



## Board of Administration

# Agenda Item 5b

---

**September 17, 2019**

**Item Name:** Proposed Changes to Board Governing Documents to Alter Composition of Investment Committee

**Program:** Board Governance

**Item Type:** Action

### **Recommendation**

In keeping with the recommendations of Board Workstream 3 and the Board's adoption of its recommendations, approve proposed changes to the Board's Delegation to the Investment Committee so that the Committee is composed the same way as the Board's other committees.

### **Executive Summary**

At the August meeting the Board approved changing the Investment Committee from a committee of the whole to the structure of the Board's other committees. This item brings forward changes to the Investment Committee's Delegation Resolution to effectuate this change.

### **Strategic Plan**

This agenda item supports the 2017-2022 Strategic Plan to reduce complexity across the enterprise and the objective to streamline operations to gain efficiencies, improve productivity, and reduce costs.

### **Background**

Government Code section 20099 authorizes the Board to appoint a committee to perform any action within the Board's authority. In accordance with section 20099, the Board has adopted delegations for each of its committees setting forth their composition and responsibilities. Each committee delegation provides that the committee will consist of not less than seven board members and requires that actions of the committee be reported to the Board of Administration for its review and ratification or reversal. The one exception is the Investment Committee, which has been a committee of the whole and has been authorized to act finally without need for review and ratification by the full Board.

Following the Board's 2018 Self-Assessment, five workstreams were established to explore potential governance improvements and to bring forward their recommendations. The third

workstream included as part of its work a review of committee structures, and recommended establishing a consistent structure for all board committees. At the August meeting the Board approved this recommendation, which changed the Investment Committee from a committee of the whole to a committee with the same structure as that of the Board's other standing committees.

### **Analysis**

Consistent with the Board's direction, management has prepared revisions to the Investment Committee's Delegation Resolution (Attachment 1) to change it from a committee of the whole to a committee of nine Board members and to provide that all actions taken by the Committee must be reported to the Board of Administration for review and ratification or reversal.

### **Budget and Fiscal Impacts**

Not applicable.

### **Benefits and Risks**

In previous meetings, the Board thoroughly explored the benefits and risks of changing the Investment Committee from a committee of the whole to the Board's standard committee configuration.

### **Attachments**

Attachment 1 – Proposed Changes to Investment Committee Delegation Resolution

---

Anne Simpson  
Director, Board Governance and Strategy

---

Matthew G. Jacobs  
General Counsel

---

Marcie Frost  
Chief Executive Officer