

Ohio Police & Fire Pension Fund

BOARD GOVERNANCE POLICY MANUAL

May 2020

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PURPOSE

- **Mission Statement:**
Securing the future for Ohio's police and firefighters.
- **Vision Statement:**
The Ohio Police & Fire Pension Fund will continue to be a leader and model among retirement systems, providing peace of mind to our members and a level of service that exceeds expectations.
- **Core Values:**
 - *Prudence:* OP&F will make prudent decisions while delivering our benefit services, selecting our investment strategies and executing our operational practices.
 - *Integrity:* The integrity of our organization is based on accuracy, credibility and ethical conduct at all times.
 - *Empathy:* OP&F will respond in an appropriate and timely manner with respect and honesty to all inquiries from every audience.

AUTHORITY

Ohio Revised Code Section 742.03 (B) provides that the administration, control, and management of the Ohio Police & Fire Pension Fund (OP&F) is vested in a Board of Trustees.

FIDUCIARY DUTIES

- A. *Duty of Loyalty* – The Board of Trustees is committed to act for the exclusive benefit of OP&F members and beneficiaries. The Board of Trustees will put the interest of all OP&F members and beneficiaries above their own interests and/or the interests of any third parties.
- B. *Duty of Care* – The Board of Trustees will administer OP&F efficiently and properly including consideration and monitoring of the financial sustainability of the plan design and funding practices.
- C. *Duty of Prudence* – The Board of Trustees will act according to the prudent person rule in exercising power or discretion over the interests that are the subject of the fiduciary relationship. The prudent person rule considers the actions that a reasonable or prudent person would take if put in a similar situation or in the conduct of his or her own affairs.

GOVERNING STYLE

Board of Trustees of OP&F has been entrusted with the funds and expectations of its members and has the duty to govern in OP&F's best interests. The Board of Trustees will remain mindful of its obligation to create and support OP&F's mission and the vision to

move OP&F forward in the future. The Board of Trustees will concentrate on providing strategic leadership and inspiration for the achievement of the purposes of OP&F. It will act as a single Board of Trustees and not as individual members in carrying out its duties. In this spirit, the Board of Trustees will:

- A. Concentrate on the achievement of its core obligation and not on the administrative or programmatic means to attain them.
- B. Establish the broadest policy based upon the most fundamental values and perspectives of the organization.
- C. Do all that is necessary to ensure that trustees remain mindful of their obligations to the Board in order to allow it to govern in accordance with the policy it has established.
- D. Remain accountable to the membership, the legislature and the public for the accomplishment of its obligations under its public trust. No officer, committee or individual member of the Board shall hinder the Board's fulfillment of this commitment or appropriate this role to themselves and not the Board of Trustees.
- E. Acquire the training and development necessary and appropriate for the completion of its duties.
- F. Remain aware of the changing needs of OP&F and its members and develop policy to meet those changing needs.
- G. Regularly evaluate its own performance prior to its annual review of the Executive Director's performance. Board performance will be assessed against the criteria established in the governance policy and will include an assessment of its compliance with the Board policy and an assessment of the effectiveness of the policy.
- H. Review this Board Governance Policy Manual annually.
- I. Develop an in-house training program, maintain a continuous review of outside educational programs available for Trustees and recommend particular programs for its members. A training evaluation form along with a copy of the conference agenda should be submitted with the travel reimbursement package.
- J. Attend the Ohio Retirement Systems joint ethics training as part of their overall trustee development.

TRUSTEE DEVELOPMENT

Each trustee shall be responsible for preparing himself or herself to undertake the responsibilities and carry out the duties of the office, as more fully described by the following:

- A. Each trustee will acquire the level of knowledge necessary to enable him or her to perform the duties of the office in an informed and competent manner and to meet his or her fiduciary obligations.

- B. The Board of Trustees will maintain memberships, corporate or individual, in those organizations and groups determined by the Board to be suitable for OP&F.
- C. The Board will develop an education program jointly with the other Ohio retirement systems, with the program submitted to the Ohio Retirement Study Council (ORSC). Newly-elected Board members are to complete an orientation program within 90 days of election or appointment. Each trustee who has served a year or longer as a trustee should participate in the continuing education component of the retirement board trustee program at least twice per year.
- D. Any new member of the Board of Trustees will undergo an internal orientation within OP&F, which shall include a thorough review and briefing of the policy-making role of the Board and its role in the oversight and governance of OP&F, among other things.
- E. Trustees will submit the requested training evaluation form to assist with trustee educational requirements.

BOARD COMPOSITION

Ohio law provides for the OP&F Board of Trustees to be comprised of nine members as outlined in Ohio Revised Code Section 742.03. There are six employee members elected to four-year terms by their respective member groups: two representatives of police departments, two representatives of fire departments, one retired firefighter and one retired police officer. The Board also includes three statutory members. Each statutory member—one appointed by the Governor, one by the Treasurer of State, and one appointed jointly by the Senate President and Speaker of the House—must have professional investment expertise.

BOARD OFFICERS AND OFFICES

Chair and Chair-Elect

There shall be a Chair and a Chair-Elect, each of whom are elected by the members of the Board of Trustees. The Chair and Chair-Elect shall be nominated from the elected members of the Board. A trustee must have served at least one full year as a member of the Board to be eligible for election to the position of Chair or Chair-Elect, subject to the other provisions of this Section.

Elections to these positions shall be held every year in May and new officers will take their seats in June.

Since the Board has established a rotation in the Chair and Chair-Elect positions, when the Chair is an active or retired police officer, the Chair-Elect shall be an active or retired firefighter. The following year, when the current Chair-Elect who is an active or retired firefighter becomes the Chair, the Chair-Elect will be an active or retired police officer so that the Chair and Chair-Elect positions rotate between public safety forces. In the event that there is not an eligible trustee to fill the Chair-Elect position, the position shall be elected from the remaining eligible members of the Board.

To be elected as the Chair (except as otherwise provided above), the Chair-Elect, as the case may be, a trustee must receive a majority of the votes of the entire Board. In the event no candidate for the position of Chair or Chair-Elect receives the required majority, a run-off election shall be conducted between the candidates receiving the highest number of votes until only two candidates remain. A run-off election shall then be conducted between these two candidates.

