

CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM BOARD EDUCATION AND TRAVEL POLICY

I. Preamble.

The Michigan Public Employee Retirement System Investment Act, Act 314 of 1965, as amended (“Act 314”), mandates that the Board of Trustees (the “Board”) of the City of Lansing Police and Fire Retirement System (the “Retirement System”) discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Board is committed to proper due diligence in all areas of the Board's responsibilities. To this end, the proper training and education of Board members is of great importance to the Board’s fulfillment of its fiduciary responsibility to prudently administer and invest the assets of the Retirement System for the exclusive benefit of the members and their beneficiaries. Prudent administration requires each Board member to achieve and maintain proficiency in the conduct of Retirement System business by educating himself or herself in matters central to the prudent administration of the Retirement System and the investment of Retirement System assets. To that end, the Board adopts this Education and Travel Policy (the “Policy”) to promote the Board members’ ability to achieve the requisite proficiency and fulfill their fiduciary responsibility in an informed and educated manner.

II. General Principles.

This Policy rests on the following primary principles:

1. The Retirement System exists for the exclusive benefit of its members and their beneficiaries, and the administration of the Retirement System is subject to strict fiduciary responsibilities under the law. All of the Retirement System’s operations and activities must be undertaken solely to advance and protect the interests of the members, retirees and beneficiaries and must be conducted in a prudent and proper manner.
2. As fiduciaries, Board members are expected to be capable of fulfilling their duties and responsibilities. Board members are also responsible for making policy decisions relating to administration of the Retirement System. To that end, they must acquire an appropriate level of knowledge to achieve proficiency in the conduct of Retirement System business.
3. There exists a unique body of knowledge that is relevant to Board members in carrying out of their distinct roles and responsibilities.
4. Both continuing education in the topics vital for pension trustees and participation in state and national educational organizations are essential to carrying out these fiduciary duties.
5. Each Board member has an ongoing obligation to make every effort to attend and participate in the Board’s meetings, and to represent the Retirement System in such state and national organizations as the Board determines are beneficial to the Retirement System’s interests.

6. Members of the Board shall endeavor to conduct the business of the Retirement System in such a manner as to minimize the cost of providing efficient guidance and administration of the funds entrusted to the Board.

III. Policy Objectives.

The objectives of this Policy are as follows:

1. To ensure that all Board members gain the knowledge necessary to carry out their fiduciary responsibilities.
2. To ensure that access to relevant information is made available to all Board members and staff.
3. To ensure that Board members possess shared knowledge relevant to pension administration and the investment of public employee retirement system assets, to enable effective group discussion, debate, and decision making.
4. To establish a set of rules and regulations regarding Board member travel and travel related expenses.

IV. Education.

A. General Guidelines

1. Board members shall strive to develop and maintain an appropriate level of knowledge and skill necessary to administer the Retirement System properly and prudently throughout their term as members of the Board. The following areas of continuing education are recommended:
 - a. public pension law and regulatory issues;
 - b. selection and retention of plan professionals;
 - c. institutional investment principals and performance measurement;
 - d. principles of asset allocation and investment management;
 - e. actuarial evaluation and process;
 - f. benefits administration;
 - g. board governance, ethics and fiduciary obligations; and
 - h. organizational budget and audit procedures.
2. Educational opportunities designed to help Board members achieve proficiency in these areas include:
 - a. external conferences, seminars, workshops and events sponsored by corporate sponsors, professional or trade organizations, investment managers and/or other primary service providers, including, but not limited to, investment consultants, investment managers legal counsel, custodians and/or actuaries;
 - b. in-house educational seminars, presentations, new trustee training/orientations and briefings; and

- c. relevant print and electronic media resources.
- 3. Board members may identify, evaluate and attend appropriate educational programs to meet the following minimum goals:
 - a. achieve, over time, proficiency in the areas identified herein; and
 - b. stay apprised of new and relevant developments.
- 4. No additional compensation (i.e., overtime, compensatory time) shall be received by a Board member or support staff for time attended at a conference or traveling to or from a conference and travel or conference on a non-scheduled work day.

