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2024 Annual Report For Boards and Commissions

Name of Board/Commission	Richmond Retirement System (RRS)
Current members (indicate chair, vice-chair, etc.)	Daisy Weaver - Chair Faith Flippo - Vice Chair Carlin Gibson Sabrina Joy-Hogg Adam Grossman Regina Elbert Matthew Peanort
Is there any proposed legislation on which the board or commission recommends that the City Council or the General Assembly act?	No
Meeting Dates of meetings held in 2024	January 25 March 28 May 30 July 25 September 26 December 5
Is there any information that may have been requested by the standing committee to which the board or commission is assigned to report?	No
Is the 2024 meeting attendance record included?	Yes - Select Yes to upload documents https://www.formstack.com/admin/download/file/17312335779
Is a copy of the body's current by-laws or rules of procedures attached?	Yes - Select Yes to upload documents https://www.formstack.com/admin/download/file/17312335782
New Projects	No new projects
Long Answer	No additional information to share at the time of this filing.

RRS Board of Trustees Attendance Record 2024

X = Present

	NAME	1/25/2024	3/28/2024	5/30/2024	7/25/2024	9/28/2024	12/5/2024				#	%
1	Daisy Weaver - Chair	X	X	X	X	X	X				6	100.0%
2	Faith Flippo - Vice Chair	X		X	X		X				4	66.7%
3	Carlin Gibson	X	X	X	X	X	X				6	100.0%
4	Sabrina Joy-Hogg	X	X	X	X	X	X				6	100.0%
5	Adam Grossman	X	X	X	X		X				5	83.3%
6	Regina Elbert [1st meeting 3/28/24]		X	X	X		X				4	66.7%
7	Matthew Peanort [1st meeting 7/25/24]				X	X	X				3	50.0%
8	Dante Jackson [last meeting 5/30/24]	X	X	X							3	50.0%
9											0	0.0%
10											0	0.0%
11											0	0.0%
12											0	0.0%
13											0	0.0%
14											0	0.0%
15											0	0.0%
16											0	0.0%
17											0	0.0%
18											0	0.0%
19											0	0.0%
20											0	0.0%
21											0	0.0%
22											0	0.0%
# in Attendance:		6	6	7	7	4	7	0	0	0		

Richmond Retirement System

Governance Policy and By-Laws

Adopted by the Richmond Retirement System Board of Trustees:

July 28, 2022

Richmond Retirement System Governance Policy and By-Laws

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Governance Policy

Richmond Retirement System Governance Policy and By-Laws

I. Purpose

This Governance Policy and By-Laws (Governance Policy) is established to:

- A. Set forth the policies that govern the operation of the City of Richmond, Richmond Retirement System (RRS) Board of Trustees (Board) consistent with its fiduciary responsibilities.
- B. Provide guidelines for managing the integrity and effectiveness of the Board.
- C. Set forth standards of ethics and professionalism for Board trustees and committee members. As used in this Policy, the term “Board members” includes all committee members including persons who are not on the Board of Trustees.
- D. Identify the roles of the Board, its committees, Board and committee chairs, and the Executive Director.

II. Authority

This Governance Policy is adopted pursuant to the authority granted to the RRS Board in City of Richmond Charter section 5B.01, Richmond City Code Chapter 22, the State of Virginia Code, sections 51.1-800, et seq., and the Virginia Freedom of Information Act., the State of Virginia Code, sections 2.2-3700, et seq.

III. Governance Principles

The Board is entrusted with the authority to manage the RRS pension plan and its assets for the benefit of plan members and beneficiaries. The following principles will guide the Board in exercising this responsibility and provide a framework for developing policies and practices that are designed to achieve the Board’s goals.

A. Effective Fiduciaries

Board members owe fiduciary duties to the RRS members and beneficiaries. These duties are well understood by the Board members and the Executive Director. The Board will develop and oversee strategies designed to maintain the soundness and integrity of the system

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consistent with these duties. Board members are accountable to each other and to the system members for their commitments and their actions.

B. Ethical Leaders

The Board and the Executive Director work together with mutual respect, setting a collaborative and ethical tone at the top that permeates the organization.

C. Unbiased Trustees

Board members will act in the best interests of RRS and its members and beneficiaries, consistent with the Board member's fiduciary duties. Board members will refrain from taking action when they have a conflict of interest, or the appearance of a conflict of interest, which could reasonably be expected to diminish the independence of the Board member in fulfilling his or her responsibilities to the retirement system and its members. Board members will refrain from representing or marketing investment transactions, investment managers, investment consultants, or other business to individual Board members or the Executive Director. Board members will refrain from disclosing confidential information of RRS to persons seeking to influence the Board or who may receive a personal benefit as a result of Board action. Board members will comply with the gift, travel, disclosure and marketing rules set forth in this Governance Policy, the City of Richmond Code, and Virginia law.

