **II. POLICY OBJECTIVES**

1. All Trustees will be able to gain the knowledge they need to carry out their fiduciary responsibilities and engage in effective group discussion, debate and decision making with regard to the System as a whole.
2. Newly appointed or elected Trustees will be provided with the general introductory knowledge they need to enable them to effectively participate in Board and Committee deliberations in a timely manner.
3. Trustees will be provided the opportunity to learn through networking with the Trustees of other public retirement systems and learn of alternate approaches to common issues and problems.

### **III. ASSUMPTIONS AND PRINCIPLES**

1. The Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration. They, therefore, must acquire an appropriate level of knowledge of all significant facets of the System rather than specializing in particular areas.
2. A variety of methods are necessary and appropriate since no single method of educating Trustees is optimal.
3. The Trustee Education Policy is not intended to dictate that Trustees attend only specific conferences or programs. Although a list is included in this Policy, the Policy is a framework for the types of opportunities that the Trustees should utilize in their fiduciary education.

#### **IV. POLICY GUIDELINES**

##### **1. GENERAL PROVISIONS**

- A. Trustees shall develop and maintain their knowledge and understanding of the issues involved in the policy direction and management of the Santa Barbara County Employees' Retirement System throughout their terms as Trustees of the System.
- B. Trustees shall develop an appropriate level of knowledge across a broad spectrum of pension-related areas, including:
  - 1. Governance and fiduciary responsibilities
  - 2. Benefit administration, including processing and evaluation of disability applications
  - 3. Actuarial policies and pension funding
  - 4. Pension fund investments and investment program management
  - 5. Technology
  - 6. Human resources management
  - 7. Ethics (mandatory every two years pursuant to Gov. Code Section 53235)
  - 8. Fair Hearings
  - 9. Sexual Harassment Prevention Training (mandatory every two years pursuant to Gov. Code Section 53237.1)
- C. Trustees are encouraged to help seek out, evaluate and take advantage of appropriate educational tools, which may include, but are not limited to:
  - 1. External conferences, seminars, workshops, roundtables, courses or similar vehicles
  - 2. In-house presentations by the Board's service providers or staff
  - 3. Relevant periodicals, trade journals, textbooks, and on-line resources
  - 4. Productivity tools and equipment necessary to perform the function of a Trustee.
- D. The Board Chair and CEO shall review and evaluate available educational conferences and bring to the attention of the Board those they believe are appropriate. Trustees may also bring forward appropriate educational conferences for consideration.
- E. Standards for determining the appropriateness of a potential educational opportunity shall include, without limitation:

1. The extent to which the opportunity is expected to provide Trustees with the knowledge they need to carry out their roles and responsibilities, and
  2. The cost-effectiveness of the program in light of travel, lodging and related expenses.
- F. Each Trustee is encouraged to report to the Board, either orally or in writing, on the most important knowledge or information gained from the conference/seminar/workshop attended and to recommend whether others should attend in the future.
- G. As required by Government Code Section 31522.8, all Trustees shall receive a minimum of 24 hours of board member education within the first 2 years of assuming office and for every subsequent 2-year period in which the person serves on the Board.

2. TRUSTEE ORIENTATION PROGRAM

- A. An orientation program will be formalized and maintained for the benefit of new Trustees.
- B. All new Trustees shall participate in the orientation program as soon as is reasonably practicable.
- C. 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 after joining the Board.
- D. The orientation program shall include:
1. Education from staff, counsel and service providers regarding the following topics:
    - a. An introduction to the CERL, Board governance, the fiduciary duties of Board members and fiduciary insurance
    - b. A briefing on pending and prospective legal matters affecting the System
    - c. An introduction to staff, SBCERS facilities, and an overview regarding how SBCERS' day to day business activities are conducted and how financial and actuarial functions are fulfilled
    - d. A presentation on the benefits offered by SBCERS and how those benefits are administered by SBCERS staff

- e. An introduction to the principles of disability retirement law and the Board's role in adjudicating disability retirement applications
  - f. An introduction to conflict of interest principles and duties of Board members to disclose financial interests pursuant to the Fair Political Practices Act and assistance with required Form 700 disclosure
  - g. An introduction to the Brown Act
  - h. A briefing on investment activities of the System and the structure of the SBCERS investment portfolio
  - i. An overview of the actuarial valuation process and funding objectives
2. Written educational materials, either in hard copy or by electronic links to the following:
- a. Most recent Summary Plan Descriptions
  - b. A copy of the CERL
  - c. Material from legal counsel on fiduciary responsibility
  - d. Material from legal counsel on the Brown Act
  - e. Copies of System By Laws and Board Policies
  - f. Most recent Comprehensive Annual Financial Report
  - g. Most recent Actuarial Valuation Report
  - h. Most recent Investment performance report
  - i. Most recent System budget
  - j. Up-to-date organization chart
  - k. Names and telephone numbers of other Trustees and System management
  - l. A copy of the Board's Fiduciary Liability Insurance Policy

### 3. ATTENDANCE AT CONFERENCES AND SEMINARS

- A. Trustees are encouraged to attend the following conferences and attendance by any interested trustee, including actual and necessary travel expenses, is deemed approved without further Board action:
1. Semi-annual conference sponsored by the State Association of County Retirement Systems (SACRS)
  2. Annual General Assembly of the California Association of Public Retirement Systems (CALAPRS)
  3. Trustee Roundtables sponsored by CALAPRS
  4. The CALAPRS Principles of Pension Management
  5. Advanced Board Leadership Institute (CALAPRS)
  6. Portfolio Concepts and Management sponsored by the International Foundation of Employee Benefit Plans held at The Wharton School, University of Pennsylvania (Wharton)

7. Council of Institutional Investors (CII)
  8. Public Pension Investment Management Program (SACRS)
  9. Alternative Investments and Real Estate (Wharton West)
- B. Trustees wishing to attend other conferences or seminars will submit their request to the CEO for inclusion on the Board meeting agenda for approval.
- C. In attending external conferences, preference will be given to those sponsored by educational institutions or pension industry associations as opposed to commercially driven organizations.

#### 4. RECORD OF ATTENDANCE

Trustees shall provide a record of Board member training and education hours in compliance with this Policy. The CEO or designee shall maintain for all Trustees a record of training hours. The Trustee Education report shall be placed on the SBCERS agenda for consideration on a quarterly basis, the quarterly report shall detail the hours of training received by each trustee over the past two years and the cost associated with the training.

#### **V. POLICY REVIEW**

The Retirement Board shall review this Policy at least every five years to ensure that it remains relevant and appropriate.

#### **VI. AMENDMENT HISTORY**

This Policy was adopted by the Retirement Board on October 24, 2001, and revised on April 13, 2005, November 19, 2008, October 26, 2011, March 27, 2013, July 26, 2017, April 25, 2018 April 28, 2021, and April 24, 2024.