

# Strategic Plan Initiative Board Committees Discussion

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Amy L. McDuffee, Associate Partner, Fiduciary Services Practice

**Aon Hewitt**  
Retirement and Investment

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# Context

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- The Board's Strategic Plan has a Governance Goal with the following objectives:
  1. Enhance Board meeting productivity and efficiency
  2. Evaluate the role of the Audit Committee and develop and implement a vision for the internal audit function.
- As part of Objective 1 above, the Board indicated a desire to:
  - Create a Board work plan that outlines key actions of the Board for the entire calendar year;
  - Create alternate versions of the same work plan that depict different degrees of investment delegation as follows:
    1. assuming an investment committee of the Board and
    2. assuming some degree of staff investment delegation.
- A Board work plan with a possible Board investment committee scenario has been provided.
- Further scenarios will be provided based upon the Board's direction.

## Board's History with Committees

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- The Bylaws authorize the following:
  - The Board to establish Committees; however, the Committees are advisory only unless specifically directed by the Board.
  - The Board Chair to name the Committee members, subject to Board approval, and designate the Committee Chair.
- The following Committees are currently active:
  - Audit Committee
  - Advisory Committee on Retirement Matters (includes non-Board members)
- Current practice is for two Trustees to serve on a Committee for a one-year term.
- Historically, the Board has used the following Committees to conduct its business:
  - Audit Committee – reactivated in 2015
  - Investment Committee – rendered inactive in 2008
  - Compensation Committee – convenes on an ad hoc basis
  - Advisory Committee on Retirement Matters – consistently active

## Concept Overview: Sample Board and Committee Work Plan

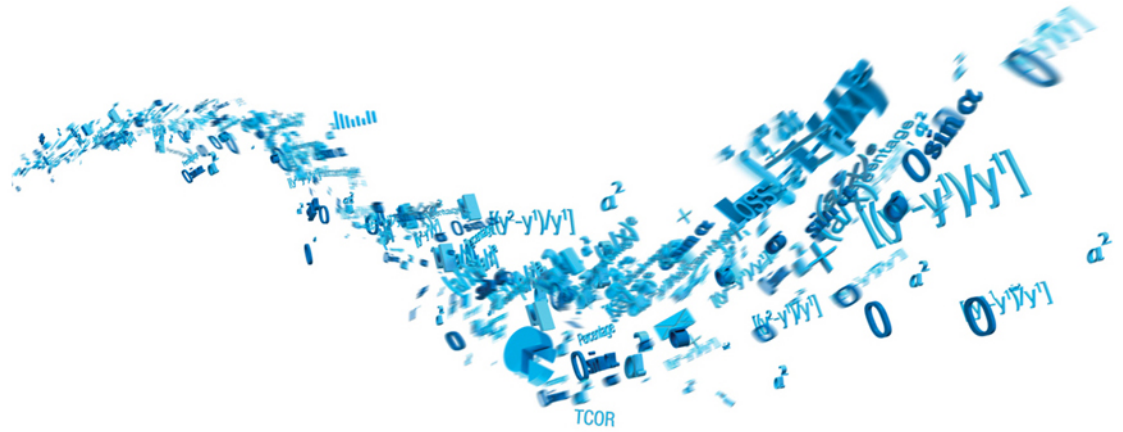
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- Reviewed draft Board agendas and Systemwide Investment Pacing Plan for 2016
- Identified possible responsibilities for the existing Audit Committee and a reactivated Investment Committee to align with Board objectives of:
  - Developing a future vision for the Internal Audit function
  - Enhancing Board meeting productivity and efficiency
- Created a composite view of possible Board and Committee activities for 2016 to depict the flow of work and recommendations
- Key assumptions
  - Committees perform the drill down evaluation of certain staff and consultant (if applicable) recommendations
  - Committees serve in an advisory capacity to the Board, making recommendations as appropriate
  - Board receives executive summary materials from Committees, where appropriate, and engages in high level discussions during Board meetings to fulfill oversight of Committees
  - Committees participate in the ongoing evaluation of, and make recommendations regarding, their future charter responsibilities

## Discussion – Key Considerations

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1. To what extent would it be beneficial to reactivate the Investment Committee of the Board in the manner set out in the sample work plan?
  - a. What degree of delegation, if any, should the Investment Committee have? Initially? In the future?
  - b. If the Committee is reactivated, what role should it play in researching and recommending to the Board additional responsibilities for its charter?
2. Is there sufficient Trustee interest to serve on the Investment Committee as outlined in the work plan?
3. Are there any other areas/topics where the Board believes that a committee could be valuable at this time?
4. What additional information or scenarios would the Board like to review with respect to investment decision-making?



# Open Questions and Discussion