

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### EDUCATION AND TRAVEL POLICY

#### INTRODUCTION

Recognizing its fiduciary responsibility to plan participants, and its responsibility to meet statutory education requirements, it is the desire of the Board of Retirement (Board) to encourage members of the Board, and its staff, to enhance their knowledge of the financial and benefit aspects of the retirement system by attending educational meetings, conferences and seminars. Attendance at such functions is essential to ensure that Board members and staff are able to carry out their fiduciary responsibilities.

#### PURPOSE

The purpose of this policy is to align travel by Board members and staff in connection with educational conferences and administrative meetings with the Mission, Vision, and Values of VCERA. The Board recognizes that travel associated with education and administrative meetings on VCERA's behalf is a component of building a knowledge base and operational understanding of Board members given their fiduciary responsibilities. Such education will equip them to discharge their fiduciary duties for the sole benefit of the VCERA membership. To ensure reimbursement for travel is allowed for only those expenses deemed reasonable and necessary for the proper administration of the Plan, this policy will be administered in a manner that may be overseen by the Board and understood by VCERA members and other stakeholders as reasonable, cost effective, and value driven.

#### COMPLIANCE WITH STATE LAW

In compliance with Section 31522.8 of the California Government Code, all Board members shall receive a minimum of 24 hours of trustee education within the first two years of assuming office, and for every subsequent two- year period the Board member continues to hold membership on the Board. Of the required 24 hours, 2 hours must be training in general ethics principles and ethics laws, and 2 hours must be training and education on sexual harassment prevention.<sup>1</sup> Further, the Board will maintain a record of Board member compliance with the policy. This policy and an annual report on Board member compliance shall be placed on the Internet Web site.

#### ON-SITE DUE DILIGENCE

Regular on-site due diligence evaluations shall be scheduled with VCERA's investment managers (within North America) every three years and shall be conducted by VCERA's

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<sup>1</sup> Training in sexual harassment prevention must be completed within a new trustee's first 6 months.

investment consultants and, when deemed appropriate by the Board, by trustees and/or staff. For managers outside of North America, the frequency shall be every four years and whenever possible in conjunction with an educational opportunity to maximize the value of the overseas trip. More frequent evaluations shall be conducted if there have been material organizational changes, significant underperformance of the investment or for any other reason deemed appropriate by the Board.

On-site due diligence evaluations may include up to two Trustees if deemed appropriate by the Board, and may include the Chief Investment Officer (CIO), Administrator and/or the Administrator's designee. The Administrator shall, in consultation with the CIO and Investment Consultant, agendaize a proposed schedule for all on-site due diligence trips to be conducted in the upcoming year. The Board Chair shall, with Board consent, designate the Trustee(s) to participate in each on-site evaluation if the Board determines that trustee participation is appropriate for the particular due diligence visit. In advance of each due diligence trip, the CIO shall submit the travel cost estimates to the Board for approval for such visits. Every effort shall be made to rotate due diligence responsibilities so no single Trustee, or pair of Trustees, is conducting a majority of due diligence visits on VCERA's behalf. The Trustee(s) and/or CIO, Administrator, or designee, shall be responsible for providing a written or verbal report to the Board no later than the second subsequent regular Board meeting summarizing their findings and recommendations, if any.

#### LIMITATION ON MEETING FOR BUSINESS PURPOSES

Travel by multiple Board members shall be conducted in such a manner as to not violate the provisions of the Brown Act (Government Code Section 54950 et. Seq.). Board member attendance at educational meetings, conferences, seminars and related social events is not a violation of the Brown Act; however, caution should be taken to avoid discussion items that may come before the Board now or in the future.

#### TRAVEL AUTHORIZATION

Approval for travel by a Board or staff member to an educational meeting, conference, seminar or on-site due diligence visit, whether in person or virtual, shall be made in an open meeting of the Board, except for attendance at the Spring and Fall State Association of County Retirement Systems (SACRS) or specific conferences listed below for which authorization by the Board will not be required. Additionally, the Retirement Administrator may approve Board or staff travel for one-day meetings held within the State. The Administrator may also approve an overnight stay by a staff member if it is determined to be in the best interest of the Association in terms of economy and efficiency. In the event a Board member or CIO wishes to conduct an on-site due diligence visit of a VCERA investment manager or consultant, or attend a one-day seminar without prior Board approval, the Administrator is authorized to reimburse travel expenses up to \$400.00 upon submission of a verified claim.

