



Pension Board Governance Improvements: Investment Management Decisions

PRELIMINARY

Current Code/Practice	Pending Legislation	Proposed Changes under Consideration
<p>INVESTMENT MANAGEMENT DECISIONS</p> <p>General/APS Board of Ten (10) Trustees:</p> <ul style="list-style-type: none"> • Mayor or designee • Chief Financial Officer • Councilmember appointed by Mayor • APS Board appointee • Elected active APS representatives (2) • Elected retired APS representative (1) • Elected active COA representatives (2) • Elected retired COA representative (1) <p>Police Board of Six (6) Trustees:</p> <ul style="list-style-type: none"> • Mayor or designee • Chief Financial Officer • Councilmember appointed by Mayor • Elected active APD representatives (2) • Elected retired APD representative (1) <p>Fire Board of Six (6) Trustees:</p> <ul style="list-style-type: none"> • Mayor or designee • Chief Financial Officer • Councilmember appointed by Mayor • Elected active AFRD representatives (2) • Elected retired AFRD representative (1) 	<p>Board of Fifteen (15) Trustees (Investment Board)</p> <ul style="list-style-type: none"> • Independent Chair with relevant financial/investment experience, appointed by Mayor (5 yr term) • Vice Chair = Mayor • Councilmembers appointed annually by Mayor (3) • Councilmembers appointed annually by Council President (2) • APS Board annual appointee • Active pension participant in ANY of the 3 plans appointed annually by Mayor • HR Commissioner • Chief Financial Officer • Representative elected by COA active and retired collectively (3 yr term) • Representative elected by APS active and retired collectively (3 yr term) • Representative elected by APD active and retired collectively (3 yr term) • Representative elected by AFRD active and retired collectively (3 yr term) 	<ul style="list-style-type: none"> • Change to two (2) members of City Council, selected as Chair of FEC and Chair of CDHS • Additional independent trustee(s), defined as unaffiliated with the City, any union or pension plan, pension consultant, pension administrator or actuary hired by the board, with relevant financial/investment expertise



Pension Board Governance Improvements: Administrative Decisions

PRELIMINARY

	Current Code/Practice	Pending Legislation	Proposed Changes under Consideration
ADMINISTRATIVE DECISIONS	<p>General/APS Board of Ten (10) Trustees:</p> <ul style="list-style-type: none"> • Mayor or designee • Chief Financial Officer • Councilmember appointed by Mayor • APS Board appointee • Elected active APS representatives (2) • Elected retired APS representative (1) • Elected active COA representatives (2) • Elected retired COA representative (1) <p>Police Board of Six (6) Trustees:</p> <ul style="list-style-type: none"> • Mayor or designee • Chief Financial Officer • Councilmember appointed by Mayor • Elected active APD representatives (2) • Elected retired APD representative (1) <p>Fire Board of Six (6) Trustees:</p> <ul style="list-style-type: none"> • Mayor or designee • Chief Financial Officer • Councilmember appointed by Mayor • Elected active AFRD representatives (2) • Elected retired AFRD representative (1) 	<p>Administration Committees (3):</p> <ol style="list-style-type: none"> 1. COA/APS (8 members) <ul style="list-style-type: none"> • COA elected trustee on the Investment Board • APS elected trustee on the Investment Board • Elected active COA representative (3 yr term) • Elected retired COA representative (3 yr term) • Elected active APS representative (3 yr term) • Elected retired APS representative (3 yr term) • CFO or designee • HR Commissioner or designee 2. APD (5 members) <ul style="list-style-type: none"> • APD elected trustee on the Investment Board • Elected active APD representative (3 yr term) • Elected retired APD representative (3 yr term) • CFO or designee • HR Commissioner or designee 3. AFRD (5 members) <ul style="list-style-type: none"> • AFRD elected trustee on the Investment Board • Elected active AFRD representative (3 yr term) • Elected retired AFRD representative (3 yr term) • CFO or designee • HR Commissioner or designee 	<ul style="list-style-type: none"> • N/A



Pension Board Governance Improvements: Governance & Audit Committees

PRELIMINARY

	Current Code/Practice	Pending Legislation	Proposed Changes under Consideration
GOVERNANCE COMMITTEE	None	<p>Governance Committee (5 members):</p> <ul style="list-style-type: none"> • Chair of Investment Board • Administration Committee members (3), each appointed by one of the 3 Administration Committees • HR Commissioner or designee <p>Duties of Governance Committee:</p> <ul style="list-style-type: none"> • Implementation of trustee qualification requirements • Review and address conflicts of interest and compliance issues of trustees and investment managers 	<p>Further detail on Duties:</p> <ul style="list-style-type: none"> • Establish meaningful standards for Board membership including experience with investment and financial matters and understanding of fiduciary responsibility • Establish Conflicts of Interest and Code of Conduct Standards
AUDIT COMMITTEE	None	<p>Audit Committee (5 members):</p> <ul style="list-style-type: none"> • Chair of Investment Board • Three (3) members elected by the combined membership of the three Administration Committees, from the active and retired participants of all three plans. • CFO or designee <p>Duties of Audit Committee:</p> <ul style="list-style-type: none"> • Oversee independent audits of the three plans • Review financial statements of each plan 	<p>Further detail on Duties:</p> <ul style="list-style-type: none"> • Oversee experience studies of the three plans • Report findings to City Council



Pension Board Governance Improvements: Trustee Qualifications & Transparency

PRELIMINARY

	Current Code/Practice	Pending Legislation	Proposed Changes under Consideration
TRUSTEE QUALIFICATIONS	None beyond minimum requirements set forth in the Code	At least 24 hours of training, education or experience (or combo of all 3) in: <ul style="list-style-type: none"> • Governance administration of public pension • Fiduciary responsibility and liability • Basic understanding of investment strategy • Basic understanding of financial controls and audits • Understanding of ethics, conflicts of interest • Open Records/Meetings laws 	<ul style="list-style-type: none"> • Accreditation/recognition of training program • Qualifications for Board membership to be created by Governance Committee to include experience with investment and financial matters and understanding of fiduciary responsibility
TRANSPARENCY	Minimum requirements of the Georgia Open Meetings Act and the Georgia Open Records Act	Minimum requirements of the Georgia Open Meetings Act and the Georgia Open Records Act	Additional requirements to include: <ul style="list-style-type: none"> • Online posting of meeting notices, approved minutes, quarterly investment reports and bylaws • Televised Board and Committee meetings • Annual disclosure of director meeting attendance