D. Open Decision making

The Board makes policy decisions, as appropriate, in open sessions with full notice to the public. The Board discloses its governance processes and encourages public attendance at its open session meetings. The Board intends to fully disclose non-confidential information and data about the system and its operations.

E. Long-Term Perspective

The Board is actively engaged in establishing the long-term direction and strategies of the organization. The Board recognizes the short, medium, and long-term financial needs of the system in setting investment policies and adopts an integrated view of assets and liabilities. Strategic choices should be based upon long-term analysis and not upon annual budgeting processes.

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IV. Role and Powers of the Board

The Board is responsible for administration of RRS. This responsibility includes the determination of membership eligibility in the system, the award of benefits as authorized by ordinance, and the investment of RRS fund assets. All administrative authority is reserved to the Board unless expressly delegated to a committee of the Board or the Executive Director. The Board's reservation of powers includes the following:

- A. Conduct the selection, evaluation, and termination of the Executive Director.
- B. Conduct the selection, evaluation, and termination of investment and other professional consultants, except as expressly delegated to a committee or the Executive Director
- C. Conduct the setting of the Board agendas by identifying and prioritizing the matters the Board will regularly address.
- D. Define its information requirements, the thresholds or benchmarks that trigger Board attention, and the frequency and content of standard reports.
- E. Approve all investment policies.
- F. Approve the strategic asset allocation and set the target rate of investment return
- G. Set total fund and asset class benchmarks
- H. Oversee the selection process and approve selection of investment managers
 - I. Oversee investment performance
- J. Approve actuarial policies, assumptions, valuations, and the assumed rate of investment return
- K. Approve retirements for disability applicants
- L. Approve the interest rate on employee contributions
- M. Approve the administrative fee for the Deferred Retirement Option Plan (DROP)
- N. Set legislative policy and positions to the extent permissible under state and local law
- O. Approve RRS recommendations on City of Richmond ordinances
- P. Approve initiation and settlement of material litigation consistent with state and local law
- Q. Approve Board delegations of authority
- R. Approve and adopt Board policies
- S. Set and approve RRS mission and vision statements

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- T. Approve disciplinary action if a Board member fails to meet the standards of conduct set forth in this Policy.
 - a. Board member discipline shall be considered at an open session of the Board
 - b. Discipline may include without limitation admonishment, censure, temporary termination of travel privileges, suspension or termination of the Board member's position as an officer of the Board or a committee, or expulsion from a standing or ad hoc Board committee (including the Investment Advisory Committee).

V. Delegations of Authority

A. Definition

A delegation is the grant of authority from one person or entity (such as the Board) with the power to act to another person or entity. A delegation of authority does not extinguish the authority of the delegator, nor does it absolve the delegator of responsibility. A delegation of authority is distinguished from providing direction: the former is a grant of power while the latter is a specific command that is carried out under existing authority.

B. Delegations of Board Authority

The members of the Board cannot reasonably be expected to perform all of the acts necessary to administer and operate RRS. The Board must rely upon its officers, its committees, its consultants, and its staff to perform many necessary functions. It is therefore appropriate that the Board delegate certain tasks to these persons and entities.

C. Standards for Delegation

Delegations must be prudent and consistent with the Board's fiduciary responsibilities. The Board must (1) select delegates with care, (2) define delegated authority clearly, (3) monitor the performance of delegates, and (4) take corrective action if appropriate.

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D. Sub-Delegations

When the Board, or one of its committees with authority delegated by the Board, has delegated authority to the Executive Director, the Executive Director is authorized to delegate to his or her subordinates any portion of this authority unless the Board or its committee requires that the Executive Director act personally.

E. Finality

A delegate may take final action as to any authority delegated except when the delegator requires the delegate to first obtain the delegator's approval of the delegate's action. When a delegation does not require delegator approval, the delegate has authority to act finally, and will be responsible and accountable for action taken.

F. Content of Delegations

Delegations will be clear and specific as to the following: (1) the specific authority and responsibility delegated, (2) whether sub-delegation is authorized, and (3) whether the delegatee is authorized to act finally.

G. Formality

All material delegations should be memorialized in writing.

VI. Executive Director

The Board has one direct report: the Executive Director. The Executive Director is the administrative officer of the Board and is responsible for the overall administration of units, departments, and functions within RRS consistent with the Board's delegation of authority to him or her.

The Board will evaluate the performance and set the compensation of the Executive Director based upon agreed-upon performance expectations, outcomes, and other metrics. If the Board is not satisfied with the performance of the Executive Director, it will take action to admonish, discipline or, if necessary, replace the Executive Director but it should not get involved in day-to-day operations except in emergencies.

The Board will have access to executives and consultants of RRS, which will be coordinated by the Executive Director.

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The Board strongly supports an organization that allows the Executive Director and his or her staff to engage in impartial, robust, and ethical decision making, free from improper influence. The Executive Director is responsible for reporting any instances of undue influence placed on RRS staff members (including the Executive Director) to the Board Chair, or to the Vice Chair as appropriate, consistent with the provisions of this Governance Policy.