The Chair may not transfer his authority or duties to another, except in the absence of the Chair for any Board meetings, the Chair-Elect shall be the temporary Chair for that meeting only.

Any vacancy of the employee member who serves as the Chair shall result in the Chair-Elect becoming the Chair for the balance of the remaining term and the next year for which he/she was already elected to succeed as Chair. For purposes of determining whether a vacancy exists, the provisions of Ohio Revised Code Section 742.05 shall prevail.

Duties of the Chair

The primary duty of the Chair is to ensure the integrity of the Board process. The Chair is to see that the Board operates consistent with its policies and those imposed from outside OP&F. The Chair's duties include convening meetings of the Board; certify Board action as required, executing drafts and other instruments on behalf of OP&F, as required; naming members and temporary members to committees and appointing a Chair for each committee; chairing the Investment Committee and performing other duties required by the Ohio Revised Code. The Chair will guide the business of the Board to avoid the issues that are clearly within the province of the Executive Director. The Chair will ensure deliberations are timely, fair and orderly but also efficient, limited on time and kept to the point. The Modern Rules of Order Tailored for OP&F are attached as Exhibit D.

Chair-Elect's Duties and Authority

The Chair-Elect shall act in the absence of the Chair for any Board meeting. The Chair-Elect shall also prepare for assuming the position of the Chair.

CODE OF CONDUCT

Trustees shall follow the OP&F Ethics Policy (Exhibit A), which incorporates ethics requirements, established by the Ohio Ethics Commission. Trustees shall also follow guidelines established in Administrative Rule 742-16-01 and the OP&F Board Travel Policy (Exhibit B) for travel relating to OP&F business.

Trustees may not attempt to exercise individual authority over OP&F, the Executive Director or OP&F staff members, except as authorized and established through formal Board action. Trustees must recognize the lack of individual authority in any trustee or group of trustees and understand that the authority of the Board rests with the Board, as a whole, and that only the Board may authorize the delegation of its authority. In furtherance thereof, the trustee should inform the Executive Director of any meetings involving OP&F business that is held with outsiders when OP&F staff is not involved in such meetings.

In interaction with members of the public, the media, and other entities, trustees may represent as the policy or the position of the Board, only those policies and positions of the Board, which have been adopted or approved by formal Board action. Trustees may not commit the Board or OP&F to policy or legislative positions, unless authorized to do so by the Board action taken in an official meeting. The Board of Trustees recognizes the need for its members to communicate with their constituencies and represent their positions. When expressing an opinion or position that dissents from or is at variance with the formal Board opinion or position, a Trustee must be careful to represent it in such a way that it is not construed as the position or policy of the Board or OP&F.

Trustees are required by Ohio Revised Code Section 742.115 to disclose anything of value received from an agent/vendor. This information will be submitted to the OP&F internal auditor for submission annually to the Ohio Ethics Commission on a date and form established by the Commission.

Any trustee who fails to attend three consecutive Board meetings, without a valid excuse, is considered to have resigned from the Board. In these cases, the Board is required to declare the trustee's office vacated and a vacancy exists as of the date of the resolution. The Ohio Public Records and Open Meeting laws apply to OP&F so proper notices must be given along with conducting meetings in public, with the exception of executive session matters.

Civil action by the Ohio Attorney General is possible if an OP&F trustee breaches his/her fiduciary duty to OP&F. The Attorney General may recover damages or be granted injunctive relief, which shall include an injunction of specified activities and the removal of the trustee from the Board. Any damages awarded shall be paid to OP&F.

COMMITTEE GUIDELINES

- A. *Establishment of Committees and Powers* – The Board of Trustees shall establish committees with such duties as the Board deems necessary from time to time. Each committee shall serve at the pleasure of the Board of Trustees, shall act only in the intervals between meetings of the Board of Trustees and shall be subject to the control and direction of the Trustees.
- B. *Appointment of Committee Members* – The Chair shall appoint the members of the committee, including a temporary appointment of a trustee who may take the place of any absent member of the committee for purposes of satisfying the quorum requirements or voting requirements for the period stated by the Chair.
- C. *The Administration/Audit Committee shall be made up of three trustees:* A retired trustee, an active employee trustee, and a third trustee determined by the Chair. The Committee must select OP&F's internal auditor and annually file a report with the Ohio Retirement Study Council on the audit activities of the preceding year.

- D. *The composition of the Disability Committee will include:* At least one active police officer member, one active firefighter member and a retiree member. This decision will be at the discretion of the Chair.
- E. *Quorum/Voting*
- A majority of the number of trustees fixed by law must be present in person at such meeting in order to constitute a quorum for the transaction of business. The act of a majority of the trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. In the absence of a quorum, a majority of those present may adjourn a meeting from time to time until a quorum is had. Notice of an adjourned meeting need not be given.
 - Any committee of the Board of Trustees may act by a majority of its members at a meeting. In light of the foregoing, if a committee is comprised of an equal number of trustees, a quorum will only exist if more than half of the committee members are present for the meeting, which will include a temporary appointment of a trustee to that committee.
- F. *Review of Committee Charters* – The committee charters shall be reviewed annually to determine whether any changes are necessary.

COMMITTEE CHARTERS

Charters for the following committees are included: Administration/Audit, Benefits, Disability, Finance, Government Affairs and Policy, Health Care, Investments, and Personnel. Charters will be approved in May of each year prior to the transition of the Board Chair.

ADMINISTRATION/AUDIT COMMITTEE CHARTER

Composition:

The Administration/Audit Committee oversees several functions including Board Governance, Audit, Information Services, and Operations. The Committee Membership includes one retired trustee, one active employee trustee, and a third trustee as determined by the Chair. The Chair may temporarily appoint members to the committee to ensure a quorum in the case of excused absence of a committee member or for necessity.

