

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD POLICY DEVELOPMENT PROCESS

I. Background and Objectives

- 1) The Board is responsible for the overall governance of VCERA and for assuring that VCERA's mission is accomplished. In carrying out its responsibilities, the Board requires clear, sound policies and a structured process for establishing them.
- 2) The objectives of this policy are to:
 - a) Set out the method by which the Board will develop and approve the formal policies of VCERA;
 - b) Ensure that the method by which Board policies are established is rigorous and disciplined; and
 - c) Provide a template and structure for Board policies; and
 - d) Provide for regular review and monitoring of Board policies to ensure they continue to support the fiduciary responsibilities of the Board and the needs of VCERA.

II. Roles

- 3) The general role of the Retirement Administrator in the policy development process is to:
 - a) assist the Board in identifying Board policies that may be needed;
 - b) provide the Board and designated committees with sound, thorough analysis of policy issues, with the assistance of consultants as required; and
 - c) develop recommended policies for the consideration of the Board and its committees.
- 4) The general role of the Board and its committees in the policy development process is to satisfy itself that the policy recommendations and the underlying analysis thereof, emanating from the Retirement Administrator or the consultants, reflect the requisite level of skill, diligence, and care, and effectively support the mission and goals of VCERA.

III. Guidelines

Policy Development

- 5) The process of developing a Board policy will be initiated by an action of the Board- or by the Retirement Administrator. The need for a Board policy may be proposed by a trustee, a Board committee, the Retirement Administrator or a consultant.
- 6) In determining whether a particular issue warrants a Board policy, the Board will consider whether the issue satisfies the following criteria:
 - a) The issue may have a significant impact on or risk to VCERA;
 - b) The issue is expected to recur or continue indefinitely; and
 - c) The issue is not an operational issue that falls within the discretion of the Retirement Administrator, in which case the Retirement Administrator will be directed to establish and adopt a staff policy.
- 7) The Retirement Administrator will be responsible, with support of consultants as required, for performing all necessary policy research and analysis.
- 8) Board policies shall be documented and shall contain the following elements:
 - a) Purpose and objectives of the policy;
 - b) Guidelines to be followed;
 - c) Provisions for policy review, including frequency of review; and
 - d) Policy history.
- 9) Board policies may also contain the following optional elements:
 - a) Background or preamble;
 - b) Definitions;
 - c) Important underlying principles;
 - d) Examples for clarification; and
 - e) Other elements that may help clarify the Board's position.

- 10) In approving a policy, the Board will satisfy itself that the proposed policy and the underlying analysis thereof:
 - a) Reflect the requisite level of skill, diligence and care;
 - b) Satisfy the purpose of the policy, as defined at the outset by the Board; and
 - c) Effectively support the mission and goals of VCERA.
- 11) All of VCERA's Board policies will be organized for easy reference, maintained in an up-to-date form in a single volume or series of volumes within VCERA's office and on VCERA's website, and will be accessible to trustees, staff, and the public.

Policy Compliance

- 12) As a general rule, the Board will comply with all Board policies. Should the Board take an action contrary to one of its policies, it will state in the Board minutes the reasons for doing so. At such time, the Board will also request that a review of the policy be undertaken.
- 13) All policies will be formally reviewed at a time specified within each policy. The Board may initiate a review of a policy in advance of the time specified in the policy if either the trustee making the motion to review the policy or the seconder of such motion previously voted in support of the policy.

IV. Process Review

- 14) The Board will review the Board Policy Development Process at least once every three (3) years to ensure that it remains relevant and appropriate.

V. Process History

- 15) The Board last reviewed and approved this policy on September 12, 2016. The Board previously reviewed and approved this policy on March 19, 2007.