

Version 3.01 - Draft

Trustee Educational Travel Policy
Federated City Employees' Retirement System
&
Police and Fire Department Retirement Plan

PURPOSE

1. Prudent governance of a public employee pension plan requires that Trustees occasionally participate in business meetings and educational conferences or seminars located outside their immediate geographic location. Travel and related costs incurred in doing so not only represent legitimate expenses of administering the Plan, but are a sound investment in the Trustees' ability to serve the best interests of the Plan's members and beneficiaries.
2. The purpose of this Travel Policy ("Policy") is to facilitate the Trustees' pursuit of relevant business and educational opportunities on behalf of these Plans. The Policy is designed to assist Trustees in meeting their fiduciary duties to administer the Plans, ensure that expenditures incurred are reasonable, prudent, and cost-effective, and to minimize the risk of improprieties arising from travel or business-related activities.
3. This Policy establishes rules for approval of business and training opportunities; attendance at conferences, seminars, and institutes; and reimbursement of reasonable travel-related expenses.

EFFECTIVE DATE

4. Upon adoption by the Boards of Administration ("Boards") for the Federated City Employees' Retirement System ("FCERS") and the Police and Fire Department Retirement Plan ("P&F") for the City of San Jose ("City") respectively, this Policy shall supersede any prior policy, Board resolution, or policy of the City of San Jose as applied to the respective Boards.

SCOPE

5. This Policy applies solely to the respective Trustees of the Boards, and applies to both Trustees who are public appointees and City employees equally. If a Trustee is a City employee, the Trustee shall travel as a Trustee when traveling on Board business.

GOVERNING BELIEFS

6. **Fiduciary Duty:** Trustees have a fiduciary responsibility to be financially prudent in the expenditure of Plan funds, and to incur only reasonable costs of administering the Plan. Trustees shall consider the overall cost of a conference or meeting in relation to the expected educational or business value to the individual and to the Boards.
7. **Transparency:** As trustees of public funds, administrative procedures and rules relating to Trustees' travel on behalf of the Plan are to be carried out and reported in a manner that is easy for members and the public to review.
8. Trustees should consider opting for programs that minimize travel costs and related expenses geographically. Trustees shall ensure that the purpose of their travel, method of travel, as well as any travel expenses and reimbursements, align with the Board's fiduciary duties and are fully transparent. Nothing in this policy is intended to contradict a trustee's fiduciary duty. Accordingly:
 - a. Expenses incurred for travel and trips shall be clearly identifiable as business-related expenses only, not for personal expenses of the Trustee or any traveling companions, inclusive of any family members.

Commented [JF1]: Items to address with Finance:

- Expense Reports due in 30 days in Simpligov does not work as reimbursement must be approved by the board, and administratively, this can be greater than 30 days.

- Trustees are not required to provide receipts for specific items (tolls, for example), but employees are.

There isn't a minimum distance to allow for a hotel with trustees, but there is a 75mi limit for employees

- Routing of employee trustees workflows in SimiGOV is always misrouted to their Administrative Officers for approval, which often causes delays.

- Trustee Travel allows for the most convenient airport where employee travel requires JPC

- b. Travel expenses and information shall be reportable to the Board in a public forum, and maintained as public records.
 - c. Trustees recognize and accept their accountability and responsibility for the prudence and reasonableness of travel expenditures charged to the Plan.
 - d. All Trustees shall review this Policy, and acknowledge and sign a travel attestation document ("Trustee Travel Attestation"), a copy of which is attached to this Policy as Exhibit A. ORS Staff shall provide this Policy and the Trustee Travel Attestation annually on a calendar year basis to Trustees for signature, confirming the Trustee's commitment to act reasonably, prudently, and in the best interests of Plan members.
 - e. Trustees shall report to the Board their claimed travel related expenses following the conclusion of their travel, in a timely and public manner.
9. **Simplicity, Uniformity and Consistency:** Administrative procedures and rules for claiming and reimbursing travel expenses are designed to be simple, uniform, and consistently applied, and should not be overly onerous so as to negatively affect Trustees' ability to carry out their fiduciary duties or their personal lives.
10. In the event this policy does not address a travel-related issue, trustees shall act prudently, prioritizing ORS's best interests and upholding this policy's spirit and purpose.