VII. Structure and Role of Committees

The Board may establish standing and ad hoc committees. The powers and authority of each committee are set forth in a delegation resolution of the Board. Each committee and all committee members, including persons not sitting on the Board, shall be subject to the provisions of this Governance Policy.

A. Investment Advisory Committee

The Board has established the Investment Advisory Committee (IAC) to provide objective, experienced and insightful advice and recommendations to the Board on RRS investments and investment policy.

1. Membership

The IAC shall consist of five to seven members of which at least two shall be current members of the Board of Trustees. The remainder shall be persons who are not otherwise affiliated with RRS and who have demonstrated skill and expertise in institutional investments. Members of the IAC serve at the pleasure of the Board of Trustees and may be terminated from their positions on the committee by majority vote of the Board, for cause or for no cause.

2. Term Limits for IAC Members Who are not on the Board of Trustees

IAC members who are not members of the Board of Trustees may serve up to two consecutive three-year terms for a total of six years. Terms of these IAC members shall be staggered.

An IAC member whose term has expired shall no longer be a member of the IAC and shall not “hold over” even if his or her place on the committee is unfilled at the time.

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3. Selection of Board of Trustee Members

Board of Trustee members of the IAC shall be selected annually by the Board at an open session meeting upon nomination and vote.

4. Selection of Other IAC Members

The Board shall select other IAC members as needed. Desired qualifications include the following:

- (a) A Bachelor of Arts or Bachelor of Science degree from an accredited university or college;
- (b) Prefer candidates hold a master's degree, professional designation, or license in the field of investments, accounting, or law.
- (c) At least ten (10) years of experience in the financial industry. Prefer candidates have experience with institutional investments.

The Board may establish additional qualifications for membership on the IAC and may delegate candidate review and interviews to a committee or to the Executive Director. Final selection shall be made by the Board at an open session meeting upon nomination and vote.

5. Selection of IAC Officers

The IAC shall have a Chair and a Vice Chair elected by the Board of Trustees on an annual basis.

6. IAC Meetings and Quorums

Unless otherwise directed by the Chair of the Investment Advisory Committee, the IAC shall meet quarterly. A majority of the entire IAC must be present to establish a quorum.

B. Other Standing Committees

The Board may create other standing committees through a delegation resolution to improve the efficiency and effectiveness of the Board's governance of the system. These committees may include without limitation an Audit Committee, a Benefits and Administration Committee, a Risk Committee, and a Governance Committee.

C. Ad Hoc Committees

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The Board may establish such ad hoc committees as it deems necessary for the conduct of its business. Each ad hoc committee will exercise its authority through a delegation from the Board.

D. Committee Officers

Other than the IAC, each committee is responsible for electing a committee chair and a committee vice-chair on an annual basis. Each committee is responsible for setting its own agendas, consistent with the powers delegated to the committee by the Board.

E. Committee Deliberations

Each committee will be responsible for evaluating the matters before it, consistent with the fiduciary duties of committee members.

F. Reports and Recommendations

Each committee will report on its material discussions and deliberations to the Board as well as any recommendations presented to the Board. Unless a decision has been finally delegated to a committee, members of the full Board have a responsibility to stay apprised of all matters under consideration by a committee and exercise their own independent judgment on all recommendations presented by a committee for Board approval.

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VIII. Role of the Board Chair and Vice Chair and Committee Officers

A. Election of the Board Chair and Vice-Chair

The Board Chair and Vice-Chair shall be elected by the Board annually in open session at the December meeting. A candidate must receive the affirmative vote of at least four trustees to be elected to the position. Each shall serve a term of one year commencing January 1. A trustee may serve as Chair or Vice-Chair for up to five (5) consecutive terms. If a Chair or Vice Chair is unable to complete a term, the Board shall elect a person to serve the remainder of the unfilled term in the same manner as the original election. The election of a replacement will be made at the first monthly meeting following receipt by the Board of notice that the officer is unable or unwilling to complete the term.

B. Role of the Board Chair

The Board Chair leads the Board in the administration of RRS by managing the affairs of the Board and ensuring the integrity of the Board's processes. The Chair has the following duties expressly delegated by the Board:

1. Provide ethical and collegial leadership for the Board.
2. Ensure Board operations, processes, and board member conduct are consistent with this Governance Policy as well as other Board policies.
3. Receive complaints about Board members, complaints about Board processes, and claims that a Board member has violated a Board policy.
4. With the Executive Director, actively engage the Board in setting the strategic direction of RRS.
5. In consultation with the Executive Director, approve the Board agenda.
6. Convene and conduct Board meetings, controlling the process of Board deliberations consistent with Board rules and policies.
 - a. The Chair will limit discussions to those issues that are within the responsibility of the Board and its committees.
 - b. The Chair will ensure timely, fair, orderly, thorough, and efficient deliberations, consistent with Board rules and policies governing the conduct of meetings.
7. With the Executive Director, manage the effective and efficient flow of information to the Board.

