

POLICE & FIRE DEPARTMENT RETIREMENT PLAN

CODE OF CONDUCT

INTRODUCTION & BACKGROUND

- 1) The success and effectiveness of the Board require that all board members abide by the highest standards of professionalism, ethics, and integrity. To confirm its commitment to such standards the Board has established this Code of Conduct, which sets out the Board's expectations concerning general standards of conduct, compliance with ethics-related legislation, and enforcement.

GENERAL EXPECTATIONS

- 2) Board members shall:
 - a) Act with decorum, integrity, and professionalism in all aspects of their duties and in any interaction with fellow Board members, Staff, vendors, and stakeholders of the Plan.
 - b) Refrain from any behavior or activity that may reflect poorly on the image or reputation of the Board or the Plan.
 - c) Comply with all policies and rules of the Board.
 - d) Make a good faith effort to attend, in their entirety, all meetings of the Board and of committees on which they serve. Board members are expected to refrain from travel relating to board business, if such travel conflicts with board or committee meetings.-
 - e) Be sufficiently prepared for all meetings of the Board and of committees on which they serve.
 - f) Be active, engaged, and constructive in all meetings of the Board and of committees on which they serve.
 - g) Build and maintain the knowledge necessary to fulfill their fiduciary responsibilities.
- 3) Any board member who believes the conduct of a fellow board member falls short of the above expectations is encouraged to discuss the matter directly with the board member in question or ask the Board Chair to address the matter. If the conduct of the Board Chair is of concern, the matter may be directed to the Vice-Chair.
- 4) The Board Chair or Vice-Chair shall attempt to resolve the matter, failing which they may refer the matter to the Audit Committee. If the Audit Committee is unable to resolve the matter, it may provide its findings and recommendations to the Board.
- 5) If the Board determines that the conduct of a board member falls short of the above expectations, the Board may take any action it deems appropriate, including but not limited to:
 - a) Removing the board member in question from the position of Board Chair, Vice-Chair, or committee chair, or from any committee on which the board member serves.
 - b) Prohibiting the board member in question from serving as Board Chair, Board Vice-Chair, committee chair, or a member of any committee for a specified period of time.
 - c) Limiting the board member's travel privileges.
 - d) Censuring the board member in question.
 - e) Communicating the Board's concerns to any party and by any means the Board deems appropriate.
 - f) Any other lawful action the Board deems appropriate.

- 6) Prior to taking any of the above actions, the Board shall provide the board member in question an opportunity at a board meeting to respond to the allegation. Furthermore, the board member shall be asked to recuse himself from any board or committee discussions in relation to the allegation, except when invited to respond.
- 7) If a board officer, the Audit Committee, or the Board determines that the issue in question does not in fact relate to the conduct of an individual board member, but rather to the Board generally, it may take action or provide recommendations to that effect. (e.g. a new policy or additional education).

LEGAL REQUIREMENTS & CITY POLICY

- 8) Board members are fiduciaries and are therefore subject to fiduciary duties set out in law. To demonstrate their commitment to fulfilling their fiduciary duties, board members shall annually acknowledge in writing that they are fiduciaries of the Plan and that they understand all of the requirements such status entails. Board members' acknowledgements shall be submitted to the General Counsel.
- 9) In addition to meeting their fiduciary duties, board members are subject to numerous requirements contained in federal, state, and local law, and City Council policy. Board members are fully responsible for meeting these requirements. The Board however shall make resources available to help board members understand and comply with these requirements.
- 10) The Board, a board committee, or individual board members shall report suspected violations of the law or city policy to the General Counsel in a timely manner. The General Counsel shall initiate any steps necessary to address the allegation, and report to the Board as appropriate.

EDUCATION & RESOURCES

- 11) Upon their appointment to the Board, each board member shall in a timely manner be provided a copy of this Code of Conduct, and shall be briefed by Staff or the General Counsel as to its contents.
- 12) Staff shall prepare a reference manual for board members summarizing the various ethics-related requirements contained in common law, state and local legislation, and City Council policy. At a minimum, the manual should address:
 - a) Common law fiduciary duties.
 - b) The Political Reform Act.
 - c) California Government Code Section 7513.95 dealing with the provision of investment products by board members.
 - d) The Ralph M. Brown Act and City Sunshine Ordinances.
 - e) Relevant policies of the City Council.
- 13) The above manual is expected to be developed and updated over time. Staff need not prepare original materials, but may instead incorporate reference documents or booklets already available. The goal of the manual is to provide board members with valuable and user-friendly resources to help them better understand and comply with the many legal requirements applicable to them.
- 14) The Board's orientation and continuing education program shall also address the contents of this Code of Conduct.
- 15) Board members are expected to seek advice or clarification as needed from the General Counsel or the Director regarding this Code of Conduct and the many ethics-related legal requirements applicable to the Board.

REPORTING

- 16) Staff shall provide the Board with a quarterly report summarizing Board member attendance at Board and committee meetings on a year-to-date basis and for the prior calendar year. The report shall

also indicate whether board members attended such meetings in their entirety. The report may be combined with the quarterly report on board member travel (See Board Education Policy).

POLICY REVIEW & HISTORY

- 17) The Board shall review this policy at least once every three years.
- 18) The Board adopted this policy on August 2, 2012. Reviewed and amended August 1, 2013.