



## **Meeting Summary**

November 19, 2013

The Board Governance Committee met on November 19, 2013.

### **The Committee recommends, and I move, the Board approve the following:**

- **AGENDA ITEM 5 – BOARD MEMBER COMPETENCIES**

Approve staff's recommendation to amend the Board Governance Policy to include the list of desirable Board member competencies set forth in Attachment 1 to the Agenda Item, with a revision to the Governance Competencies to include an understanding of the proper conduct of Board and Committee meetings in accordance with rules adopted by the Board.

- **AGENDA ITEM 6 – APPROVE RFP FOR SPRING-FED POOL AND BOARD SELF-ASSESSMENT FACILITATOR**

(1) Approve the issuance of an RFP to a) establish a Spring-Fed Pool of consultants to advise the Board in connection with board governance projects and services on an as-needed basis, and b) award a letter of engagement to a qualified firm from the Spring-Fed Pool to serve as Facilitator for the Board's Self-Assessment in 2014.

(2) Approve the RFP schedule of events and the evaluation process and scoring method for the Spring-Fed Pool and Facilitator for the Board Self-Assessment as set forth in Attachments 1 and 2 to the Agenda Item.

### **The Committee received reports on the following topics:**

- Staff provided information on the possible structure and components of a Board Education Policy and staff sought and received direction of the Committee.

### **At this time I would like to share some highlights of what to expect at the February Board Governance Committee meeting:**

- Staff will present a draft Board Education Policy for review and consideration by the Committee.
- Staff will present a list of qualified candidates to serve as Facilitator for the Board's 2014 Self-Assessment and the Committee will elect finalists to be interviewed by the Committee.

- Staff will present an update on the Board Governance Project - Strategic Measures.

The next meeting of the Board Governance Committee is scheduled for February 19, 2014, in Sacramento, California.

## V. BOARD MEMBER COMPETENCIES

CalPERS is the largest public pension fund in the United States. It administers retirement benefits for more than 1.6 million state and local government employees, retirees, and their families and health benefits for more than 1.3 million enrollees. Members of the CalPERS Board of Administration should possess the knowledge and expertise to oversee the management and administration of this system.

In order to be more effective members of the CalPERS Board, Board members are expected to develop an understanding of the following:

### Governance Competencies:

- The role and responsibilities of Board members;
- The Board committees and their purposes;
- The CalPERS Board Governance Policy and other Board policies;
- Fiduciary responsibilities and duties, conflicts of interest and ethics;
- The CalPERS organizational structure and the roles of executive staff and key service providers, including Board consultants, external auditors and attorneys, investment managers and the custodian;
- The Open Meeting Act and the Public Records Act;
- The role of CalPERS as a state agency and a trust fund, CalPERS mission and purpose, as well as applicable principles of public administration and public policymaking;
- Best practices for and current trends regarding pension and trust fund governance;
- The proper conduct of Board and Committee Meetings in accordance with rules adopted by the Board.

### Strategic Competencies:

- The CalPERS health benefits program structure and delivery;
- The CalPERS pension benefit structure and administration;
- Investment markets, investment asset classes and CalPERS investment processes;
- Financial statements, balance sheets, budgets, audit reports, and legal opinions;
- Economic principles;
- The actuarial valuation, assumptions and methodologies and asset/liability management processes;
- Risk management and oversight;

- CalPERS strategic planning process, the CalPERS Strategic Plan, and corresponding performance measures;
- The U.S. healthcare system and the healthcare marketplace;
- Defined contribution plans, ERISA, Social Security and the private retirement marketplace;

Communication Competencies:

- CalPERS objectives and approach with respect to communications with the media and stakeholders;
- The use of current forms of electronic communication tools; and
- How to express opinions and ask questions in a constructive manner that encourages critical thinking and analysis and improves decision making.