Purpose:

The purpose of the Administration/Audit Committee is as follows:

- Appoint OP&F's internal auditor and provide feedback on the performance evaluation of the internal auditor (ORC 742.105).
- Oversee OP&F financial reporting and internal controls and ensure, through OP&F's internal auditor and independent public accountants, that the financial reporting of OP&F is handled in accordance with the laws of the State of Ohio and the policies of OP&F's Board of Trustees.
- Annually report the preceding year's activities to Ohio Retirement Study Council (ORSC).
- Ensure that the long term Information Systems Development Plan is consistent with the OP&F business plan and the priorities established by the Board. The committee will also function as a liaison between the Business and Technology Solutions Department and individual trustee and training needs.
- Ensure that OP&F operations are conducted in an efficient and effective manner providing quality service to active members, retirees, beneficiaries and eligible dependents in accordance with governing laws and regulations.
- Annually review the Communications Plan for the dissemination of public information to active and retired members.

Staffing:

The Executive Director and executive staff will work with the Committee in exercising its responsibilities.

Responsibilities:

Board Governance and Board Administration:

- New trustees are to complete an orientation program within 90 days of election or appointment. Each trustee who has served a year or longer shall, not less than twice each year, attend one or more programs that are part of the continuing education component of the retirement board member education program as required by Ohio Revised Code Section 742.031.
- Develop and maintain an in-house Board of Trustees training program and maintain a continuous review of outside educational programs for trustees and recommend particular programs for trustees including ethics training as established in the Governance Policy.
- Review and establish policies for the administration of the Board, review a summary of Board expenses quarterly, and pre-approve all out-of-state travel by any members of the Board of Trustees, as required by the terms of the Board Governance Policy.

Audit:

- Review the overall audit plans of the internal auditor and the independent public accountant to determine whether the plan is appropriate and/or recommend improvements in the plan, with specific inquiry as to the extent to which the planned audit scope can be relied upon to detect any fraud or weakness in internal controls.
- Maintain an understanding of risk management, internal controls and the role of the independent public accountants.
- Review and discuss with the Executive Director and appropriate senior staff members the results of the annual audit and the plan to address any items of comment therein, but the internal auditor and/or independent public accountants may request to meet privately with the Committee if there are material weaknesses involving the office of the Executive Director.
- Discuss with the internal auditor any significant findings, recommendations and corrective action plans. Particular emphasis should be placed on any identified material weakness in the system of internal controls.

Information Services:

- Review and discuss the plan to ensure it conforms to the overall goals and direction for OP&F, as established by the Board of Trustees.
- Review and discuss current budget initiatives and ensure timely progress of the projects.

Operations:

- Receive reports on general communications activities and general operations on an as-needed basis. Develop a plan for the dissemination of public information and submit the approved plan to ORSC.
- Review and discuss current budget initiatives and ensure timely progress of these projects.
- Perform other duties as shall be delegated to the Committee by the Board of Trustees.

Legal:

- Receive reports on operational information about any legal actions involving the active and retired members as well as court orders and contract matters on an as-needed basis.

General:

- As part of the annual budget process, review the proposed departmental budget for the Business and Technology Solutions Department and the Administration Department and make recommendations for the approval of such budget to the Finance Committee.

BENEFITS COMMITTEE CHARTER

Composition:

The composition of the Benefits Committee will include one police officer trustee, one firefighter trustee and a retiree trustee. The Chair may temporarily appoint members to the committee to ensure a quorum in the case of excused absence of a committee member or for necessity.

Purpose:

The purpose of the Benefits Committee is to consider and make recommendations to the Board of Trustees on matters relating to OP&F's defined benefit plan.

Staffing:

The Member Services Director, his or her staff, and the General Counsel will work with the Benefits Committee in exercising its responsibilities.

Responsibilities:

The responsibilities of the Benefits Committee will include, but not be limited to, the following:

- Review the plan designs set forth in Chapter 742 of the Ohio Revised Code and make recommendations for plan design changes.
- Review annuity payment plan options.
- Oversee the delivery of services to members and beneficiaries and make recommendations to improve the quality of service delivery.
- Review and make recommendations relating to applicable administrative rules to ensure the proper administration of the retirement plan.
- Remain informed of developing trends in the retirement benefits field that will assist the Benefits Committee members in performing the responsibilities outlined in this Charter.
- Report its activities and recommendations to the Board of Trustees following each committee meeting.
- As part of the annual budget process, review the proposed departmental budget for the Member Services Department and make recommendations for the approval of such budget to the Finance Committee.
- Perform such other duties as shall be delegated to the Committee by the Board of Trustees.

DISABILITY COMMITTEE CHARTER

Composition:

As outlined in the DEP Procedures Manual, the composition of the Disability Committee shall include one active police officer trustee, one active firefighter trustee and one retiree trustee. The Chair may temporarily appoint members to the committee to ensure a quorum in the case of excused absence of a committee member or for necessity.

Purpose:

The purpose of the Disability Committee is to review disability and death benefit cases working with the Disability Evaluation Panel (DEP), to ensure that applicants and their representatives are afforded equity and due process in the disability and Death Benefit Fund application process.

Staffing:

The Member Services Director, his or her staff, and the General Counsel will work with the Disability Committee and the DEP in exercising its responsibilities.

Responsibilities:

The responsibilities of the Disability Committee include, but are not limited to the following:

- Review medical evidence and information provided by the applicant and OP&F physicians and make recommendations to the Board of Trustees, according to the provisions of the Ohio Revised Code, the Ohio Administrative Code, and Board policies, relating to the granting, denial or termination of disability benefits or reconsideration of benefits.
- Review the results of the annual submission of medical reports and earnings information.
- Review and oversee the effectiveness of the administration of the disability benefit process, including, but not limited to the Disability Evaluation Panel and its related policies and procedures.
- Report its activities and recommendations to the Board of Trustees following each committee meeting.
- Review Death Fund Benefit claims and make recommendations to the Board of Trustees according to the provisions of the Ohio Revised Code and Ohio Administrative Code and Board policies relating to the granting or denial of Death Fund benefits.
- Review and make recommendations relating to applicable administrative rules to ensure the proper administration of the retirement plan.
- Cause reports to be issued by staff as required under Ohio law (e.g., disability experience report).
- Perform such other duties as shall be delegated to the Committee by the Board of Trustees.