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8. In consultation with a committee chair, resolve the scope of authority of the committee, subject to Board review and approval.
9. Approve travel by the Executive Director.
10. Certify actions taken by the Board.
11. Represent RRS, or designate other Board members or the Executive Director, to represent the system to outside parties and organizations.
12. Act as the liaison for communications between the Board and the Executive Director.
 13. Report periodically to the Board on the effectiveness and integrity of the governance processes of the Board.

C. Role of the Vice-Chair

In the absence or incapacity of the Chair, the Vice-Chair will have the authority delegated to the Chair.

The Vice Chair receives complaints about the Chair and claims that the Chair has violated a Board policy.

D. Role of Committee Chairs

Committee chairs are responsible for organizing the work of their committees. In fulfilling this responsibility they:

1. Consult with the Chair and approve the committee agenda in accordance with the Board's delegation to the committee.
2. Convene and chair meetings of the committee.
3. Ensure that the committee operates to provide effective assistance to the Board consistent with its delegation. This includes:
 - a. Limiting discussions to those issues that are within the committee's responsibility.
 - b. Ensuring timely, fair, orderly, thorough and efficient deliberations, consistent with the Board's rules and delegation.
 - c. Ensuring that the committee fulfills its responsibilities to the Board consistent with this Governance Policy.
4. Work directly with the Executive Director or his or her designee on matters within the committee's delegation.
5. Act as a liaison between the committee, the Board Chair, and the Board.

E. Role of Committee Vice-Chairs

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In the absence or incapacity of the committee chair, the vice-chair will have the authority delegated to the committee chair.

IX. Board Member Roles, Responsibilities and Conduct

A. Governing Style

The Board is responsible for creating and maintaining an atmosphere that encourages frank and collegial discussions at the Board and committee levels. The Board strives to achieve a governing style that emphasizes:

1. Strategic leadership
2. Outward vision
3. Long-term focus
4. Proactivity
5. Collegiality and civility
6. Respect for diversity
7. Governance by consensus
8. A partnership with RRS staff
9. Ethical conduct to avoid even the appearance of impropriety

B. Board Member Competencies

To be more effective fiduciaries of RRS, Board members are expected to develop an understanding of the following:

- The role and responsibilities of Board members
- The responsibilities of the Board and its committees
- This Governance Policy and other Board policies
- Fiduciary duties, conflicts of interest, and ethics rules and policies
- The RRS organizational structure, the role of the Executive Director, investment and other consultants, external auditors, investment managers, outside counsel, and the system custodian
- The Virginia statutes governing open and closed meetings
- The role of RRS as a public agency and a trust fund, the RRS mission and vision, and principles of sound public administration
- Best practices for pension fund governance
- The RRS pension fund structure and administration
- Investment markets, investment asset classes, and RRS investment processes

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- Financial statements, balance sheets, budgets, audit reports, and legal opinions
- Economic principles
- Actuarial methods and practices
- National and regional retirement policy trends and the private retirement marketplace

C. Board Education

Each Board member shall seek out education opportunities to ensure continuous development and improvement of Board Member Competencies.

D. Prudent Person Rule

Board members will discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

Consistent with fiduciary principles, the Board and its committees may rely on experts in discharging their duties.

E. Impartiality

All members of RRS are entitled to fair and equal treatment. While sitting on the Board and its committees, Board members owe their duties to the system and its membership as a whole; they do not represent the interests of their constituency or their appointing authority, as the case may be.

F. Conflicts of Interest

Board members are public officials, fiduciaries and trustees. As such, Board members will at all times act in the best interest of RRS and its members and beneficiaries.

Consistent with Virginia law, Board members will not participate in any decision of RRS or any of its partners, managers, consultants, fiduciaries or other agents when the member might have a conflict of interest. A conflict of interest exists when a member's relationship with another party or personal interest could reasonably be expected to diminish the trustee's independence of judgment in performing his or her duties as a member of the Board. "Participation" in a decision means attempting to use, or using, the member's official position to influence a decision. This includes

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preliminary discussions, negotiations, planning, prioritizing, or bid solicitations which relate to the matter.

Board members shall comply with the applicable conflict of interest rules set forth in the State and Local Government Conflict of Interests Act (Virginia Code, sections 2.2-3109, 2.2-3110, 2.2-3112) and the Virginia Ethics in Public Contracting laws (Virginia Code, sections 2.2-4367, et seq.)

