

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Adopted: September 9, 2014

Re: Education//Travel/Due Diligence Policy

WHEREAS, the Board of Trustees of the Bay County Employees Retirement System ("Board") is vested with the general administration, management, and operation of the Bay County Employees Retirement System ("Retirement System"), and has fiduciary responsibility to make decisions solely in the interest of plan members and beneficiaries, and

WHEREAS, the Retirement System provides pension benefits to retirees in accordance with the provisions of Retirement Ordinance, as amended, applicable collective bargaining agreements, and state and federal laws, and

WHEREAS, the Board recognizes that it is subject to the provisions of the Public Employee Retirement System Investment Act, Michigan Public Act 314 of 1965, as amended, wherein the Board is required to act as a prudent investor in all transactions related to Retirement System funds and assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered, and

WHEREAS, the Board recognizes that in order for the beneficiaries of the Retirement System to have the best representation by their elected and appointed Trustees, it is imperative for the representatives of the Retirement System to participate in Board business, including Board meetings, continuing education programs, and due diligence evaluations of current and potential investments, and

WHEREAS, the Board recognizes that, consistent with its fiduciary duty and liability, it is necessary and appropriate for Retirement System representatives to attend Board meetings and educational seminars/conferences so that the Board may be made aware of developments regarding Retirement System administration, and so that the Board may further become aware of how persons acting in a like capacity administer their respective retirement systems, and

WHEREAS, the Board further recognizes that, consistent with its fiduciary duties, it is necessary to conduct regular due diligence on each current and prospective manager and consultant engaged by the Retirement System in the ordinary course of business, and

WHEREAS, due to the fiduciary responsibilities entrusted to the Board, all Retirement System representatives are encouraged to participate in meetings of the Board and maintain educational levels consistent with established fiduciary responsibilities, and

WHEREAS, the Board desires to restate its policy and procedure, now therefore be it

RESOLVED, that the Board hereby strongly recommends that each representative is encouraged and expected to attend pension related meetings/conferences/seminars on behalf of the Retirement System, and further

RESOLVED, that Retirement System representatives are encouraged to attend all meetings of the Board, and to attend MAPERS conferences and other similar educational conferences, if available. Individuals wishing to attend non-MAPERS sponsored conferences shall request prior Board approval and provide a post conference report to the Board on topics covered, and further

RESOLVED, that for each seminar/conference request the following information shall be required: (1) the name of the traveler; (2) the title of the event, seminar, or conference; (3) location of the event, seminar, or conference; (4) the dates of travel; (5) name of hotel, number of nights, and daily rate; (6) registration fees; (7) mode of transportation; (8) cost of travel; (9) other expected incidental costs; (10) advance checks required, including to whom, amount, and reason for the check; (11) copy of promotional brochure for the event, seminar, or conference; and (12) reason for attendance at the event, seminar, or conference citing the benefits received or expected, and further

RESOLVED, Investment managers are to appear before the Board for performance evaluation on a rotational basis at least every 24 months. The manager will appear once every 12 months if included on the Retirement System's watch list due to marginal investment performance or other concerns or has been an investment manager for less than two years and further

RESOLVED, that the following expenses will be reimbursed so long as proper documentation is provided to the Board within a reasonable time:

Registration: Conference fees and actual registration charged by the conference shall be paid by the Retirement System.

Transportation: Individuals traveling on Retirement System business will utilize the most economical and efficient means of transportation. Use of a more expensive method of transportation other than the most

economical and efficient, will be allowed only upon the approval of the Board.

Ground transportation/parking includes airport parking and transportation to and from the conference site and any transportation necessary to conduct Retirement System business. All individuals traveling to an out-of-state conference may have a rental vehicle available, upon request and prior approval by the Board, for their use during the time period that they are approved for Board travel.

Flat rate mileage will be paid for use of a private vehicle as per the current Internal Revenue Service regulations, plus parking fees.

Lodging: Allowance for lodging will be at the lowest rate charged at the hotel facility housing the conference or seminar. If the conference facility upgrades the room rate, based on availability at the time of registration, the upgrade shall be at Board expense.

Individuals may upgrade room at personal expense.

Meals: Meals shall be reimbursed incidental to Board travel under the following circumstances:

	Depart Prior to	Return Later Than
Breakfast	6:30 AM	9:00 AM
Lunch	11:00 AM	1:30 PM
Dinner	5:00 PM	7:00 PM

Charges for meals shall be properly documented by detailed receipt. Rates shall not exceed Michigan Department of Management and Budget Travel Reimbursement Rates in effect on the date of travel. No alcoholic beverages will be paid for at Board expense. Gratuities not exceeding 15% of the cost of the meal, excluding alcoholic beverages, shall be reimbursed.

Miscellaneous: Miscellaneous expenses incidental to Board travel shall be held to a minimum in accordance with essential and reasonable requirements for official conduct of Board business. Individuals will be reimbursed for any miscellaneous expenses that are incurred for the express purpose of Board business and shall include: local transportation (e.g., taxi, bus, subway), telephone calls, postage, tolls, parking. Expenses not allowed include: parking/moving violations, alcohol, entertainment, travel insurance, laundry, valet, or other personal services, repair and maintenance of personal vehicle.

Per Diem: Representatives may, upon Board pre-approval, receive a per diem amount based upon the rates established by the Retirement System for Retirement System business. Representatives may be reimbursed for additional amounts if actual expenses exceed the per diem rate.

- Advance: An individual may draw an estimated amount of money in advance to cover the expected cost of the trip and expenses connected therewith by submitting an appropriate request in writing to the Board's secretary. Travel advances are limited to a maximum of \$50.00 per day.
- Upgrades: Any upgrade above all established policy limits shall be at the individual's personal expense, unless otherwise allowed for and defined in this policy.
- Expenses: It is preferred that the Board pre-pay any anticipated costs directly to the charging entity.

RESOLVED, that failure to provide proper documentation of an expense within 60 days may invalidate any claim for reimbursement and will prevent any future advances being provided, and further

RESOLVED, that all persons who attend a seminar or conference must earn an attendance or participatory certificate if the seminar or conference sponsor offers such a certificate. The failure to earn such a certificate may result in the particular attendee becoming ineligible to attend any further educational seminars and/or conferences, and further

RESOLVED, that any representative(s) who attends an educational seminar or conference shall be required to provide a report to the Board, at the next regular Board meeting following the educational seminar or conference, regarding the subject matter of the seminar or conference. The attendee(s) shall also provide the Board with the handout materials from the seminar or conference. Satisfaction of this requirement is a condition precedent to reimbursement of any expenses to the attendee. Failure to satisfy this requirement, and failure to earn an attendance or participatory certificate where the sponsor offers one, may obligate the attendee(s) to reimburse the Retirement System in full for any expenses advanced to the attendee(s), and further

RESOLVED, the Trustees, or the Board's designee, participating in an on-site due diligence evaluation shall provide an oral report to the Board for the next following regular Board meeting, summarizing their findings and recommendations, if any, and further

RESOLVED, that in accordance with Public Act 314 of 1965, the Board may utilize a portion of the Plan's investment earnings to pay for such expenses, and further

RESOLVED, that the Board acknowledges and understands that in the fulfillment of Retirement System responsibilities, an individual shall not suffer a loss because of absence from County employment, and further

RESOLVED, that abuse of the foregoing policy, including falsifying expense reports to reflect costs not incurred, can be grounds for disciplinary action, including, but not limited to, removal from the Board, and further

RESOLVED, that the Board shall forward this policy resolution to the appropriate County, Union, and Departmental Representatives.