

## **BOARD COMMUNICATIONS**

### **I. PURPOSE**

This policy is intended to facilitate effective communications between SCERA Trustees and members, SCERA senior management, and other parties.

### **II. OBJECTIVES**

A. The objectives of the SCERA Board Communications Policy are to ensure that:

1. Trustees receive pertinent information in a consistent and uniform manner;
2. Trustees have equal access to information available to the Board;
3. Communications are efficient and timely; and
4. Communications with management and other parties are accurate, consistent, and reflect the provisions of the Plan, pension law and the views or positions of the Board as a whole.

### **III. ASSUMPTIONS**

- A. Trustee communications potentially represent a significant risk to SCERA in areas such as governance, service quality, public relations, plan interpretation and adverse reliance by plan members or their beneficiaries.
- B. In their Communications, Trustees recognize their fiduciary duty to represent the interest of *all* plan members.
- C. A Communications Policy must balance the need to mitigate communications risk with the need for open and free discourse.
- D. The Board must speak to its various constituency groups with a single voice to successfully carry out its communications function for the benefit of plan members.
- E. Communications shall be defined broadly to include oral, written and electronic communications, including but not limited to:
  1. Issuing press releases;
  2. Delivering speeches or presentations;

3. Discussions with plan members, Trustees or SCERA management;
4. Interviews with the media; and
5. Writing articles or letters.

#### IV. GUIDELINES

##### A. Communications Among Trustees

1. Trustees shall communicate in an open straightforward and constructive manner during meetings of the Board and Committees.
2. The Board shall carry out its activities in the spirit of open governance and the provisions of the *Ralph M. Brown Act*, California Government Code Section 54950, et seq., as qualified by Executive Order of the Governor, which include but are not limited to:
  - a. Properly noticing and posting an agenda for Board and Committee meetings (Section 54954.2 of the *Brown Act*);
  - b. Allowing proper public comment on agenda items before or during consideration by the Board (Section 54954.3 of the *Brown Act*);
  - c. Properly describing all items to be considered in a closed session in the notice or agenda for the meeting (Section 54954.3 of the *Brown Act*);
  - d. Not conducting or participating in a series of communications one at a time or in a group that in total constitutes a quorum of the Board or Committee either directly, or through intermediaries or electronic devices, for the purpose of concurring on an action to be taken (i.e. "Serial Meeting;" Section 54953 of the *Brown Act*); and
  - e. Ensuring materials are properly made available to members of the public, upon request, without delay (Section 54957.5 of the *Brown Act*).
3. Trustees shall disclose all information pertinent to the affairs of the Board to the rest of the Board in a timely manner.
4. As a courtesy, Trustees shall not introduce controversial information during a meeting of the Board or Board Committee without prior discussion with the Board Chair, or Committee Chair and the Chief Executive Officer.

B. Trustee Communications with Plan Members

1. Trustees shall be aware of the risk of communicating inaccurate information to plan members, and the potential exposure to liability and possible harm to a member that may result from such miscommunications. This risk may be mitigated by refraining from providing specific advice, counsel or education with respect to the rights or benefits a member may be entitled to under the Plan.
2. In cases where a Trustee receives a general query from a plan member, and the Trustee is certain of the answer, the Trustee may provide such an answer to the member. If, however, the Trustee is uncertain of the answer to a general query, the Trustee shall refer the member to the SCERA main office or to the SCERA website.
3. In cases where a member query pertains to personal situations or technical matters, Trustees shall refer the member directly to the Chief Executive Officer, or in his/her absence, the Assistant Chief Executive Officer.
4. The Chief Executive Officer will advise the referring Trustee when a member's referred questions or issues have been resolved and of any actions taken in response to such questions or issues.

C. Trustee Communication with SCERA Management

1. Trustees shall direct concerns or questions regarding any aspect of Plan operations to the Chief Executive Officer or a member of senior management, as appropriate, with the exception of issues or questions pertaining to member queries, which are to be addressed in accordance with items 3 and 4 above.
2. Requests for information that require a significant expenditure of staff time or the use of external resources shall:
  - a. Be consistent with the roles and responsibilities of the Board;
  - b. Be directed to the Chief Executive Officer; and
  - c. Be formally requested at a Board or Committee meeting.
3. In the spirit of open communication, individual Trustees shall share any information pertinent to the Chief Executive Officer with the Chief Executive Officer in a timely manner. The Chief Executive Officer shall

similarly share with the Board any information pertinent to the Board in a timely manner.

4. The Chief Executive Officer shall ensure that all Trustees have access to information that has been requested by the Board or by individual Trustees.
5. Management shall periodically review all reports regularly provided to the Board, and where it is determined that certain information items are no longer needed, shall bring forward a recommendation to the Board to cease providing said items.