COST OF ADMINISTRATION

11. Travel-related expenses for Trustees shall be administrative costs of the Plan and may not be paid through or by third parties. Trustees shall not accept gifts of travel from any third party. Gifts of travel, including transportation, lodging, and meals, may be reportable as gifts to individual Trustees if not paid by the Plan as reasonable costs of administration.

CALIFORNIA MEETING LAWS

12. Trustees are not authorized to meet together for business purposes within the State of California where the gathering of Trustees meets a quorum, unless there is appropriate public notice of the meeting. Attendance at educational conferences, seminars, and social activities of a quorum or more of the Board is not a violation of this provision of law, so long as the business of the Board(s) is not communicated with a quorum of Trustees.

AUTHORIZED TRAVEL

13. "Educational Conferences": Defined as conferences, seminars, and meetings that have an educational purpose directly related to the business of the Plan.
14. "Administrative Meetings": Defined as meetings attended by Trustees at pension-related meetings that further the interest of the Plan. These interests may include, but are not limited to, legislative advocacy, Trustee speaking engagements, positions in pension-related organizations, and attendance at meetings where pension-related issues are discussed.
15. "Business Meetings": Defined as meetings attended by Trustees that are related to the business of the Plan, but are not covered by the definitions of "Educational Conferences" and "Administrative Meetings" stated above. Trustees must substantiate and provide a business justification to qualify under this definition in their Travel Approval Request.
16. Timing of Travel Arrangements: Where feasible and prudent, travel arrangements shall be made with enough time for the Travel Request to be approved at a prior board meeting, and no shorter than three (3) weeks in advance to allow for the most economical means of travel or accommodations in accordance with this Policy.

17. From time to time, it may be necessary for a trustee to combine other travel with conference attendance. When this occurs, the trustee is responsible for any costs exceeding those of approved conference attendance. In no event shall ORS funds be used for personal travel expenses or for travel that could augment the cost of expected conference travel costs.

PRE-APPROVED CONFERENCES AND MEETINGS

18. The Board has determined that Trustee attendance at certain pension and investment-related educational conferences, administrative meetings, and business Meetings (collectively, "Programs") is important to the prudent administration of the Plan. The Board has pre-approved Trustee attendance at these Programs, and travel is automatically authorized consistent with this Policy. However, Trustees must submit a Travel Request Form to the CEO for approval prior to travel and a Reimbursement Expense Report at the conclusion of their travel for reimbursement, pursuant to this Policy.
 - a. Conferences of the State Association of County Retirement Systems (SACRS)
 - b. Conferences of the National Conference on Pension Employee Retirement Systems (NCPERS)
 - c. California Association of Public Retirement Systems (CALAPRS) annual General Assembly and Round Table meetings
 - d. Conferences of the National Association of State Retirement Administrators (NASRA)
 - e. Conferences of the National Conference of Public Retirement Systems (NCPERS)
 - f. Conferences of the National Institute on Retirement Security (NIRS)
 - g. Conferences sponsored by the Board of Retirement's retained consultants and/or investment managers
 - h. Conferences sponsored by the California Retired County Employees Association (CRCEA)
 - i. Educational programs sponsored by CALAPRS
 - j. Educational programs sponsored by SACRS
 - k. Programs sponsored by the Council of Institutional Investors
 - l. Pension Bridge – The Annual

TRAVEL REQUIRING APPROVAL

19. Foreign Travel: Notwithstanding any other provision of this Policy, travel by a Trustee to a destination outside the continental United States requires pre-approval by the Board via a Travel Request Form. Travel to attend a conference, seminar, or meeting outside the continental United States shall not be reimbursed by the Plan unless it can be demonstrated to the satisfaction of the Board that there is significant value for attendance, and comparable value cannot be obtained within the continental United States within a reasonable period of time.
20. Travel to Programs Not on Pre-Approved List: If a Trustee seeks to travel to an Educational Conference, Administrative Meeting, or Business Meeting not covered by the Pre-Approved Conference and Meeting List above in Paragraph 15, then the Trustee must obtain approval from the Board via a Travel Request Form prior to booking the requested travel. Failure to obtain such

approval will result in all related travel expenses not being reimbursable by the Plan, absent exigent circumstances as determined solely by the Board.