FINANCE COMMITTEE CHARTER

Composition:

The Finance Committee maintains the overall annual OP&F budget, its 3-year capital outlay budget and monitors the OP&F's pension benefits. The Committee members are the legislative representative trustee, the Governor's representative trustee, and one employee member of the Board of Trustees. The Chair may temporarily appoint members to the committee to ensure a quorum in the case of excused absence of a committee member or for necessity.

Purpose:

The purpose of the Finance Committee is to ensure that the financial condition of OP&F is sufficient to ensure future pension benefits and monitor the funding of the Health Care Stabilization Fund.

Staffing:

The Executive Director and the Director of Financial Services will work with the Committee in exercising its responsibilities.

Responsibilities:

The responsibilities of the Finance Committee will include the following:

- Review and approve the overall OP&F budget, 3-year capital outlay budget, and monitor the budget to actual performance throughout the year on a quarterly basis.
- To oversee OP&F's financial reporting and internal financial controls and ensure, through OP&F's internal audit function and independent public accountants, that the financial reporting of OP&F is handled in accordance with the Governmental Accounting Standards, Generally Accepted Accounting Principles laws of the State of Ohio and the policies of OP&F's Board of Trustees.
- As a part of the annual budget process, review the proposed operating budget for the Finance Department.
- Monitor the preparation of OP&F's administrative budget and 3-year capital outlay budget by the Finance Department to ensure the goals of the trustees are included within these documents and prior to Board of Trustees approval.
- Review all recommendations for changes to benefits that will be recommended by the Health Care, Disability, and Benefit committees prior to approval by the Board of Trustees.
- Review the annual actuarial report and recommend changes to the 30-year funding plan to ensure compliance with statutory funding requirements.
- Review the quinquennial experience study and make recommendations for changes in actuarial assumptions.
- Monitor the funding of the pension benefits and health care stipend model to ensure the financial stability of the OP&F.
- Review the travel expenses of staff and trustees quarterly to ensure compliance with OP&F's travel policies.
- Report its activities and recommendations to the Board of Trustees following each committee meeting.
- Review and make recommendations relating to applicable administrative rules to ensure the proper administration of the retirement plan.
- Perform such other duties as shall be delegated to the Committee by the Board of Trustees from time to time.

GOVERNMENT AFFAIRS AND POLICY COMMITTEE CHARTER

Composition:

The Government Affairs and Policy Committee will consist of one police trustee, one firefighter trustee and a statutory member of the Board of Trustees. The Chair may temporarily appoint members to the committee to ensure a quorum in the case of excused absence of a committee member or for necessity.

Purpose:

The purpose of the Legislative Affairs Committee is to contribute to the development of legislative goals for OP&F on both the federal and state level and to pursue policy initiatives as determined by the Board. The committee will emphasize the importance of defined benefit pension plans for public safety officers, their families and beneficiaries, and pursue the adoption of legislation that promotes public retirement systems, particularly as it relates to first responders and public safety personnel both in Ohio and nationwide.

Staffing:

The Committee will be staffed by OP&F's legislative consultants and advisors and General Counsel.

Responsibilities:

The responsibilities of the Legislative Affairs Committee will include, but not be limited to, the following:

- Establish the principles that guide OP&F in favoring or rejecting legislation proposed.
- Communicate with legislators through our liaisons; testifying at legislative hearings when necessary, writing letters of support, etc.
- Develop and monitor the long-term legislative plan on benefit changes for OP&F and recommend the legislative position on pending or proposed legislation.
- Develop legislative positions on policy issues for approval by the Board.
- Facilitate the exchange of information between policy makers, fraternal organizations, members, and the public.
- Monitor pending legislation as it relates to OP&F and the state retirement systems.
- Monitor and approve reports due to the Ohio Retirement Study Council.

General:

Reports its activities and recommendations to the full Board following each committee.

HEALTH CARE COMMITTEE/BOARD CHARTER

Composition:

The Health Care Committee is a Committee of the whole Board and therefore the Chair of the Board is the Chair of the Committee unless he or she designates a retired trustee to act as chair of the Health Care Committee. The Board of Trustees may take formal actions in the Health Care Committee meeting provided the required public notice has been given.

Purpose:

The purpose of the Health Care Committee/Board is to consider matters relating to retiree health care issues and the level of support that may be provided by OP&F pursuant to Ohio Revised Code Section 742.45.

Staffing:

The Executive Director, Member Services Director and his/her staff, and the General Counsel will work with the Health Care Committee/Board in exercising its responsibilities.

Responsibilities:

The responsibilities of the Health Care Committee/Board include, but are not limited to, the following:

- Monitor the expenses and adequacy of the health care stabilization fund to ensure the amount of financial support provided to retirees is within acceptable limits and is in accordance with the Board's policies.
- Monitor all policies impacting health care matters involving OP&F, including, but not limited to the Health Care Stabilization Funding Policy, level of benefits, and models for provision of benefits.
- In conjunction with OP&F's actuary and in consultation with OP&F's health care advisors and the Finance Committee, make such adjustments in the program design and funding structure necessary to ensure the financial adequacy of the health care stabilization fund for retirees. It is OP&F's goal that the move to a new health care option will extend available funding for health care to approximately fifteen years.
- Review and make recommendations relating to applicable administrative rules and/or the level of retiree support that may be provided to ensure the proper administration of the funds on deposit in the health care stabilization fund administered by OP&F.
- Remain informed of developing trends and information in the health care field that will assist the Health Care Committee/Board members in performing the responsibilities outlined in this Charter.
- Cause reports to be issued by staff as required under Ohio law (i.e. Annual Health Care Report).
- Perform such other duties as shall be delegated to the Committee by the Board of Trustees.

INVESTMENT COMMITTEE CHARTER

Composition:

The Investment Committee is a Committee of the full Board and therefore the Chair of the Board is the Chair of the Committee. The Board of Trustees may take formal actions in the Investment Committee provided the required public notice has been given.