Although State law may permit gifts of travel to the System, if a third party offers to pay for some or all of the travel expenses associated with a particular conference, seminar or meeting, the Board shall decline the offer. However, the Board may consider

authorizing attendance at the particular conference, seminar or meeting at VCERA's expense if such attendance would be beneficial to VCERA. The Retirement Administrator may accept fee waivers for training conferences or seminars on behalf of staff members, if offered by governmental trade organizations. If the Board has approved a staff member's membership on an investment managers advisory board or committee, and the cost of related travel is included in the fees paid to such investment managers, the cost of such travel is not a gift, and VCERA need not pay additional for it.

The following conferences are budgeted annually for specific staff, and may be authorized by the Retirement Administrator without Board approval, so long as the cost does not exceed the amount approved by the Board in that year's administrative budget.

- Retirement Administrator: CALAPRS Administrators' Institute
- General Counsel: National Association of Public Pension Attorneys (NAPPA)
- Chief Financial Officer: Public Pension Financial Forum (P2F2)
- Chief Technology Officer: Public Retirement Information Systems Management (PRISM)
- Chief Investment Officer: International Limited Partners' Association (ILPA)

### ANNUAL TRAVEL BUDGET

The Retirement Administrator shall include in the annual budget to be approved by the Board sufficient funding to allow each member of the Board, and staff, to attend the Spring and Fall SACRS conferences and the CALAPRS General Assembly conference. Additionally, funds will be budgeted, based upon the information available on scheduled conferences and input from individual Board members during the budget preparation process, to allow each Board member and executive staff to attend up to three additional conferences, educational meetings, seminars and site visits each fiscal year. This limitation shall not apply to on-site visits that are made with the consent of the Board, including in connection with the retention of a new manager, nor shall it apply to any conference, educational meeting, seminar or site visit where the cost to the Association can reasonably be expected to be \$500 or less.

Travel expenses of Board members and staff shall be considered an administration cost, where permissible by law, or investment cost, and may not be paid by any third party without the express written authorization of the Board.

### RECOMMENDED PUBLIC RETIREMENT SYSTEM MEETINGS

It is the intention of the Board to establish a standard whereby attendance at educational meetings, conferences and seminars will be approved only if the agenda for the event contains an average of five (5) hours of substantive educational content per day. This standard would not apply to meetings with investment managers, consultants, short seminars, etc., which would not be expected to last for five hours.

The Board establishes the following as recommended educational meetings, conferences and seminars that qualify as trustee and/or staff education.

1. State Association of County Retirement Systems (SACRS), including meetings of SACRS Board or Committees, on which a member of the Board or staff participates. The Board recognizes the importance of having its Trustees actively participate as members of the SACRS Board or its committees. Therefore, attendance at such meetings shall not count towards the three conferences, educational meetings, seminars, or site visits limitation set forth above, even if such cost exceeds \$500.00.
2. Public Pension Investment Management Program (SACRS/Berkeley). (Attendance shall not count towards the three-conference limit.)
3. California Association of Public Retirement Systems (CALAPRS) Annual General Assembly, trustee and staff roundtables, Advanced Board Leadership Institute, Administrators' Institute and the Principles of Pension Management for Trustees course. (Attendance shall not count towards the three-conference limit.)
4. Programs sponsored by the Institute for Fiduciary Education (IFE).
5. NCPERS Annual Conference.
6. Pension Funds and Money Management, and Alternative Investments and Real Estate; The Wharton School, University of Pennsylvania.
7. Programs sponsored by the National Association of Police Officers (NAPO).
8. Client conferences sponsored by investment managers, asset custodians and consultants with whom the Retirement System has a current professional relationship. (Attendance shall not count towards the three-conference limit.)
9. National Association of Public Pension Attorneys (NAPPA) Conference.
10. California Retirement County Employees Association (CRCEA).
11. Nossaman LLC Annual Fiduciary Forum. (Attendance shall not count towards the three-conference limit.)
12. Council of Institutional Investors (CII)
13. Institutional Limited Partners Association (ILPA)