B. Program Selection and Approval

- 1. Certain educational programs are well-known to provide important training to trustees of public employee retirement systems and health care plans. Membership in the following educational organizations shall be maintained by the Board:
 - a. Michigan Association of Public Employee Retirement Systems (MAPERS);
 - b. National Conference on Public Employee Retirement Systems (NCPERS); and
 - c. International Foundation of Employee Benefit Plans (IFEBP).
- 2. Other educational programs offered by the Government Financial Officers Association, (“GFOA”), Pension Real Estate Association (“PREA”), Public Funds Forum and Institutional Investor Conferences; commercial enterprises such as Strategic Research Institute (“SRI”) or institutions of higher education, such as The Wharton School of the University of Pennsylvania, the Stanford Directors College, Institute for International Research, and the Pacific Pension Institute provide valuable trustee education, and shall be given consideration by the Board.
- 3. External conferences, seminars, workshops and events sponsored by professional or trade organizations, investment managers and/or other professional service providers, including, but not limited to, investment consultants, investment managers, legal counsel, custodians and/or actuaries may also provide relevant educational opportunities and shall be given consideration by the Board.
- 4. Trustee attendance at any conference(s), seminar(s), webinar(s), due diligence visit(s), or similar educational or training opportunity shall require prior approval by the Board’s Chairperson. In-state conferences (such as MAPERS) may be attended by any number of Board members. If more than two Board members (including the Chairperson) wish to attend an out-of-state conference, advance Board approval is required. The Board must approve any out- of-state conference attended by the Chairperson.
- 5. Conference attendance for a non-Board member (support staff) requires the approval of the Board and a departmental recommendation.

C. On-site Due Diligence Visits

1. On-site due diligence visits and meetings provide Board members with opportunities to:
 - a. Evaluate an investment manager's or other professional service provider's staff and observe how they carry out their service and responsibilities to the Retirement System.
 - b. Interact with individuals who directly service the Board and Retirement System.
 - c. Evaluate the significance of personnel shifts or other organizational changes that may affect the Retirement System.
 - d. Observe the systems and controls utilized in the investment and administration of the assets of the Retirement System.
 - e. Hold in-depth reviews regarding a professional's philosophy, style and approach to investing Retirement System assets.
2. An official on-site due diligence trip shall consist of one or more Board members or the Board's authorized designee. All Board members shall obtain prior Board approval of any due diligence related travel. The Board shall coordinate all approved due diligence travel so as to maximize the effectiveness of the evaluations and minimize the cost of the necessary travel.
3. The Board member(s), or the Board's designee, participating in an on-site due diligence evaluation shall provide an oral report to the Board at the next regular Board meeting following the visit, summarizing their findings and recommendations, if any. Any materials obtained during the evaluation shall be made available to other Board members and staff for reference purposes.
4. Board members or the Board's designee may be reimbursed for all reasonable and necessary expenses incurred in conducting due diligence evaluations as set forth in this Policy. Said expenses shall be applied against the Board's annual budget for education and training, and the individual Board member's annual education, training, and travel allowance.

D. Annual Budget and Expenses

1. Pursuant to Section 13(6) of Act 314 [MCL 38.1133(6)], the Board shall establish an annual budget to cover the cost of providing continuing fiduciary education and training for Board members, including travel. The Board's annual budget shall comply with the limitations set forth in Act 314, as may be amended from time to time. As provided herein, the Retirement System shall reimburse Board members for all reasonable and necessary expenses incurred in attending approved educational programs, subject to the limitations on travel and expenses as provided herein.

E. Reporting

1. A Board member attending an educational program must provide a report evaluating the program and its merits to the Board at its next regular meeting following the Board member's attendance at the educational program. If more than one Board member attended

an educational program, the attending Board members may designate one of their number to provide an oral report to the Board on behalf of all attending Board members.

a. Board members shall provide the Retirement Analyst with the materials obtained during the program, if any, so that they may be made available to other Board members and staff for reference purposes.

2. If the educational or training program provides a certificate of attendance/completion, Board members must obtain and provide a copy of the certificate upon receipt. Failure to provide a copy of the certificate of attendance/completion within a reasonable period of time following conclusion of the educational or training program may result in the suspension of future travel reimbursements or such other penalty as determined by the Board.

a. The Board acknowledges that there may be extenuating circumstances (i.e., family or personal emergencies, illness, etc.); or instances where an individual's schedule may not permit participation in the entire conference; which may result in a conference attendee not attending the required number of sessions or classes to receive a certificate of attendance.

V. Travel.

A. Statutory Authority

1. Section 13(6) of Act 314 [MCL 38.1133(6)] recognizes that the Board "may use a portion of the system's income to defray the costs of professional training and education, including travel costs, which professional training and education, including travel, are directly related to the administration, management, and operation of the system."

B. General Guidelines

1. In every event members of the Board and staff shall endeavor to conduct the official affairs of the Retirement System in such a manner as to minimize the cost of providing proper and prudent administration and investment of the funds entrusted to the Board.

2. Board members and staff traveling on Retirement System business shall exercise care to avoid impropriety or the appearance of impropriety including, without limitation, the perception that a business trip was taken for personal reasons.

3. The Board will require documentation from each member of the Board as is necessary to verify their travel and travel related expenses, and to provide adequate records of the travel for the Retirement System's records.

4. It is the responsibility of the individual Board member to ensure that the travel expenses incurred are in compliance with this Policy and the specific guidelines provided herein.