Purpose:

The purpose of the Investment Committee is to ensure that the assets of the Police & Fire Pension Fund (OP&F) are effectively managed in accordance with the laws of the State of Ohio, OP&F's administrative rules to the extent that they may apply, and the Investment Objectives and Policies adopted by the Board of Trustees from time to time.

Staffing:

The Executive Director, Chief Investment Officer and his/her senior staff will work with the Investment Committee in exercising its responsibilities.

Responsibilities:

Since Ohio law mandates the responsibilities of the Board of Trustees for investment matters, the responsibilities of the Investment Committee will be subject to Ohio law and the Committee's additional responsibilities will include, but not be limited to, the following:

- Review, on a continuing basis, the current investment objectives, guidelines and policies of OP&F, as amended, and any proposed changes recommended by staff.
- Cause reports to be issued by staff as required by the Board or statute.
- Select qualified investment consultants and investment managers to advise on and manage OP&F's investment assets.
- Review the annual investment plans prepared by the staff and/or investment consultant. As conditions warrant, revise the annual investment plans as the year progresses.
- Monitor the monthly investment activity for compliance with Board policy and adherence by investment managers to strategy and direction.
- Review OP&F's overall investment performance to determine whether it meets the benchmarks established by the Board of Trustees.
- Evaluate and assign all investment managers to a rating category, as outlined in the Investment Manager Monitoring and Evaluation Policy, as amended or modified from time to time.
- Review suggested changes or additions to the functions and operations regarding the Investment operations of similar institutional investors.
- As part of the annual budget process, review the proposed departmental budget for the Investment Department and make recommendations for the approval of such budget to Finance Committee.
- Review and make recommendations relating to applicable administrative rules to ensure the proper administration of the retirement plan.
- Perform such other duties as shall be delegated to the Committee by the Board of Trustees.

PERSONNEL COMMITTEE CHARTER

Composition:

The Personnel Committee will consist of three members, the Chair of the Board, an elected trustee and a statutory member of the Board of Trustees. The Chair may temporarily appoint members to the committee to ensure a quorum in the case of excused absence of a committee member or for necessity.

Purpose:

The purpose of the Personnel Committee is the following:

- To meet with and advise the Executive Director on establishing and executing the strategies, goals and policies of the Board of Trustees for the OP&F Pension Fund. The Board and Executive Director will work together to ensure all matters are handled prudently and in accordance with federal and state laws, administrative rules and policies of the Board of Trustees.
- To ensure that the personnel policies and procedures of OP&F are consistent with the needs of OP&F, as well as ensuring the human capital of OP&F possesses the necessary expertise and is sufficient in numbers. Also, foster and support the education and training of the staff and Executive Director.
- To set the Executive Director's goals for the year, review his or her performance and set his or her compensation, as reflected in the Executive Director's employment agreement.
- Review at least quarterly with the Executive Director his or her performance for the preceding quarter and conduct the Executive Director's annual performance evaluation. Except for its votes and reports to the full Board of Trustees, the work of the Committee will be in executive session for discussion of personnel matters pursuant to the Ohio Revised Code.
- Establish and monitor goals and requirements for the Executive Director in administering OP&F, but not to interfere in day-to-day operations of OP&F or staff.

Staffing:

The Executive Director, General Counsel and Human Resources Director will work with the Personnel Committee in exercising its responsibilities.

Responsibilities:

The responsibilities of the Personnel Committee will include, but not be limited to, the following:

Personnel:

- Conduct all hiring at the Executive Director level and interview finalists for the positions of Chief Investment Officer, General Counsel and Internal Auditor.
- Oversee and administer the employment terms of the Executive Director's employment agreement, including his or her annual evaluation and compensation.
- Establish the priorities and expectations of the Board on an annual basis.
- Conduct the annual self-evaluation of the Board of Trustees.

General:

- Reports its activities and recommendations to the full Board following each committee meeting.
- Perform such other duties as shall be delegated to the Committee by the Board.

EXHIBIT A ETHICS POLICY

Ethics Policy Statement

It is the policy of this OP&F Pension Fund Board to carry out its mission in accordance with the strictest ethical guidelines and to ensure that Board Trustees and employees conduct themselves in a manner that fosters public confidence in the integrity of the Retirement System, its processes, and its accomplishments.

General Standards of Ethical Conduct

OP&F Board Trustees and employees must, at all times, abide by protections to the public embodied in Ohio's ethics laws, as found in Chapters 102 and 2921 of the Ohio Revised Code, and as interpreted by the Ohio Ethics Commission and Ohio courts. (A copy of each law is provided by the Retirement System, and receipt acknowledged, as required in Ohio Revised Code Section 102.09(D)). Board Trustees and employees must conduct themselves, at all times, in a manner that avoids favoritism, bias, and the appearance of impropriety.

A general summary of the restraints upon the conduct of all Board Trustees and employees includes, but is not limited to, those listed below. No trustee or employee shall:

- Solicit or accept anything of value from anyone doing business with the Board or system;
- Solicit or accept employment from anyone doing business with the Board or system, unless the Board Trustee or employee completely withdraws from any Board and system discretionary or decision-making activity regarding the party offering employment, and the Board approves the withdrawal in the case of a Board Trustee or the Executive Director of the system, and the Executive Director approves the withdrawal in the case of another employee;
- Use his or her public position to obtain benefits for the Board Trustee or employee, a family member, or anyone with whom the Board Trustee or employee has a business or employment relationship;
- Be paid or accept any form of compensation for personal services rendered on a matter before, or sell goods or services to, the Board or system;
- Be paid or accept any form of compensation for personal services rendered on a matter before, or sell (except by competitive bid) goods or services to, *any* state agency other than the Board or system, unless the trustee or employee first discloses the services or sales *and* withdraws from matters before the Board or system that directly affect officials and employees of the other state agency, as directed in Ohio Revised Code Section 102.04;
- Hold or benefit from a contract with, authorized by, or approved by, the Board or system (the Ethics Law does except some limited stockholdings, and some contracts objectively shown as the lowest cost services, where *all* criteria under Ohio Revised Code Section 2921.42 are met);
- Vote, authorize, recommend, or in any other way use his or her position to secure approval of a Board or system contract (including employment or personal services) in which the trustee or employee, a family member, or anyone with whom the Board Trustee or employee has a business or employment relationship, has an interest;