- a. Travel Approval Request: When required, the Trustee must submit a Travel Approval Request to the Board for approval that substantiates and provides:
 - i. The business justification for the requested travel;
 - ii. Itemized cost estimate for the travel request; and
 - iii. Description of the travel, including the dates and destination of travel.
- b. Timing Exception: The Board may approve a travel request after training or travel has taken place if:
 - i. It was not possible to obtain Board approval before the date of the training or travel, and the Board Chair or the CEO, in consultation with the Chair or Vice Chair, approved the request in advance of travel; or
 - ii. For other exigent circumstances as determined and approved solely by the Board.

LIMITATION ON ATTENDANCE AT CONFERENCES AND SEMINARS

21. Number of Programs: Each Trustee is limited to attending in-person a total of five (5) Educational Programs per calendar year (which includes attendance at those listed in the "Pre-Approval Conferences and Meetings Section"). However, the Board may take action to make an exception to the five (5) Program limit where it deems appropriate.
22. Travel to Location Banned by City: Where the City has instituted a travel ban for certain locations or jurisdictions, the Board shall adhere to the City's travel ban unless the Board takes action to make an exception.
23. Priority Where Program Has Limited Attendance Capacity: In cases where the number of Trustees who may attend a particular Program is limited, the CEO of ORS will identify those Trustees who will be authorized to attend as follows:
 - a. First, by giving priority to those Trustees who have not previously attended the specific Program, and if needed, make selections by lottery of the interested Trustees; and
 - b. Second, if additional opportunities to attend remain available, make selections by lottery ~~efrom any~~ interested Trustees.

CANCELLATION OF EVENT ATTENDANCE AND TRAVEL ARRANGEMENTS

24. Responsibility for Timely Cancellation: Trustees are responsible for timely canceling event attendance and travel arrangements made on behalf of the Trustee so that unnecessary costs to the Plan will be minimized or eliminated.
25. Responsibility for Costs Resulting from Untimely Cancellation: Trustees are personally responsible ~~personally~~ for all costs that the Plan incurs as a result of the Trustee's failure to cancel event attendance and travel arrangements before cancellation charges accrue, unless the failure to cancel was due to facts or circumstances beyond the Trustee's control (such as flight cancellations, significant weather events, or ~~the~~ unexpected cancellation or postponement of the program itself). The Trustee must reimburse the Plan within 30 days after notification of any amount due.

26. Approval of Cancellation Costs with Good Cause: If the Trustee believes that the failure to cancel was due to facts or circumstances beyond their control, they must submit a written justification to the Board Chair within 30 days after receiving notification of the cancellation expense due. If the Trustee disagrees with the Board Chair's determination, the Trustee may request to agendaize the matter for consideration by the full Board. In such circumstances where the Board Chair is the affected Trustee, the Vice-Chair shall operate as the Board Chair and shall make the same determination as described in this paragraph.

TRAVEL ARRANGEMENTS

27. ORS shall make all approved arrangements for airfare and primary accommodations on behalf of a Trustee requesting travel.

MEALS

28. Trustees shall receive a meal per diem of the CONUS rate for that locality. There shall be no reimbursement for consumption of alcoholic beverages.
29. For the first and last day of overnight travel, the trustee is limited to 75% of the applicable per diem rate for meals and incidental expenses. If the trustee leaves prior to 9:00 am or returns after 6:00 pm on the first and last days, the trustee is eligible for 100% of the per diem for those days.
30. Breakfast and dinner expenses are only reimbursed in the event of overnight travel.

