

Section 5.0 OTHER

5.1 CORPORATE GOVERNANCE ACTIONS RESPONSE PROTOCOL

Adopted: January 13, 2009

Upon receipt of a request for a Corporate Governance action, which is not directly addressed by existing Board policy, and for which there is not sufficient time in advance of the deadline to convene a Corporate Governance Committee or Board meeting to consider the matter, the General Manager or General Manager designee shall execute the action if one staff member plus one Board Member both agree that the subject to be voted/acted on falls within the letter or spirit of adopted Board policy.

For the purpose of implementing this policy, the Chief Investment Officer (CIO) shall serve as the designated staff member, and the Corporate Governance Committee Chairperson as the designated Board Member. In the absence of the CIO, the General Manager will act as the designated staff member, and in the absence of the Committee Chairperson, the Board President will act as the designated Board Member.

Section 5.0 OTHER

5.2 STRATEGIC PLANNING POLICY

Adopted: March 12, 2013

The Board and executive management of LACERS recognize that the best way to be efficient and orderly in fulfilling the legal responsibilities and Mission of the organization is through strategic planning. By adopting this policy, the Board states its intention to engage with management in a regular, systematic planning process to continually improve benefits administration, assess customer service, enhance investment performance, and evaluate new opportunities to fulfill the Mission of LACERS.

The purpose of this policy is to establish a framework for long range strategic planning that will guide shorter term (annual) business plans of the organization. Establishment of the strategic plan establishes general parameters within which decisions will be made while the business plan focuses resources on high value activities within those parameters.

The principles that the Board has adopted for strategic planning are:

- The LACERS strategic plan is developed through the cooperative efforts of the Board and management consisting of a strategic planning process and the resulting written strategic plan document.
- The strategic plan will be a rolling three-year plan which is initially established but allows for updates annually or as needed within the said three year period.
- The Board and management will engage in a *triennial strategic planning session* which includes an environmental scan (SWOT analysis), and establishing/reaffirming the LACERS mission, vision, guiding principles, and three year goals.
- An *annual strategic plan review* will be brought by the General Manager to the Board for review and evaluation and will consist of:
 1. A written progress report under the plan
 2. Discussions of new initiatives
 3. Discussions of significant changes in direction of the System
- Input from staff, stakeholders, and other interested parties will be solicited throughout the year.
- When the strategic plan has been updated it will be communicated to the entire staff of LACERS and to other stakeholders.
- The Board's consensus view of progress under the plan will be one factor among others in the performance assessment of the General Manager.

The Board is responsible for:

- Reaching consensus and adopting the *triennial strategic plan* for LACERS, including the vision, mission, guiding principles and goals.
- Assessing the System's strengths and weaknesses as well as the opportunities and threats in the LACERS environment through a strategic planning session facilitated preferably by a consultant/third party.
- Reviewing and reaching consensus on priorities under each goal and Initiative.
- Approving an operational budget that takes into account the upcoming year's initiatives under the strategic plan.
- Monitoring the impact and progress of initiatives toward achieving the strategic plan goals through various methods of reporting or review which satisfy the Board's responsibility to ensure proper management of the System. This could include the Board establishing a

Section 5.0 OTHER

schedule to receive detailed reports on each individual initiative on a rotating basis; assigning oversight of goals to committees and requesting their regular view of initiatives under their goal; adding a statement at the conclusion of every Board report which indicates how the item relates to a strategic plan goal; and if the item is an initiative, that its progress as an initiative also be reported.

- The Board will review the *Strategic Planning Policy* at least every three years to ensure that it remains relevant and appropriate.

The General Manager is responsible for:

- Preparing for or engaging a consultant to facilitate the *triennial strategic planning session* for the Board and management.
- Drafting the initial long-range strategic plan that reflects the consensus view of the Board as to mission, vision, guiding principles, and goals.
- Developing and managing the annual business plan to include strategies/initiatives for the achievement of the strategic plan goals.
- Closely monitoring progress under the plan by assigning responsibility to staff, consultants, and others, to develop detailed action plans that include timelines and budgets for the purpose of determining progress on the initiatives.
- Preparing progress reports for the Board annually and as needed.
- Preparing a timely written report to the Board to keep them apprised of any major issues with progress on a strategic initiative.
- Surveying the Board periodically to ensure they are receiving a satisfactory level of reporting on the strategic plan. Scheduling an *annual strategic planning review* for the purpose of adopting an annual business plan and updating the vision, mission, guiding principles, and goals, if needed.
- Seeking input from staff and stakeholders about key strategic issues prior to the *triennial strategic planning session* and *annual strategic plan review*.
- Identifying critical issues, business risks, opportunities, and needs of LACERS
- Recommending to the Board any modifications that should be made to the plan

The *Strategic Planning Policy* shall be reviewed by the Board at least every three years to ensure that it remains relevant and appropriate.