- Solicit or accept honoraria (see Ohio Revised Code Section 102.01(H) and 102.03(H)), except that employees who are not financial disclosure filers may receive an honorarium only if the honorarium is paid in recognition of a demonstrable business, professional, or esthetic interest of the employee that exists apart from public office or employment, and is not paid by any person or other entity, or by a representative or association of those persons or entities, doing business with the Board or system;
- During public service, and for one year after leaving public service, represent any person, in any fashion, before *any* public agency, with respect to a matter in which the Board Trustee or employee personally participated while serving with the Board or system;
- Use or disclose confidential information protected by law, unless appropriately authorized;
- Use, or authorize the use of, his or her title, the name of the OP&F, or the OP&F logo in a manner that suggests impropriety, favoritism, or bias by the Board or system, or the Board Trustee or employee;
- Solicit or accept any compensation, except as allowed by law, to perform his or her official duties or any act or service in his or her official capacity; and
- No trustee, state retirement system investment officer, or an employee of OP&F whose position involves substantial and material exercise of discretion in the investment of retirement system funds shall solicit or accept from any person, including a partnership of which the system is a partner, payment of actual travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages.

In addition to complying with the restrictions in the Ethics Law and related statutes, no trustee of OP&F who is running for a position on the OP&F Board shall:

- Solicit or accept campaign contributions from any person or entity that the trustee knows or has reason to know: (1) has a contract related to investment of the system's funds; (2) is marketing or otherwise attempting to secure business involving the system's funds; or (3) is an agent or acting on behalf of any person or entity described in (1) or (2). Campaign contributions include contributions made to a campaign committee, political party, legislative campaign fund, political action committee, or political contributing entity on behalf of the trustee.

For purposes of this policy:

- "Anything of value" includes anything of monetary value, including, but not limited to, money, loans, gifts, food or beverages, social event tickets and expenses, travel expenses, golf outings, consulting fees, compensation, or employment. "Value" means worth greater than de minimis or nominal.
- "Anyone doing business with the Board or system" includes, but is not limited to, any person, corporation, or other party that is doing or seeking to do business with, regulated by, or has interests before the Board or system, including anyone who is known or should be known to be an agent or acting on behalf of such a party, including any partnership of which the system is a partner, any person or entity that has a contract related to investment of the system's funds, and any person marketing or otherwise attempting to secure business involving the system's funds.

Financial Disclosure

Every trustee or employee required to file a financial disclosure statement must file a complete and accurate statement with the Ethics Commission each year. Any trustee or employee appointed, or employed to a filing position after February 15 and required to file a financial disclosure statement must file a statement within 90 days of appointment or employment.

Assistance

The Ethics Commission is available to provide advice and assistance regarding the application of the Ethics Laws and related statutes. The Commission can be contacted at (614) 466-7090. The Commission's web site address is: www.ethics.ohio.gov. Ohio Retirement Study Council is available to answer questions regarding this policy.

Penalties

Failure of any trustee or employee to abide by this Ethics Policy, or to comply with the Ethics Laws and related statutes, will result in discipline, which may include dismissal, as well as any potential civil or criminal sanctions under the law.

Evaluation and Changes

This policy shall be evaluated for effectiveness by the OP&F Board of Trustees no less than biennially. The policy may be changed only by a majority vote of the Board, after approval by the Ethics Commission and review by the Ohio Retirement Study Council.

EXHIBIT B

BOARD TRAVEL POLICY

Purpose

The Board of Trustees recognize that they are being afforded educational opportunities through attendance at various seminars or conferences in order to improve their effectiveness as named fiduciaries of OP&F. The goal of these forums is to improve the operation and administration of the plan solely for the best interests of its members and beneficiaries. To that end, the trustees will make all efforts to utilize these opportunities to the fullest while minimizing costs.

Authority

Ohio Revised Code Section 742.08 provides that, “the members of the Board of Trustees of the Ohio Police and Fire Pension Fund shall serve without compensation but shall be reimbursed for their necessary expenses incurred in the performance of their official duties.”

Reimbursable expenses are further discussed under Ohio Administrative Rule 742-16-01. This rule provides that, “...Board Members may receive reimbursement from the fund for all proper reasonable and necessary expenses actually incurred in the performance of their official duties. Eligible reimbursable expenses include but are not limited to reasonable charges for meals, beverages, tips, lodging, airfare, ground transportation, telephone calls and registration fees.” In order to obtain reimbursement of expenses staff recommends that the following process be followed.

Board of Trustee Guidelines

The following changes are incorporated into the travel policy unless pre-approved by the Board:

- Meal reimbursement of actual costs does not exceed \$60 per day.
- Trustees should travel to no more than three out-of-state educational conference or seminars in a year with a cap of \$6,000 per year on actual and necessary travel costs for each trustee. This figure excludes conference registration charges.
- There will be no more than three Trustees at any one out-of-state educational conference or seminar. This requirement will exclude any trustee that is on a National committee or speaker for that conference.
- All out of state travel needs to be approved by the Board of Trustees before travel may take place. In the case of emergency travel that has to be completed before the next Board meeting, the Chair and/or Executive Director must approve trip.
- There will be no reimbursement of alcoholic beverages.

“No person who is a member of the board of a state retirement system, a state retirement system investment officer, or an employee of a state retirement system whose position involves substantial and material exercise of discretion in the investment of retirement system funds shall solicit or accept, and no person shall give to that board member, officer, or employee, payment of actual travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages.”

“Proper, reasonable and necessary expenses” means that the particular service or accommodation was in fact used by, or provided to, the trustee, and was appropriate under the circumstances and within the bounds of prudent judgment for their attendance in official duties at Board and committee meetings, member out-reach including attendance at active and retired member

association meetings, financial/investment due diligence trips, approved educational meetings, and any other additional duties pre-approved by the Board of Trustees.