GROUND TRANSPORTATION

31. Trustees ~~will be~~ expected to use their personal vehicles, taxis, or ride-sharing services to and from domestic destinations for distances under fifty (50) miles from the starting location of travel. Reimbursement of rental vehicles requires cost justification and prior approval from the Board Chair or the CEO, in consultation with the Chair or Vice Chair. When renting a vehicle, the Trustee must obtain insurance coverage for the vehicle's use. Trustees who use their personal vehicles will be reimbursed at the then-prevailing Internal Revenue Service mileage reimbursement rate.
32. Ride-Share Services: Trustees may use ride-share applications (e.g., Uber, Lyft) solely for transportation between the airport and the hotel and for the return trip to the airport at the conclusion of the event. If a Trustee stays at an off-site hotel that is not the designated conference hotel, reimbursement will be limited to one round-trip between the off-site hotel and event venue per day. Trustees must select the lowest-cost service available at the time of booking, and reimbursement will only be provided for the basic or standard level of service. Higher-cost service levels (e.g., Uber XL, Black, or premium equivalents) will not be reimbursed. All ride share receipts must be provided for reimbursement.
33. Parking: Trustees are required to provide itemized receipts for all parking expenses. Trustees should use the least-cost alternative for parking within a reasonable distance of the destination.

AIRFARE

34. Dates of Travel: No Trustee shall travel more than two days prior to the Program start date, absent good cause. To demonstrate good cause, the Trustee must submit their request in writing to the Chair and CEO, articulating their good cause basis for the request. The Chair or the CEO, in consultation with the Chair or Vice Chair, must approve the request prior to the booking of travel.
35. Airport Selection: ORS shall book travel from an airport that is convenient to the location from where the Trustee begins and ends their travel. The selected airport shall in no instance be

further than 100 miles from the Trustee's starting travel location or permanent residence. Unless the Chair or the CEO, in consultation with the Chair or Vice Chair, approves otherwise, the cost of flying from another airport shall not exceed the cost of what the round-trip airfare would have been had the trip originated from San Jose International Airport.

36. Airline Selection: Trustees may elect to fly on the following major U.S. commercial airlines: United, American, Delta, JetBlue, Alaska, or Southwest Airlines. Other carriers are authorized, but reimbursement shall not exceed the lowest refundable fare offered by the airline carriers mentioned above.
37. Class of Travel: Trustees will be covered or reimbursed for travel in coach/economy class only, which includes the selection of a seat, one carry-on bag, one regular-sized checked bag, and is refundable. If a Trustee wishes to upgrade, they are responsible for and must personally pay the upgrade cost.
38. Reasonable Cost of Airfare: ORS shall book airfare travel for Trustees pursuant to the terms stated above, and shall only book airfare that is reasonably priced at the time of booking.
39. On plane WiFi costs are reimbursable: when purchased to conduct Board business until reaching the travel destination

LODGING

40. Lodging options should provide safety and convenience to the Trustee at the lowest possible cancellable rate. The following restrictions apply:
 - a. Program Hotel: Trustees should stay at the program hotel at the least expensive negotiated conference rate available.
 - b. Program Hotel Sold Out or not available: If the program hotel is sold out or not available, the alternate must be a comparable hotel, nearby, within a similar cost as the program hotel.
 - c. Trustees are allowed to travel the day before or the day after a conference, if reasonable travel cannot be started and completed during regular business hours, between 8:00 am and 9:00 pm, to allow attendance at all conference educational sessions.
 - d. Itemized Receipts: Trustees must submit an itemized hotel checkout receipt ("Hotel Portfolio") within two weeks of travel. Booking confirmations or credit card receipts are not acceptable for reimbursement.
41. Expenditures including but not limited to entertainment, recreation, food, beverage, or services (personal grooming, laundry) that appear on the hotel invoice for payment will not be reimbursed. Free WiFi should be used when available; otherwise, basic WiFi is reimbursable when purchased to conduct Board business.

CASH ADVANCES

42. The Plan will make no cash advances to Trustees for travel-related expenses.

REIMBURSEMENTS

43. Scope of Reimbursements: A Trustee may be reimbursed for reasonable and necessary costs for the following: Conference or educational fees or admission charges, meals (subject to per diem rules stated above), transportation, tolls, lodging, transportation/service tips up to 20% of the total bill, WiFi connections and any applicable fees and taxes associated with any of the foregoing

costs incurred during the dates of travel.