G. Prohibited Conduct

As trustees and public officials, Board members are subject to the highest standards of conduct. Consistent with Virginia law, the following activities are inconsistent and incompatible with the duties and obligations of Board members and therefore are prohibited conduct:

1. Soliciting or accepting money or other thing of value for services performed with the scope of the Board member's official duties, except the compensation, expenses or other remuneration paid by RRS.
2. Offering or accepting any money or other thing of value for, or in consideration of, obtaining employment, appointment or promotion of any person with any governmental or advisory agency including RRS (or the IAC).
3. Offering or accepting any money or other thing of value for or in consideration of the use of his public position to obtain a contract for any person or business with any governmental or advisory agency including RRS (or the IAC).
4. Using for his own economic benefit or that of another party confidential information that he has acquired by reason of his public position and which is not available to the public.
5. Accepting any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence the Board member in the performance of official duties. Consistent with Virginia law, this provision shall not apply any political contribution actually used for campaign or constituent service purposes and reported as required under Virginia law.
6. Accepting any business or professional opportunity when the Board member knows there is a reasonable likelihood that the opportunity is being afforded to influence or reward the Board member in the exercise of official duties.

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7. Accepting any gift from a person having interests that may be substantially affected by the performance of the Board member's duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the Board member's impartiality in the matter affecting the donor.
8. Accepting gifts from any source on a basis so frequent as to raise an appearance of the use of the Board member's office for private gain.

H. Disclosure Forms

Board members shall comply with all public official disclosure requirements including Virginia Code, section 2.2-3118. Such disclosure statements shall be submitted to the Executive Director, as well as any agency as required by law. The Executive Director shall make such forms available to the public and to the Board.

I. Gifts

The receipt and acceptance of gifts by Board members might be perceived by RRS members and the public as an attempt to influence or reward actions and decisions of RRS.

A Board member or a member of his or her immediate family may not accept gifts with a total or aggregate value in excess of **\$50** during a calendar year from one source that is any of the following:

1. Any person or entity:
 - a. Doing business with RRS; or
 - b. Seeking to do business with RRS.
2. A placement agent, finder, solicitor, consultant, lobbyist, marketer, broker, immediate family member or other intermediary of such an entity.

A Board member must disclose gifts received by him or her or by a member of his or her immediate family from any entities that are of the type that does business with RRS, which, when made, were not doing business with RRS or seeking to do business with RRS, if the donor made the gift within 24 months of seeking to do business with RRS. Gifts from one donor totaling less than \$100 during the 24-month period need not be disclosed. Such disclosures shall be reported to the IAC, the Board and the Executive Director prior to the time the system considers a contract or transaction with the donor.

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As used in this section, a “source” does not include any of the following:

1. A trade association or entity organized and operated for charitable, scientific, educational, philanthropic, social welfare, employee association, or similar purposes (e.g., Association of Municipal Retirement Systems, Council of Institutional Investors, etc.), if the only business that RRS conducts with the entity is the payment of membership dues or fees.
2. An entity that issues publicly-traded securities provided that the only business that RRS does with the company is the purchase, holding or sale of such a security.

As used in this section, “doing business” means a contractual or other transactional relationship between any person or entity and RRS.

As used in this section, “gift” has the same meaning as the term is defined in Virginia Code, section 2.2-3101.

This provision is adopted pursuant to Virginia Code, section 2.2-3104.2.

J. Travel

Administration of the RRS is subject to strict fiduciary standards. The complexities of sound management of the assets of the system require that Board members attend meetings to conduct business of the system and educational conferences and other training to enhance their abilities to oversee the administration of the system effectively. Some of these educational events may be sponsored by organizations or persons that are in business relationships with RRS or are seeking to enter into these relationships.

This section of the Governance Policy is intended to prevent the appearance of, as well as actual or potential, conflicts of interest for Board members in their travel.

1. Travel Requests and Approval

Except for travel to attend publicly noticed meetings, retreats, or workshops of the Board, all travel (including transportation, lodging, and related meals) requires approval by the Board.

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Board members may make a written request for travel requiring approval. Each request should be sent to the Executive Director and include a brief description of the event or meeting and an explanation of the purpose of the travel. All requests shall be put on the agenda for Board approval at the following monthly Board meeting.

2. Payment for Travel

Except as provided below, RRS shall pay for all approved Board member travel. The limited exceptions are as follows:

- (a) While traveling, Board members may participate in meals provided by third parties, provided that the value of these meals does not exceed the gift limits set forth in this Governance Policy. Board members may not claim per diem reimbursement for such meals and must comply with the disclosure requirements of the Governance Policy.
- (b) Board members may accept reimbursement for necessary transportation, meals, and lodging that are paid by a third party with a contractual obligation to RRS to pay for such expenses in connection with RRS business. For example, a Board member who represents RRS at an Advisory Committee meeting of a private equity fund may receive reimbursement from the fund if the partnership or limited liability corporation agreement requires that Advisory Committee expenses are paid by the fund manager or the fund.
- (c) Board members may accept reimbursement for necessary transportation, meals and lodging from a conference organizer when the Board member is a speaker at the conference, provided that the conference addresses issues, policies, or other matters that are reasonably considered part of the business of RRS. These payments shall not be considered a gift to the Board member under this Governance Policy.

Irrespective of the source of travel reimbursement, all procedures regarding travel approval must be followed by the Board member.