D. Trustee Communication with External Parties

1. The purpose of any communications by Trustees shall be consistent with their fiduciary duty to represent the interests of *all* Plan members.
2. Trustees shall be respectful of the Board and its decisions in all external communications, even if they disagree with such decisions.
3. Trustees shall not communicate as a spokesperson on behalf of the Board unless authorized by the Board to do so.
4. Trustees shall indicate if they are speaking in a capacity other than as a member of the Board in their external communications.
5. In situations that call for a spokesperson to communicate on behalf of the Board:
  - a. The Chair and the Chief Executive Officer shall jointly determine who shall act as spokesperson on an issue-by-issue basis and Trustees shall refer any inquiries they receive concerning such issues to the spokesperson.
  - b. If time permits, the spokesperson shall discuss sensitive, high profile issues with the Board prior to engaging in external communications.
  - c. In situations where Board policy concerning an issue has not been established, the Board or an appropriate Committee shall meet to discuss the issue prior to the spokesperson undertaking any external communications.

6. Written press releases concerning the business of SCERA shall be the responsibility of the Chief Executive Officer and shall clearly and accurately express the provisions of the Plan and positions of the Board. The Chief Executive Officer will provide copies of all press releases to the Board in a timely manner.
7. To ensure the accuracy of materials prepared by Trustees for publication or general distribution, and to ensure that the Plan is not inadvertently placed at risk, Trustees agree to provide such material to the Chief Executive Officer for review prior to distribution or publication.

E. Black-Out Periods

1. The Board will initiate a “black-out” period when:
  - a. The Investment Committee or the Board is presented with a list of potential candidate firms for consideration in a search process; or
  - b. A current service provider is placed on an official “watch status” signifying that the service provider’s performance has fallen below expectations or other issues have arisen that warrant closer scrutiny; or
  - c. The Board deems it is in the best interest of SCERA to require that, for a limited period of time, communications between Trustees and specified service providers be restricted to Board and Committee meetings only.
2. Black-out periods will be instituted at a Board meeting, and written notification will be issued to all Board members not present at said meeting. A black-out period may also be instituted between Board meetings at the discretion of a Committee of the Board or the Chief Executive Officer, subject to ratification by the Board at its next meeting, unless the Committee is a committee of the whole. The Chief Executive Officer will provide written notification to all Board members of all black-out periods instituted between Board meetings as soon as possible, and Board members will comply with the black-out period restrictions upon receipt of the Chief Executive Officer’s notification.
3. The initiation of a black-out period, and the service providers to which it applies, will be specified in the minutes of the Board meeting at which it was approved by the Board or a Committee of the whole or ratified by the Board.

4. During black-out periods, Board members and specified service providers shall not communicate on matters pertaining to SCERA, except during Board or Committee meetings. Furthermore, during black-out periods, staff, individual Board members or groups of Board members will not meet with specified service providers for entertainment or social purposes. Exceptions may be made in the case of industry conferences such as SACRS, where staff and SCERA Board members may socialize with specified service providers during open social events that are also attended by Trustees or staff of other systems, provided staff and SCERA Board members do not discuss matters pertaining to SCERA business.
5. Staff or Board members who need to communicate with such service providers for reasons unrelated to SCERA business agree to disclose such need in writing to the Chief Executive Officer and the Board prior to undertaking such communications. Disclosure to the Board shall be made in writing at a meeting of the Board. If time does not permit timely disclosure to the Board, the staff or Board member shall then also provide disclosure of the intended communication to the Chair, or to the Vice Chair if the Board member in question is the Chair.
6. For the purpose of black-out provisions, communications include telephone conversations, letters, and e-mail.
7. Black-out periods will cease when:
  - a. The Board authorizes staff or the investment consultant to negotiate a contractual arrangement with a successful bidder, or the search process is otherwise ended by the Board; or
  - b. When the service provider is removed from watch status; or
  - c. When the black-out period is otherwise ended by the Board.
8. Nothing in this section is intended to prevent necessary staff members from engaging in needed communications with service providers or potential service providers.
9. All SCERA service providers shall be provided with a copy of the Black-out policy provisions and shall be asked to agree in writing to comply with its provisions.

10. All RFPs shall include the Black-Out Policy provisions and require that prospective service providers comply with its provisions during the selection process.

V. REVIEW

The Board shall review this policy at least every three years to ensure that it remains relevant and appropriate.

VI. HISTORY

The Board adopted this policy on 7/15/2004.

Reviewed on 11/17/2005, 10/16/2008, 10/20/2011, 10/16/2014 and 10/19/2023.

Reviewed and revised on 10/26/2017 and 10/22/2020.