44. Reimbursement Expense Report:

- a. Timing: Trustees (with the assistance of ORS Administrative Staff) shall submit an itemized Reimbursement Expense Report to ORS Accounting within thirty (30) days after completing the Program. The CEO of ORS may grant reasonable extensions of this deadline.
- b. Contents: The Reimbursement Expense Report must include:
 - i. An itemized listing of all costs incurred and the dates when incurred;
 - ii. Identification of the Board meeting at which the Board approved the Trustee's attendance at the Program, if not pre-approved;
 - iii. Documentation that the travel costs for airfare and/or accommodations are in accordance with this Travel Policy;
 - iv. Itemized receipts and/or other reasonable documentation to substantiate their reimbursement requests in showing proof of payment are due within 2 weeks of travel; and
 - v. Exception: Trustees do not need to submit documentation for reimbursement of meals paid pursuant to Paragraph 28 above, mileage, public transit, and Fastrack tolls. However, the Trustees must list the starting and ending points of such travel to substantiate a reimbursement claim for it. Moreover, cash tips paid for hotel also do not need a receipt or proof of payment.
- c. Report Preparation: ORS Administrative Staff shall assist the Trustee in obtaining the required information and documentation necessary to submit the Reimbursement Expense Report in a timely manner.
- d. Accounting Approval: ORS Accounting Department shall review a Trustee's Reimbursement Expense Report for compliance with this Policy within thirty (30) days of receipt, and prior to submission to the Board for approval. If there are deficiencies in the Reimbursement Expense Report, ORS shall timely notify the Trustee and provide an opportunity for the Trustee to correct the deficiency.
- e. Board Approval: Once ORS Accounting and the CEO have signed off on a Trustee's Reimbursement Expense Report as compliant with this Policy, then the Report shall be placed on the Board's next regular public meeting agenda for approval by the Board. To the extent necessary, the Reimbursement Expense Report will redact any confidential information, such as personal addresses, telephone numbers, and credit card information.
- f. ORS Accounting shall only process payment for Reimbursement Expense Reports approved by the Board. The Plan will not reimburse a Trustee for expenses that are not authorized by this Policy.
- g. Payment for Non-City Employee Trustees: Following approval of a Trustee's Reimbursement Expense Report, ORS shall transmit the approved Reimbursement Expense Report to the Accounts Payable Travel Division of the City of San Jose's Finance Department with a direction to make payment by check to the Trustee as soon as possible.

- h. Payment for City Employee Trustees: Following approval of a Trustee's Reimbursement Expense Report, the reimbursement will be processed via E-Way as soon as possible.
45. Public Records: Expense reimbursement records are subject to disclosure under the California Public Records Act, with redaction of confidential information, such as personal addresses, telephone numbers, and credit card information.

Review and History

46. The Board shall review this policy at least every three years.

| Version | Approval Date | Description of Changes |
|------------|---|--|
| 1.0 | FED 3/31/2024 PF 4/4/2024 | Creation of Policy |
| 2.0 | PF 8/1/2024 FED 8/14/2024 | Updates after review with SJ Finance Department |
| 3.0 | PF FED <u>Reviewed at 12/4/2024</u> JGC | 1 Year feedback from Staff and Trustees, corrected program hotel drafting error, best practice review from Aon, review cycle from 5 to 3 years |
| <u>3.1</u> | PF FED | <u>Added edits from Finance and CMO review – Wifi reimbursements connected to board business. minor wording updates</u> |

Exhibit A

TRUSTEE TRAVEL ATTESTATION

I am a Trustee of the Board of Administration ("Board") of the:

| Check | Plan |
|-------|--|
| | Federated City Employees' Retirement System |
| | San Jose City Police and Fire Department Retirement Plan |

As a Trustee, I acknowledge:

- a. I have received, read, and understand all of the provisions of the Trustee Travel Policy; and
- b. I commit to act responsibly, reasonably, and prudently in the best interest of the Plan in all travel-related matters.

Name

Signature

Date