



THE ROLE OF THE LAGERS BOARD

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COMPOSITION OF THE BOARD OF TRUSTEES

- 7 trustees with 4-year terms established under 70.605 RSMo
 - 3 elected member trustees (members of LAGERS, employed by member political subdivisions)-current terms end in 2020, 2021, & 2022
 - 3 elected employer trustees (elected or appointed officials of member political subdivision, not members of LAGERS)- current terms end in 2020, 2021 & 2022
 - 1 citizen trustee (Governor-appointed; not a member, retiree, beneficiary, or member of the governing body of a member political subdivision)- appointed term through 2020
 - No more than one member trustee can be a police officer
 - No more than one member trustee can be a firefighter
 - No more than one member trustee or employer trustee can be from same employer



MEMBER TRUSTEE

SANDY WALKER

City of Poplar Bluff



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MEMBER TRUSTEE

ARBY TODD

City of Lee's Summit

Board Chairperson



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MEMBER TRUSTEE

JOAN JADALI

City of Webster Groves
Board Vice-Chairperson



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EMPLOYER TRUSTEE

FRANK BUCK

DeKalb County



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EMPLOYER TRUSTEE

BOB ASHCROFT

Platte County



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EMPLOYER TRUSTEE

BARRY MCCULLOUGH

City of Gladstone



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CITIZEN TRUSTEE

CLAIRE WEST



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COMPOSITION OF THE BOARD OF TRUSTEES, CONT.

- Chair and Vice-Chair are elected by Board for two-year terms
- 3 standing Committees of the Board (per Charters)
 - Audit and Finance
 - Governance
 - Legislative



MEETINGS AND TRAINING

- Typically 5 Board meetings per year-one per quarter plus Annual Meeting
- State law and Governance Charters & Policies require training
- Trustees typically receive this training through attendance at MAPERS conference and in-house educational session, with attendance at other conferences encouraged



MEETINGS AND TRAINING, CONT.

- New trustees are provided training by LAGERS staff
- Trustees receive no pay for their service but are reimbursed for any out-of-pocket expenses for attending meetings and educational conferences



ROLE OF THE BOARD

- Exercises fiduciary duty, first and foremost
 - Duty of loyalty (exclusive benefit rule)
 - Duty of care (administer the plan efficiently and properly)
 - Duty of prudence (act prudently in making decisions)
- Per Board Charter, “The Board’s principal role is to ensure that LAGERS is appropriately governed and managed. The overriding goal of the Board is to serve the best interests of members and beneficiaries and to protect the assets of the system.”
- Ultimate oversight over operations and investments with delegation to staff and various service providers (actuary, legal counsel, external auditor, legislative consultant, independent medical advisors, investment custodian, and investment managers)



ROLE OF THE BOARD, CONT.

- Approves the Statement of Investment Policy, including asset allocation
- Adopts actuarial assumptions used by the actuary for valuation purposes
- Strategic planning and risk management
- Sets the “tone at the top”—acts ethically to set the example for the entire LAGERS team
- Guided by state law, Governance Charters & Policies, Ethics Policy
- Compliance with laws, regulations, policies is monitored by Chief Counsel and Compliance Officer/Internal Auditor, both of whom report directly to the Board



BOARD COMMITTEES

- Certain issues are dealt with at the full Board level only, with other work done at the Committee level with recommendations/reports to full Board
- Audit and Finance Committee
 - Primary duties are to oversee financial reporting, risk management, internal controls, compliance with laws & regulations, investigations &/or whistleblowing, and oversee work of COIA and external auditor
 - Strategic Plan, Annual Business Plan, Annual Budget, Risk Assessment & Management, Ethics Policy



BOARD COMMITTEES, CONT.

- Governance Committee

- Primary role is to assist Board in developing, implementing, and monitoring governance policies and practices
- Review and revision of various Governance Charters and Policies (currently 11 charters and 11 policies)

- Legislative Committee

- Primary role is to evaluate proposed changes to statutes affecting LAGERS and recommend Board pursue and/or support legislation when deemed appropriate
- Legislative Advisory Group appointed by Board Chair



BOARD AND STAFF INTERACTION

- Board delegates operational and investment decision-making and activities to staff, but retains oversight authority and fiduciary duty
- Four executive staff have direct reporting responsibility to the Board (ED, CIO, COIA, CC)
- Entire executive team contributes at each Board meeting as well as provides other support as needed



LAGERS' VISION, MISSION, AND VALUES



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