C. Travel Authorization

1. Board member travel to attend an educational program or other Retirement System business that has not been pre-approved by the Board Chairperson requires prior Board approval.
2. Individuals wishing to request pre-approval of travel to attend an educational program, other than those sponsored by an educational organization to which the Board is a member, must submit a request containing the following information:
 - a. Name of the Board member requesting pre-approval;
 - b. Name of educational conference/program;
 - c. Location and length of educational conference/program;
 - d. Dates and estimated costs of travel and attendance;
 - e. Amount of travel advance requested, if any; and
 - f. Signature of person requesting pre-approval.

D. Travel Budget

1. The Board's annual budget for participation in educational and training programs, including travel, shall be approved on a fiscal year basis (i.e., July 1 – June 30).
2. Within the parameters of the Board's annual budget for fiduciary education and training, each individual Board member shall have an established annual education, training, and travel allowance to cover the costs of registration, travel, lodging, meals, and other expenses necessarily incurred on account of attendance and participation in educational and training programs. Individual Trustee education and travel allowances shall not exceed the limitations for individual board members specified at Section 13(6) of Act 314.
 - a. Each Board member is limited to an annual travel allowance of \$6,000 per Board member per fiscal year, inclusive of all expenses and costs.
3. At the end of each fiscal year, all unused travel allowances will be cleared to a zero balance. There will be no carry over of unused balances from year-to-year.

E. Travel Expenses. The Retirement System will reimburse only those expenses that have actually been incurred. Board members and staff traveling on Retirement System business are expected to use the same care in incurring expenses that a prudent person would exercise if traveling on personal business and spending their own funds. Unless otherwise provided herein, all travel expenses shall be applied to an individual's annual education and travel allowance.

1. Registration. The Retirement Analyst will make arrangements for program registrations upon request, subject to any required approvals by the Board and/or Board Chairperson. A Board member shall notify the Retirement Analyst as soon as possible of any educational program he or she wishes to attend as early registration may produce savings in overall expense.

2. Covered Travel Days. The number of covered days will include:
 - a. The day prior to the beginning date of any program or pre-conference sessions;
 - b. Actual program attendance days; and
 - c. The day following a program conclusion if reasonable travel accommodations do not allow for return travel on the day of program conclusion.

Typically, travel is limited to one day before and after the scheduled program dates. However, an exception is allowed to travel earlier or later when there is a cost savings in an amount which exceeds the cost of an additional night's stay plus meals and incidental expenses.

3. Transportation.

- a. Airfare. Board members shall be reimbursed for actual and reasonable expenses for airfare for approved travel on Retirement System business. Any scheduled U.S. or recognized international air carrier may be used for domestic or international travel. Trustees shall travel in coach/economy class. Substantiation of airline travel shall include a copy of the ticket or e-mail confirmation showing the cost of the air travel. The cost for airport curbside check-in and/or the airlines checked baggage fee for one (1) suitcase or travel bag will be reimbursed with a receipt. First class or business class travel rate will not be reimbursed.

- b. Private Vehicle. Mileage for personal vehicle use will be reimbursed at the IRS rate regardless of whether a City vehicle is available.

- c. Rental Vehicle. Motor vehicle rentals are excluded unless specifically approved in advance by the Board prior to the conference.

- d. Public Transportation. The cost of a cab or shuttle service between the airport and hotel/conference location is reimbursable.

- e. Lodging. Hotel reservations should be made as far in advance as possible to assure the traveler has a room in the conference hotel. Lodging expenses will be reimbursed for a room at the conference hotel or at a convenient nearby hotel that results in a net savings of room and transportation costs. Reimbursement will be for the least expensive rate available; either conference rate, governmental rate, or special program rate. All sales, occupancy, or other taxes will also be reimbursed. A receipt from the hotel must be presented for any reimbursement.

4. Meals. Meal expenses incurred for food, beverages (excluding alcohol), taxes, and gratuity are reimbursable in accordance with the following:

- a. Meal expenses that are substantiated with receipts will be reimbursed in accordance with the daily meal allowance authorized by the U.S. General Services Administration, as the same may be amended from time to time. A schedule of authorized meal per diem rates is available at <https://www.federalpay.org/perdiem>.

- b. Meal expenses submitted for reimbursement without receipts shall be reimbursed at the rates authorized pursuant to the City of Lansing Finance Procedure No. 5, as the

same may be amended from time to time.

c. Daily meal expenses submitted for reimbursement must be submitted “with receipts” or “without receipts” for each day of covered travel. Individuals traveling on Retirement System business may not combine the options in the same day.

d. Any meal provided as part of a program which are included in the registration cost, or other complimentary meal will not be reimbursed.