Board members may request approval to attend the recommended, or any other multi-day educational meetings, seminars and conferences by submitting a written request to the Retirement Administrator, along with the conference agenda, for inclusion on the next Board agenda. The request should confirm the training meets the average 5-hour-per-day standard and indicate the number of hours of educational hours the training provides. Requests approved by the Board qualify as Board member education. Educational seminars sponsored by the state or national public pension fund organizations and seminars sponsored by accredited academic institutions shall be deemed to meet Board member education requirements.

#### APPROPRIATE TOPICS

Appropriate topics for Board member education, may include, but are not limited to, the following:

1. Fiduciary responsibilities.
2. Ethics.
3. Pension fund investments and investment program management.
4. Actuarial matters.
5. Pension funding.

6. Benefits administration.
7. Disability evaluation.
8. Fair hearings.
9. Pension fund governance.
10. New Board member orientation.
11. Sexual Harassment Prevention.

### TRAVEL ARRANGEMENTS

It is the preference of the Board to have travel arrangements made through VCERA staff. This would include processing of registrations, hotel accommodations and transportation. However, a Board member may arrange his/her own transportation, but if the traveler selects a more expensive mode of travel, the traveler shall claim only the cost that would have been incurred had the lower cost option been utilized and shall provide documentation of the lower cost option. Except as provided under "Air Transportation" for lengthy flight time travel, trustees who upgrade to business or first class must provide documentation of the price of coach/economy on a date that is at least 4 weeks prior to the date of travel, preferably on the date the trustee books the upgraded travel.

VCERA staff will not make travel arrangements for, or reimbursement to a Board or staff member for any costs associated with the attendance of a spouse or traveling companion to any function.

### TRAVEL COSTS

It is the policy of the Board that travel to educational meetings, conferences, seminars, and due diligence visits be achieved in the least expensive practical manner possible in order to reduce costs to the retirement system. When weighing the options of air transportation vs driving a personal or rented vehicle, comparison of total anticipated costs should be considered (ex: parking, mileage, shuttle costs, etc.) and the least expensive option should be favored whenever practical to do so. If the traveler chooses a materially higher cost transportation mode for personal reasons, reimbursement will be limited to the lower cost option.

Reimbursement or payment for travel related expenses may not be made in certain instances. For travel to meetings within the State of California, lodging and other eligible travel related expenses will be paid for the evening prior to the start of the meeting only if the meeting starts at or prior to 9:30 a.m. Lodging for the night of the last day of the conference will not be paid by the Retirement System.

For travel outside of the State of California, lodging and other travel related expenses will be paid by VCERA for the evening prior to the day the meetings starts. Lodging will not be paid by VCERA for the evening of the final day of the meeting unless the substantive portion of the meeting ends after 2:00 p.m. or it can be demonstrated that a reduction in airfare can be achieved by staying over for an additional day which will more than offset the cost for an additional night's lodging and other travel related costs that would be incurred.

In order to avoid unnecessary costs to the Retirement System, Board members should immediately notify VCERA's Chief Financial Officer of the cancellation or other changes in their travel plans.

Travel related costs which will be paid or reimbursed to a Board or staff member include the following:

Air Transportation

Every attempt should be made to make air travel reservations in advance to take advantage of available discounts. Airfare will be paid for coach/economy passage only (or the lowest fare that allows a carry-on bag), with the exceptions listed below:

| Flight Time     | Seating level allowable              |
|-----------------|--------------------------------------|
| Exceeds 4 hours | 1 level above coach/economy          |
| Exceeds 8 hours | Business class, with Board approval. |

Hotel Accommodations

Payment for lodging will be at the single occupancy rate, plus applicable room tax. Any lodging costs in excess of the single occupancy room rate will be the responsibility of the Board or staff member.