3. Procedures

Governance Policy

Standard forms shall be used to facilitate travel requests and all City of Richmond and Richmond Retirement System travel expense limitations and reimbursement procedures shall be followed.

K. Placement and Marketing Agents

It is the policy of RRS that investment proposals and contracts will be considered solely on the basis of their own merits. The use of placement agents, marketers, or other intermediaries by potential or existing investment partners, managers, and consultants is unnecessary to obtain consideration or approval of an investment proposal or contract. RRS will not pay, directly or indirectly, any fees, costs, charges, or expenses of placement agents, marketers, or other intermediaries who are retained to assist a manager or consultant in obtaining consideration or approval of an investment proposal or contract by RRS or by any of its fund managers, partners, fiduciaries, partnerships, limited liability companies, or their agents.

Board members shall not act as a placement agent, marketer, or other intermediary representing a prospective or existing partner, manager, or consultant on any investment transactions or contracts of RRS or any of its fund managers, partners, fiduciaries, partnerships, limited liability companies, portfolio companies or their agents with respect to funds, partnerships, or limited liability companies in which RRS (or one of its fund of funds) invests. Board members are expected to understand the RRS Placement Agent Disclosure Policy.

L. Undue Influence

The Board of RRS is a fiduciary of the pension funds administered by the system and must discharge this duty solely in the interest of the members and beneficiaries of the system. Board members, the Executive Director, and his or her staff must work in an environment where they are able to perform their duties free of undue influence exerted by others.

Board members, the Executive Director, or outside third parties may not unduly exert influence or authority to direct other Board members or the Executive Director, or members of his or her staff, to a specified action, decision or course of conduct that the person would not otherwise, in the exercise of his or her fiduciary duty, take or make, or which is otherwise inconsistent with the person's fiduciary duty to RRS members

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and beneficiaries, or which is illegal, unethical, imprudent or a violation of RRS policy.

Such actions, decisions or courses of conduct include, but are not limited to, approving or rejecting an investment, purchasing or not purchasing goods or services, entering into a contract, falsifying or destroying records, making false or misleading statements, making employment decisions, misusing state property or information, withholding or concealing information, or releasing or misusing confidential data.

RRS will not tolerate exertion by any person of real or apparent authority to unduly influence decision-making or other action in any aspect of RRS business.

No person should undertake any action or course of conduct or make any decision that he or she believes is not consistent with his or her fiduciary duty to RRS members and beneficiaries or that he or she believes is not legal, ethical and prudent, even if directed to do so by another person in a position of authority.

Any person so directed, or who witnesses such direction, must report a violation of this policy to the Executive Director or, in the case of a Board member, to the Board Chair. Any instances of undue influence exerted by the Board Chair must be reported to the Board Vice-Chair.

M. Document Requests

Individual Board members should direct requests for RRS documents to the Executive Director.

N. Individual Requests for Consultant Work or Legal Advice

Individual Board member requests for meetings with outside consultants and outside legal counsel shall be directed to the Executive Director. All meetings and communications with consultants and counsel shall solely concern business of RRS and shall not be for the purpose of discussing personal or business matters of individual Board members.

Individual Board member requests for additional work to be performed by outside consultants or outside legal counsel shall similarly be directed to the Executive Director. Individual Board members should not seek advice or counsel directly from consultants or lawyers of RRS.

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O. Communications with Third Parties

1. Generally

Board members have no obligation to meet or communicate directly with advisors, managers, consultants, partners, contractors, or vendors of the system. Subject to the provisions of the Governance Policy and other Board policies, any communications with these people and entities will be within the judgment of each Board member. Any such communications will be those of an individual Board member without the authority or power to represent RRS or the Board or to bind RRS to any agreements, unless specifically authorized by the Board to do so.

2. Communications Regarding Investments, Contracts, and Proposals

Except for communications between individual Board members and Board or committee officers about Board or committee agenda items, individual Board members should direct any proposals, questions, or other communications regarding an existing or proposed investment or contract to the Executive Director.

3. Media Policy

Board members understand and will abide by the Media Relations Policy of RRS, a copy of which is attached as Appendix One and incorporated herein by reference.

P. Operational Management

Board members do not become involved in operational management and do not attend routine staff meetings or other staff activities unless specifically requested by the Executive Director, in consultation with the Board Chair.

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Q. Financial Hardships

Board members must disclose to the Board and the Executive Director, within ninety (90) days of first taking office, all past personal financial hardships that occurred within five (5) years of taking office. If a Board member experiences a personal financial hardship while in office, the member shall report the event to the Board within forty-five (45) days. Individuals who are Board members at the time of adoption of this provision must disclose, within ninety (90) days of adoption, all personal financial hardships that have occurred within five (5) years of the adoption date. For purposes of this provision, the term “financial hardships” means the following: bankruptcy filings, insolvencies, assignments for the benefit of creditors, liens and attachments, wage garnishments, and notices of foreclosure (judicial and non-judicial).