Trustee out of state reimbursable expenses are limited to those incurred not more than one day before, during the event, and one day after unless a longer stay before or after the event results in lower airfare and the additional hotel and meal expenses do not exceed the savings differential. OP&F procurement section will document the savings calculation.

Any incident or event that falls outside these policy guidelines must be brought to the Administration/Audit Committee to be considered for reimbursement and approval.

Telephone calls or other electronic transmissions for OP&F business and incidental personal use will be reimbursed to the trustee.

The Board has analyzed their policy and made these adjustments in establishing guidelines and controls over the process for attending educational training, conferences, and seminars. This ties in with the controls already established under the approval and reimbursement process.

Reports for the reimbursement of expenses should be turned into the Executive Assistant in a timely manner, preferably within 30 days from the last day of travel.

Travel Guidelines

Flight:

Allowable class of service:

- Coach Class: Within the Continental US, Canada, and Mexico.
- Business Class: Alaska, Hawaii and outside North America.

Non-refundable electronic tickets will be purchased by OP&F for travelers. Any changes to airline reservation may result in change fees and difference in airfare. These fees vary depending on the individual carrier. If a change results from a work related incident, OP&F will pay the associated fees. If the change results from non-work related incident the traveler is responsible for the charges incurred. All changes must be documented on the travel change request form submitted to procurement.

Car Rental:

- Domestic travel: Full-size
- International travel: Full-size

Personal Car Usage:

- Mileage rate is established according to the Internal Revenue Service mileage rate. This rate includes usage and gasoline. Please contact the Finance Department administrative assistant or Procurement for the actual rate.
- If personal car is used in lieu of flying, reimbursement will be allowed for the lesser of coach airfare or the established mileage rate for the number of miles driven.

Meal Reimbursement:

- Reimbursement for meals, in-state and out of state are made for actual expenses not to exceed \$60/day.

- An itemized receipt is required for meal reimbursement. This ensures that OP&F is reimbursing appropriate amount as it relates to this travel policy.
- When more than one trustee or party is included on a bill, a list of who was included along with business affiliation and the purpose of the meeting needs to be documented on the receipt.

Lodging:

- Lodging reimbursement will be made for reasonable amounts in the area traveling. If attending a conference, lodging is permitted at the conference location.
- Reimbursement will be made at the single occupancy rate.
- Rooms should be reserved at the government rate when possible.

Non-Reimbursable Expenses

- Alcoholic beverages
- Airline club membership dues
- Earphone usage
- Annual fees for credit cards other than the American Express Corporate Card
- Auto repairs
- Babysitting
- Barbers and/or hairdressers
- Clothing/toiletry items
- Country club dues and/or fees
- Delinquency fees and/or finance charges (unless an error of OP&F)
- Frequent flyer membership fees (Any frequent flyer mileage obtained on OP&F business may not be used for personal use).
- Golf fees
- Helicopter service for airport transfers
- Laundry service for travel fewer than five days
- Limousine service (except delivery services for a group in a large metro area)
- Loss or theft of cash advance or airline tickets
- Loss or theft of personal funds and/or property
- Lost baggage
- Luggage and/or briefcases
- Magazines, books and/or newspapers
- Mini-bar
- Movies (in-flight or hotel)
- No-show charges for hotel or car service
- Optional travel and/or baggage insurance
- Parking tickets or traffic violations
- Pet care
- Personal telegrams
- Personal entertainment including sporting events
- Saunas, massages or workout fees
- Shoe shines
- Souvenirs and/or personal gifts

EXHIBIT C
POLICY FOR PUBLIC COMMENT AT OP&F BOARD MEETINGS

Members of the public are invited to address the Board whenever it meets in open session and includes time for public comment on the agenda. Anyone wishing to address the Board during a public comment session shall do so in accordance with the following guidelines:

1. Individuals who wish to address the Board must write their name and the subject they wish to address on the speaker's sign-in sheet prior to the start of the applicable meeting. The speaker's sign-in sheet will be located near the entrance to the meeting room and those wishing to publicly address the Board are advised to arrive well before the start of the public meeting to secure a spot for providing public comments.
2. Any person may submit written correspondence or comment to the Board at a public meeting. A person submitting written correspondence or comment to the Board does not need to sign the speaker's sign-in sheet. Members of the public are advised that items submitted to the Board are public records under Ohio law and will be available to the general public on request.
3. For all regular meetings, individuals who signed the sign-in sheet will be given five (5) minutes to address the board. Speakers will be recognized by the Board in the order in which they signed the speaker's sheet. In order to maintain the agenda, the Board will only hear public comments from ten (10) people. In order to avoid repetition and delay, groups of people seeking to express the same or similar position are encouraged to designate a spokesperson for the group.
4. Individuals attending Board meetings should conduct themselves with respect and civility toward others. Anyone speaking during the public comment period are advised that the speakers' subject matter may not contain obscenity, defamation, or slander. Each person attending a public meeting is prohibited from engaging in a violation of the disorderly conduct or disturbing a lawful meeting provisions of Chapter 2317 of the Columbus City Codes, 1959. If the Board determines that these rules are not being followed one warning will be given. A speaker's conduct shall be subject to the right of the Board to preserve the order and decorum of the meeting. If the rules continue to be violated after a warning, the Board may revoke the individual's speaking privileges or have them removed from the meeting.
5. Individuals who sign the speaker's sign-in sheet **may not** transfer or yield their time or opportunity to speak to another individual.
6. While the Board values input from the public, Board members are not obligated to respond to questions or comments from the public during the open comment period or otherwise.
7. Any variance or waiver of these rules may be made upon agreement by majority of the Board.

EXHIBIT D
MODERN RULES OF ORDER TAILORED FOR OP&F**Rule 1****Role of the Chair**

Authority for conduct of the meeting is assigned to the chair, which shall be responsible for timely fair and reasonable conduct of the meeting's business. Decisions of the chair are final on questions of procedure, except that any ruling may be appealed to a vote of the meeting. If a ruling of the Chair is corrected by the meeting, the Chair shall amend the ruling to reflect the "will of the meeting".