5. Miscellaneous. Reimbursement is authorized for all miscellaneous travel expenses which are reasonably incurred and directly related to the authorized travel. Miscellaneous expenses include tips, gratuities, road tolls, parking charges, etc. Fines or other violations incurred as a result of traffic or parking violations are the personal responsibility of the driver. No reimbursement shall be made for these expenses. In-room or airline internet service, when used for business, will also be reimbursed, if appropriately verified.

6. Non-Reimbursable Expenses. Expenses that are considered non-reimbursable are expenses for family members or companions, personal entertainment expenses, fees for athletic or exercise facilities, golf or tennis fees, and alcoholic beverages.

7. Personal Travel. In no event will personal travel expenses be reimbursed.

F. Cancellations

1. Board members are responsible for the timely cancellation of or change to any registration, travel, and/or lodging reservations. Absent extenuating circumstances, the individual Board member shall be responsible for the cost of any cancellation fees charged as a result of the failure to cancel a reservation on a timely basis. In the event that a travel advance has been pre-paid to an individual whose registration, travel, and/or lodging reservations have been cancelled, the advance must be repaid to the Retirement System within three (3) business days of the cancellation.

VI. REPORTING REQUIREMENTS

A. Expense Report

1. An Expense & Reimbursement Form (Exhibit A) must be completed by all Board members after incurring any business travel, transportation or other expense on Retirement System business. Proper receipts and documentation of the specified travel is required to be submitted by the traveler for reimbursement.

2. Original receipts must be submitted for all travel related expenses including travel, lodging, and other expenses incidental to travel. Lodging receipts should itemize all charges. Receipts must be included for any reimbursement except for meals covered by the per diem without receipts or private vehicle mileage payments. Receipts for all other documented expenses are required for reimbursement. When receipts are lost, a statement from the traveler declaring that a good faith effort was made to produce the receipt must be submitted. The statement must be signed by the traveler and approved by the Board. In the

event of a lost receipt, reimbursement will only be considered upon receipt of such a statement.

3. The Travel Expense Report and all receipts must be submitted within twenty-one (21) calendar days from the completion of the Board member's travel.

B. Conference/Seminar Reports

1. Board members are required to provide the Retirement Analyst with copies of all available conference materials, handouts, presentations, etc., so that such information is available and accessible to all members of the Board and staff. Board members shall also provide an oral report of the educational or training program at the next regularly scheduled meeting of the Board.

VII. RECORD RETENTION

All records related to travel by Board members and staff shall be retained in accordance with the Board's record retention policy for a period of no less than six (6) years from the date of travel and shall be subject to disclosure under the Michigan Freedom of Information Act. No travel related records shall be destroyed or discarded prior to the six (6) year timeframe established herein.

VIII. VIOLATIONS

All Board members are subject to compliance with this Conference and Travel Policy. The willful failure of an individual to substantially comply with this Policy will be reviewed by the Board. The Board may suspend travel authorization for an individual's failure to comply with the procedures herein.

IX. POLICY REVIEW

The Board shall review this Policy at least once every three years to assure its efficacy and relevance. This Policy may be amended from time to time by majority vote of the Board.

Policy adopted: August 20, 2013.

Revised as of: July 1, 2021

EXHIBIT A

REVISED 7/2021

CITY OF LANSING RETIREMENT BOARD EXPENSE & REIMBURSEMENT FORM

TRUSTEE NAME: _____ VENDOR # _____

DATE:	Sun	Mon	Tue	Wed	Thu	Fri	Sat	BOARD CREDIT	Totals	
Mileage: _ total miles at \$0.56 per mile	0.00	0.00	0.00	0.00	0.00	0.00	0.00	CARD EXPENSES	0.00	
Parking and Tolls									0.00	
Auto Rental									0.00	
Other (Rail or Bus) _Ferry									0.00	
Airfare									0.00	
Registration									0.00	
Lodging									0.00	
Breakfast w/Receipts <input type="checkbox"/>									0.00	
Lunch w/Receipts <input type="checkbox"/>									0.00	
Dinner w/Receipts <input type="checkbox"/>									0.00	
Supplies									0.00	
Phone, Fax									0.00	
Other (misc)									0.00	
								TOTAL	0.00	
PURPOSE OF TRIP										
DESCRIPTION /REASON FOR REIMBURSEMENT (WHEN, WHERE and WHY):									TOTAL EXPENSES	0.00
									LESS BOARD CREDIT CARD EXP.	0.00
7324160-741005									DUE EMPLOYEE	0.00

ACCOUNT NUMBER _____ *In signing and submitting this form I acknowledge all the above is true and accurate to the best of my knowledge.*

--	--	--	--

TRUSTEE SIGNATURE _____ DATE _____ RETIREMENT OFFICE SIGNATURE _____ DATE _____