If a Board member suffers a financial hardship, the Board may, in its discretion, take remedial action or actions as described in section IV.T. of the Governance Policy.

R. Civility and Courtesy

Each Board member should be civil and courteous at all times, giving respect to the opinions and beliefs of others including his or her colleagues and members of RRS staff. Individual Board members should also endeavor to maintain this as a norm for the Board as a whole and respectfully remind fellow Board members should any of their conduct fall below this standard.

S. Attendance and Participation at Meetings

Each Board member is responsible for preparing before each Board and committee meeting and gaining an understanding of the matters before the Board and, as appropriate, its committees. Board members should attend every meeting of the Board and their committee(s), as applicable. Periodic absences for illness or other personal or professional issues may be unavoidable; however, it is expected that every Board member will not miss any more than four (4) consecutive meetings consistent with the City Code. Board members may attend meetings of committees even if they are not a member, and shall notify the Board Chair or Executive Director at least three days in advance of such public meeting.

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T. Fiduciary Training

Board members should continue to attend fiduciary training, as approved under the provisions of this Governance Policy, at least once a year.

X. Meetings

A. Notice and Scheduling

The Board shall normally meet once every other month. The Board shall normally meet in the offices of RRS, unless the Board Chair, in consultation with the Executive Director, designates a different meeting location.

The Executive Director shall supply members of the public notice of the date, time, and place of all Board and committee meetings, no less than three (3) working days before the date of the meeting as required by the Virginia Freedom of Information Act. The Executive Director shall be responsible for giving appropriate notice of Board and committee meetings.

B. Special and Emergency Meetings

Special meetings of the Board may be called by the Board Chair, in consultation with the Executive Director. Notice of the date, time, and place of the special meeting must be given to each Board member and members of the public no less than two (2) business days before the date of the special meeting. All business conducted at a special meeting must be identified in the notice.

Emergency meetings of the Board may be called by the Board Chair. Each individual Board member must file a written waiver of notice of the meeting at or before the time and date of the meeting before any action may be taken.

Notwithstanding section X.E. of this Governance Policy, a meeting of the Board or any of its committees may be held by electronic communication without a quorum physically assembled at one location when the Governor has declared a state of emergency in accordance with Virginia Code § 44-146.17 or the City of Richmond has declared a local state of emergency pursuant to Virginia Code § 44-146.21, provided that (i) the catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location and (ii) the purpose of the meeting

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is to provide for the continuity of operations of RRS or the discharge of its lawful purposes, duties, and responsibilities. The Board or committee convening such meeting shall:

- a. Give public notice using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to members of the Board or committee conducting the meeting;
- b. Make arrangements for public access to such meeting through electronic communication means, including videoconferencing if already used by the Board or committee;
- c. Provide the public with the opportunity to comment at those meetings of the Board or committee when public comment is customarily received; and
- d. Otherwise comply with the provisions of the Virginia Freedom of Information Act.

The nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be stated in the minutes.

These provisions for a meeting held by electronic communication means shall be applicable only for the duration of the emergency declared pursuant to Virginia Code § 44-146.17 or 44-146.21.

C. Agendas

In consultation with the Executive Director, the Board or committee chair, as the case may be, is responsible for approving the agenda for each meeting. The agenda and materials shall be sent to individual Board or committee members at least two (2) business days before each regular monthly meeting. The Board Chair shall send the agenda and accompanying materials for a special or emergency meeting as far in advance of the meeting as is possible under the circumstances. Both the agenda and the materials shall be made available for public inspection in accordance with the Virginia Freedom of Information Act. Nothing in this provision shall preclude the distribution and consideration of additional materials by the Board or the committee at the time of the meeting.

After a Board or committee meeting is called to order, a Board or committee member may move to add, continue, or delete an item from the

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agenda for the meeting, or to add an item to the agenda of a future meeting of the body. Addition, continuance, or deletion of an agenda item requires the affirmative vote of a majority of members present and voting.

D. Quorums of the Board

Consistent with the Virginia Freedom of Information Act, a quorum of the Board consists of four (4) trustees. A Board member may not designate a substitute to sit and act in the place of the Board member and any designee of the Board member shall not count towards a quorum.

E. Remote Presence At Meetings in Situations Other than Declared States of Emergency

1. Purpose.

The purpose of section X.E of this Governing Policy is to comply with the requirements of the Virginia Freedom of Information Act to allow for and govern participation by one or more Board members in meetings of the Board by electronic communication means. This section X.E is intended to be consistent with the Virginia Freedom of Information Act, and all proceedings pursuant to this section X.E shall be performed in accordance with the Virginia Freedom of Information Act, as that Act may hereafter be amended.

2. Application and Limitations.

- (a) The policy established by this section X.E shall be applied strictly and uniformly, without exception, to all Board members and without regard to the identity of the Board member requesting remote participation or the matters that will be considered or voted on at the meeting.
- (b) Participation by a Board member in a meeting by electronic communication means due to a personal matter shall be limited each calendar year to two meetings or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater, of the Board or the particular committee, as applicable.