Rule 2**The Rules and Governing Law**

The rules of conduct of the meeting are subordinate to bylaws and or Board Governance Policies of the organization, which are subordinate to the Ohio Revised Code.

Rule 3**The Agenda**

The OP&F Executive Director shall be responsible for establishing the order of business or agenda, and shall ensure that the order of the business is posted or circulated as required by the bylaws, articles or law.

Rule 4**Convening the Meeting**

The Chair shall be responsible for ascertaining and announcing the presence of a quorum and the due convening of the meeting.

Rule 5**Approval of Minutes and Reports as Submitted**

By announcement of the Chair, unless an objection is raised, previously circulated minutes of meetings and reports not requiring action may be approved as submitted. If an objection is made, approval shall be presented in the form of a motion.

Rule 6**General Discussion**

Issues that require consideration of the meeting may be discussed with or without formal motion. An issue may be resolved by recording (a) the general consensus or "sense of the meeting" or (b) by a formal motion.

Rule 7**General Principles for Discussion or Debate**

Discussion of any issue is subject to regulation by the Chair to assure adequate consideration of relevant points of view in the best interests of the organization. The objectives of discussion are (a) determine the will of the body and to articulate decisions for conduct of business; (b) assure sufficient discussion and consideration of issues so that all pertinent points of view are considered; (c) maintain at all times the dignity of the meeting so that each recognized speaker's views are made known to voting participants and to ensure that appropriate respect is accorded

all members; and (d) present the consideration of business in a manner understood by all participants.

Rule 8

General Consensus or the Sense of the Meeting

When the meeting participants embrace a course of action by a clear consensus of meeting participants, the chair may, if there is no objection, state that action upon the issue is resolved by “general consensus” or the sense of the meeting shall be recorded in the minutes as the decision of the meeting. A ruling as to general consensus or the sense of the meeting shall be recorded in the minutes as the decision of the meeting. The chair also may announce that, without objection, a matter may be recorded as the unanimous action of the meeting.

Rule 9

Usage of Motion Practice

Where a sense of the meeting cannot be determined with reasonable certainty (discussed in Rule 8), or where by reason of importance of the matter the formal approval or a count of the votes is desired, the chair or any member may state the proposal as a motion under Rule 10 and 11.

Rule 10

Motion Practice

The rules of motion practice outlined in *Modern Rules of Order* shall be applied as a guide to the Chair in disposition of formal motions, which are resolved by a vote of the meeting.

Rule 11

Motion Practice and Precedence

Under these Rules, motions should be limited to those set forth below. They are grouped into three categories and listed in order of precedence (a) when any motion is pending, any motion listed above it in the list is in order, but those below it are out of order; (b) where a required vote is stated, reference is made to those present and voting. (See Chart of Motion Practice at end of document).

Meeting Conduct Motions

1. Point of Privilege

Characteristics:

- May interrupt a speaker
- Second not required
- Not debatable
- Not amendable
- Resolved by the Chair, no vote is required

2. Point of Procedure

Characteristics:

- May interrupt a speaker
- Second not required
- Not debatable
- Not amendable
- Resolved by the Chair, no vote is required

3. To Appeal a Ruling of the Chair

Characteristics:

- May not interrupt a speaker
- Second required
- Debatable
- Not amendable
- Majority vote required

Special note: If a ruling of the Chair is based on governing law (e.g., not a proper subject of the meeting or a matter requiring prior notice), it is not appealable.

4. To Recess the Meeting

Characteristics:

- May not Interrupt a speaker
- Second required
- Debatable
- Amendable
- Majority vote required

Disposition Motions

1. To Withdraw a Motion

Characteristics:

- May interrupt a speaker
- Second not required
- Not debatable
- Not amendable
- Resolved by the Chair, no vote is required

2. To Postpone Consideration

Characteristics:

- May not interrupt a speaker
- Second required
- Debatable
- Amendable
- Majority vote required

3. To Refer

Characteristics:

- May not interrupt a speaker
- Second required
- Debatable
- Amendable
- Majority vote required

4. To Amend

Characteristics:

- May not interrupt a speaker
- Second required
- Debatable
- Amendable
- Majority vote required

5. To Limit, Extend or Close Debate

Characteristics:

- May not interrupt a speaker
- Second required
- Debatable
- Amendable
- Two-thirds vote required

6. To Count the Vote

Characteristics:

- May not interrupt a speaker
- Second required
- Not debatable
- Not amendable
- Mandatory when seconded, no vote required

Main Motions – To Take Action or Reconsider Action Taken*Characteristics:*

- May not interrupt a speaker
- Second required
- Debatable
- Amendable

Majority vote required unless a greater vote is prescribed by the bylaws, Governance policies or law.

Rule 12**Adjournment**

Upon completion of the meeting's agenda, if no further business is indicated, the Chair shall adjourn the meeting. Adjournment may be accomplished by motion or announcement of the Chair. A motion to adjourn prior to completion of the agenda is out of order.

Rule 13**Minutes**

The OP&F Executive Assistant shall record minutes of the meeting. At committee meetings, an Administrative assistant will record the minutes. The minutes will be submitted for approval at a subsequent meeting.

Chart of Motion Practice

Motion	Interrupt a Speaker?	Second Required?	Debatable?	Vote Amendable?	Required?
Meeting Conduct Motions:					
Point of Privilege	Yes	No	No	No	None
Point of Procedure	Yes	No	No	No	None
To Appeal	No	Yes	Yes	No	Majority
To Recess	No	Yes	Yes	Yes	Majority
Disposition Motion:					
To Withdraw	Yes	No	No	No	None
To Postpone Consideration	No	Yes	Yes	Yes	Majority
To Refer	No	Yes	Yes	Yes	Majority
To Amend	No	Yes	Yes	Yes	Majority
To Limit, Extend or Close Debate	No	Yes	Yes	Yes	2/3
To Count Votes	No	Yes	No	No	None
Main Motions:					
To Take Action, To Reconsider, or To Elect	No	Yes	Yes	Yes	Majority unless otherwise required

**Based on *Modern Rules of Order, Fourth Edition*, published by American Bar Association.

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