

Cobb County Employees' Pension Plan Board of Trustees Governance Policies

Attendance

All board members are expected to attend all board and applicable committee meetings. While attendance is not always possible, board members should, once the calendar for a year is set, immediately flag any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts. Absences for medical or other substantial reasons shall be deemed excused absences in the discretion of the board chairman.

Committee Service

Each board member should serve on committees as requested by Board Chairman.

Preparation

Board members should come to board meetings having read the materials prepared and circulated by staff and/or consultants, and having asked any questions of staff necessary to their understanding of the materials.

Inquisitiveness

Board members should be inquisitive, and should appropriately question staff, advisors and fellow trustees as circumstances require. There is no such thing as a "dumb question".

Integrity

Board members should conduct themselves with integrity and dignity, maintaining the highest ethical conduct at all times. They should understand system objectives and exercise care, prudence and diligence in handling confidential information.

Knowledge

Board members should develop and maintain their knowledge and understanding of the issues involved in the management of the system. The specific areas in which board members should develop and maintain a high level of knowledge should include:

- Public pension plan governance.
- Asset allocation and investment management.
- Actuarial principles and funding policies.
- Financial reporting, controls and audits.
- Benefits administration.
- Vendor selection process.

- Open meeting and public records laws.
- Fiduciary responsibility.
- Ethics, conflicts of interest and disclosures.

Education

Board members should identify areas in which they might benefit from additional education and work with staff to find educational opportunities. Members should attend public sector pension conferences and educational programs and educational sessions provided internally by consultants and special guests.

Collegiality

Members should seek information from staff, consultants to the Board and other members. Members shall make every effort to engage in collegial deliberations, and to maintain an atmosphere in which board or committee members can speak freely, explore ideas before becoming committed to positions and seek information from staff and other members. Board members should come to meetings without having fixed or committed their positions in advance.

Mentoring

Any new board member may request a mentor to assist him or her in becoming familiar with his or her responsibilities on the board. If a request is made, the board chair will designate one experienced board member to be a mentor to the new board member for a period of one year. The mentor will contact the new board member at least once each calendar quarter, outside of regularly scheduled board meetings, for consultation or discussion related to new board member orientation.

Duty of Loyalty

Board members and staff of the system shall discharge their duties with respect to the system and the plan solely in the interest of the members, retirees and beneficiaries for the exclusive purpose of:

- Providing benefits to members and beneficiaries.
- Defraying reasonable expenses of administering the plan.

Duty to Act Prudently

Board members and staff must discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of a like character and with like aims. This requires:

- Diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it clearly is prudent not to do so.

- Undertaking an appropriate analysis of a proposed course of action, including determination of the relevant facts, considering alternative courses of action and obtaining expert advice as needed.
- Acting in accordance with the documents and instruments governing the system.

Exclusive Purpose of Systems Assets

The assets of the plan shall never inure to the benefit of an employer and shall be held for the exclusive purposes of providing benefits to members and beneficiaries and defraying reasonable expenses of administering the system.

Prohibitions Against Self-Dealing

Board members shall not do any of the following:

- Deal with the assets of the system in their own interest or for their own account.
- In their individual, or any other capacity, act in any transaction involving the system on behalf of a party, or represent a party, whose interests are adverse to the interests of the plan or the interests of the members and beneficiaries.
- Receive any consideration for their personal account from any party conducting business with the system in connection with a transaction involving the assets of the plan.