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- (c) The policy established by this section X.E shall also apply to any committee of the Board. For purposes of a meeting of a committee of the Board, when used in this section X.E, the term “Board” means the committee holding the meeting in which a committee member desires to participate by electronic communication means, and the term “Board Chair” means the chair for that committee.

3. Electronic Communication.

When used in this section X.E, the term “electronic communication” has the meaning ascribed to it under the Virginia Freedom of Information Act, as that Act may hereafter be amended.

4. Approval Process.

- (a) No Board member may participate in a meeting by electronic communication means unless the Board member requests and the Board approves the participation in accordance with the provisions of this section X.E(4). Unless attending in person, any such Board member who is denied participation in a meeting by electronic communication means shall not be counted as present for the meeting and shall not be allowed to participate in the meeting; however, such Board member may still observe the meeting by electronic communication means.
- (b) A Board member may request to participate in a meeting by electronic communication means if the Board member notifies the Board Chair or the Executive Director as soon as reasonably possible on or before the day of the meeting that the Board member is unable to attend due to (i) a personal matter, provided that the Board member identifies with specificity the nature of the personal matter, (ii) a temporary or permanent disability or other medical condition that prevents the Board member’s physical attendance, or (iii) a family member’s medical condition that requires the Board member to provide care for such family member, thereby preventing the Board member’s physical attendance. The Board member must also notify the Board Chair or Executive

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Director of the remote location from which the Board member would participate by electronic communication means.

- (c) The Board may consider a request for participation by electronic communication means.
- (d) At the commencement of the meeting, the Board Chair or Executive Director shall state the information received from the Board member pursuant to section X.E(4)(b) above. The Board Chair or Executive Director shall only give a general description of the remote location from which the Board member would participate by electronic communication means. If the Board member's request is in all other respects in compliance with section X.E's requirements, the Board Chair or Executive Director shall seek approval from the Board to allow the remote Board member to participate in the meeting by electronic communication means.
- (e) If the Board member's participation by electronic communication means is allowed, the following shall be recorded in the meeting minutes: a statement of the specific nature of the personal matter identified by the Board member, the temporary or permanent disability or other medical condition prevents the Board member's attendance, or that a family member's condition requires the Board member to provide care for such family member, thereby preventing the Board member's physical attendance, and a general description of the remote location from which the Board member participates in the meeting.
- (f) If the Board member's participation by electronic communication means is disallowed, the following shall be recorded in the meeting minutes: a statement of the specific nature of the personal matter identified by the Board member, that the Board member stated that a temporary or permanent disability or other medical condition prevents the Board member's attendance, or that a family member's condition requires the Board member to provide care for such family member, thereby preventing the Board member's physical attendance, a general description of the remote location from

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which the Board member sought to participate in the meeting, and the specific aspect of the policy established by this section X.E that would be violated by the Board member's proposed participation by electronic communication means, as summarized by the Board Chair or Executive Director.

F. Open Meetings

Meetings of the Board and its committees shall generally be open to members of the public. Closed sessions may only be held in strict accordance with the provisions of the Virginia Freedom of Information Act. The Board's Public Participation Policy is attached as Appendix Two and incorporated herein by reference.

G. Conduct of Meetings

The Board Chair and the committee chair are each responsible for conducting the meetings of the Board and of the committee which they chair. Chairs may direct that the meeting proceedings for a deliberative body as provided in the current edition of "Robert's Rules of Order" apply to the entire meeting. When these rules are not applicable, the Chair may conduct discussion and deliberations informally. In any event, Board or committee action that is otherwise valid is not made invalid by any failure to follow Robert's Rules of Order.

H. Board and Committee Actions

Actions of the Board or a committee shall be on motion by one member with the second of another member. Unless otherwise specified by state statute or by City charter or ordinance, the affirmative vote of those members present and voting is required to pass a motion. A vote to abstain shall not be considered a member vote for these purposes. A tie vote fails to carry a motion.

The Chair should cast a vote when his or her vote will create or break a tie vote; however, nothing herein shall preclude the Chair from voting on any motion of the body.

An amendment to a pending motion may be made upon a majority vote of the members present and voting or with the consent of the moving member and the second. Once amended, the motion will take precedence over the original motion. The motion, as amended, will be subject to the same voting procedures as the original motion. If the

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amended motion is not passed, then a vote on the original motion shall be in order.

I. Minutes

Draft minutes of each Board and committee meeting shall be prepared by the Executive Director of the Board or the committee and sent to each member as soon as reasonably possible after the meeting, but in no event later than two (2) business days prior to the next regularly scheduled meeting. The draft minutes shall be on the agenda for approval, or amendment and approval, by vote of the Board or the committee. The Board's Procedures for the Preparation of Minutes are attached as Appendix Three and incorporated herein by reference.