Meals & Beverages

Reimbursement for the cost of meals and beverages for the Board and staff members while on travel will be made at the rates as shown in the following table. No meal allowance will be paid for any meal that is provided by the host, at the conference, or included with the price of airfare or other mode of transportation, unless for medical dietary restrictions.

|           | Within California<br>(Receipts<br>Required) | Out-of-State<br>(Receipts<br>Required) | High-Cost<br>Areas (HCA)*<br>(Receipts<br>Required) | Per Day (Per Diem)<br>(No Receipts Required)                   |
|-----------|---|--|---|--|
| Breakfast | \$22.00                                     | \$25.00                                | \$28.00   | \$64.00  |
| Lunch     | \$22.00                                     | \$25.00                                | \$28.00   | \$74.00 (HCA*)<br>75% of above for first & last days of travel |
| Dinner    | \$42.00                                     | \$48.00                                | \$54.00   |  |

\*as designated by the current federal General Services Administration Special Per Diem Rates publication.

Exceptions: 1) for on-site due diligence evaluations, the amounts indicated on the table above are increased by 15%, and; 2) For VCERA trustee/staff group meals while attending a conference, reimbursement for the total eligible meal/beverage cost may be made to the person paying a combined bill, not to exceed an amount equal to the maximum allowable meal cost multiplied by the number of attendees.

## Tips

The gratuity for meals may not exceed 18% of the charge, rounded up to the nearest dollar, unless the establishment adds it to the bill. Other tips may be reimbursed for other legitimate services such as maid service, portage, and parking valet service paid in the scope of the traveler's duty, not to exceed \$10 per day. Tips for taxis or ride share service shall not exceed 15% of the fare, rounded up to the nearest dollar.

## Rental Car

Every attempt should be made to utilize public transportation, ride share (Uber, Lyft), airport and hotel shuttle services which are reimbursable expenses. A rental car may be used if cost effective. The retirement system will not be responsible for any loss or damage resulting from the use of a rental car.

## Parking

Reasonable automobile parking expenses are reimbursable.

## Mileage

Retirement Board members and staff will be reimbursed for the use of their own automobile at the current mileage rate authorized by the Internal Revenue Service.

## Non-Reimbursable Expenses

Expenditures, which are not substantive to VCERA business will not be reimbursed by VCERA, such as:

- A. Any expenses related to alcohol and tobacco;
- B. Internet usage fees (unless the internet is used for VCERA business);
- C. Any expenses related to entertainment and recreational activities.

## Documentation of Expenses and Submission of Reimbursement Claims

All requests for reimbursement of travel costs shall be supported by detailed receipts or other documentation. Agendas from the training may be attached to the travel claims, along with notations of the sessions attended with the associated hours recorded on the face of the claim. All travel claims shall be submitted to the Retirement Administrator or VCERA's Chief Financial Officer no later than the 60<sup>th</sup> calendar day after the expense is incurred by the Board or staff member. A signed travel claim constitutes certification that the claimed expenses were incurred for the approved purpose.

## REPORTING

Retirement Board members shall, no later than the 2<sup>nd</sup> subsequent Board meeting, provide a brief written or verbal report to the Board on meetings or conferences attended on behalf of VCERA. The Retirement Administrator shall, no later than the second month

of the calendar year, report on annual Board member compliance and post said report on the VCERA Web site.

### POLICY REVIEW

In order to keep the provisions of this policy current, the Board will review this policy on an annual basis at a minimum.

### POLICY HISTORY

The Board last reviewed and approved this policy on March 25, 2024. The Board previously approved this policy on March 13, 2023, February 27, 2023, January 23, 2023, January 3, 2022, December 13, 2021, June 18, 2018, June 19, 2017, May 2, 2016, June 15, 2015, February 23, 2015, June 2, 2014, June 17, 2013, January 28, 2013, July 2, 2012, June 20, 2011, June 21, 2010, June 15, 2009, September 15, 2008, April 16, 2007, May 1, 2006, October 17, 2005, April 19, 2004, April 21, 2003, May 6, 2002, April 16, 2001, and April 17, 2000. The Board originally adopted this policy on July 6, 1998.