




RETIREMENT BOARD POLICY AND REFERENCE MANUAL

SUBJECT: Professional Service Provider Annual Evaluation Policy	Section: 2-37 Date Adopted/Revised: 2/8/2012
SYSTEM(S): JOINT	Approved:  Retirement Administrator

PURPOSE

A fundamental role of the Board is to establish policies guiding critical aspects of the Retirement Boards operation. The Boards' Investment Objectives and Policy Statement adopted by the Joint Boards, sets forth the Systems' overarching investment purpose and objectives with respect to all its investment programs. The Boards' Administrative Oversight Policy sets forth the Boards' administrative oversight responsibilities and the responsibility for ongoing performance evaluations of each professional service provider.

This policy is intended to set forth the process by which the Boards shall evaluate the Boards' professional service providers, specifically the Investment Consultant, Legal Counsel, Actuary, Investment Legal Counsel and other primary consultants.

POLICY

This policy is to establish specific evaluation procedures and practices, which shall be performed on an annual basis, to ensure that services and communications provided by the Retirement Boards' primary consultants are clear, effective and meaningful while aligned with the Boards' overall policy objectives, and that the Boards are receiving the quality services envisioned at the time of the consultant's engagement.

PROCEDURES

Retirement Administrator/Staff Responsibilities

The Retirement Administrator shall establish objective and meaningful evaluation criteria, subject to the Boards approval to thoughtfully evaluate a consultant, and firm, if applicable. Weights for each of the criteria and the specific Consultant Evaluation Form to be used for the evaluation of each service provider are established as part of the thorough evaluation process. The Retirement Administrator will strive to ensure that the criteria established pertains only to the services and outcomes over which the consultant has a reasonable degree of control. The goal of the

evaluation is to provide a summary of the review and agreed upon objectives to further enhance communications and clarify expectations.

Consultant Responsibility

The Consultant shall provide a list of primary and secondary clients for formal review with the Boards for assessment of the Consultant's overall accessibility/availability. Should there be a concern with the disclosure of client names, consultant shall identify clients by generic information such as size of the entity and time commitment. To further assist the Board with their annual evaluation of the consultant, the consultant will provide a list of projects and status of completion, including changes recommended by the Boards at the prior evaluation and the status of implementation of those specific changes recommended to the consultant.

Board Responsibility

The Boards shall review and evaluate each consultant annually to ensure that services and communications provided by the primary consultants are clear, effective and meaningfully aligned with the Boards' overall policy objectives, and that the Boards are receiving the quality services envisioned at the time of the consultant's engagement. The objective of the evaluation process and procedures set forth will be to provide a summary of the evaluation review and agreed upon objectives for clear communication of the Boards expectations.

Investment Consultant shall be evaluated with respect to the following primary services:

1. The detail and quality evaluations of portfolio managers' performance, including quarterly written and verbal presentations to the Boards.
2. Quality of Investment policy statement development.
3. Quality of Manager guideline and portfolio structure development.
4. The results of special investment research projects.
5. The quality and results of portfolio manager searches for all asset classes.
6. The results of asset allocation studies, with and without liability analysis.
7. The quality of written performance evaluations and investment analytics.
8. The results of due diligence reviews, evaluations and recommendations.

Actuary shall be evaluated with respect to the following primary services:

1. The quality of consulting advise and attendance at meetings to discuss technical, legal, financial or administrative implications of issues relating to the City of Fresno Retirement Systems.
2. Whether the actuary has kept the Boards and staff apprised of new developments.

3. The quality of advice provided to the Boards concerning the financial, technical, political, legal or administrative implications of proposed and enacted state and federal legislation.
4. The quality of assistance provided to the Boards and their attorneys in drafting proposed amendments to the governing regulations, ordinances, or policies affecting retirement issues.
5. The quality of consulting, assisting and advising on new policies and new administrative or financial reporting standards that need to be implemented, including modification of existing administrative procedures, reevaluation of financing structures and impact of proposed or existing asset allocation strategies.
6. The quality of information provided to the Boards with all the actuarial tables and factors necessary to determine various actuarial adjustments to benefits, lump sum values and annuity payment values and assist in the preparation of required GFOA financial disclosure information for the Systems' Comprehensive Annual Financial Reports.
7. Appear at selected meetings or hearings at the request of the Boards to discuss or provide testimony on issues relating to actuarial and funding standards, the impact of new legislation or other similar issues.
8. Assist in preparation, transmittal and maintenance of data and recommend changes in the database to insure sufficient data for the experience analysis and recommend changes in the valuation data.
9. Quality of advice on national developments in the areas of proposed and recently enacted legislation, regulatory developments and related issues.
10. The quality of educational sessions for Retirement Boards, groups of members from the Retirement Boards and individual board members interested in actuarial issues as needed.
11. The quality of the comprehensive experience analyses for either or both Retirement Systems.
12. The quality of the Actuarial Valuation for each Retirement System.

Attorney shall be evaluated with respect to the following primary services:

Legal Advisory Services: The scope of services to be provided or coordinated by the firm will include but not necessarily be limited to the following:

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1. Ability to interpret the City's retirement Codes, preparing formal written opinions thereon;
2. Attendance at twenty-four (24) meetings per year, which would include Board meetings (normally the second Wednesday and 2nd Tuesday of the month) and special meetings as required;
3. Quality of advice provided to the Boards on various matters that come before the Boards, such as benefit entitlement, disability retirements, adoption of actuarial evaluations;
4. Quality and results in reviewing contracts and important documents;
5. Quality and results in drafting amendments to the systems and preparing related resolutions;
6. Ability to make Brown Act determinations concerning whether a matter can be discussed in closed session;
7. Ability to make Public Record Act determinations concerning whether a document is to be made available to the public.
8. Serve as Board counsel at administrative hearings and prepare any necessary findings of fact and conclusions of law for the hearings.
9. Results of research issues arising under state law as requested by the Boards.
10. Perform services with respect to domestic relation matters, including filing the appropriate form pleading.
11. Perform services with respect to review of disability retirement applications and medical evidence.

1. Adopted 12/08/2010

2. Amended deleting Committee structure, revised 2/8/2012.