

TO: Police & Fire Department Retirement Plan
and Federated City Employees' Retirement
System Boards of Trustees

FROM: John Flynn

SUBJECT: FY2027 Board Education Plan

DATE: May 20, 2026

RECOMMENDATION

Discussion and action on trustee education survey results and staff's proposed FY 2027 board education plan.

BACKGROUND

Ongoing trustee education is a core element of effective board governance. Well-informed trustees are better positioned to fulfill their fiduciary obligations, ask informed questions, and make sound decisions on behalf of plan members.

In May 2026, staff distributed a survey to all trustees across both boards. The survey asked respondents to rate their interest in 17 educational topics on a five-point scale, where 1 indicated low interest and 5 indicated high interest. An open-ended question invited suggestions for additional topics. 15 trustees responded. Executive staff were also surveyed on the training they believe trustees would most benefit from, and their perspectives are included in the results.

ANALYSIS

Survey Results

The four highest-rated topics across all respondents were based on overall averages:

- Trustee roles and responsibilities vs. staff roles (4.17)
- Actuarial literacy: assumptions and their impact (4.06)
- Risk management (4.06)
- Actuarial literacy: funding and amortization policy (4.00)

Several additional topics scored above 3.5, including actuarial valuation report literacy (3.94), fiduciary liability and trustee indemnification (3.78), the prudent person standard (3.61), and conflicts of interest and disclosure and recusal obligations (3.44 each). Interest levels were broadly consistent across both boards, with Police and Fire trustees rating fiduciary topics somewhat higher and Federated trustees rating actuarial topics more highly. Staff perspectives were generally aligned with trustee ratings.

Five trustees provided open-ended responses to the optional final question. Themes from those responses included:

- Peer benchmarking and performance measurement across pension systems
- Analysis of the cost and value of in-house investment management relative to passive alternatives
- The board’s oversight role for member data, vendor risk, and incident response
- An overview of plan benefits, ORS systems, and the role of the custodian bank

Proposed FY 2027 Board Education Plan


Based on survey results, staff propose the following four education sessions for FY 2027. Each session would be scheduled as a standing agenda item on the joint board calendar, with timing and format coordinated with board leadership. Materials would be provided in advance.

#	Session title	Topics to be covered	Rationale
1	Actuarial Literacy	<ul style="list-style-type: none"> • Assumptions and their impact on funded status • Funding policy and amortization of unfunded liabilities 	These two actuarial topics are the highest scoring of the three surveyed and are closely related in practice.
2	Trustee Roles and Responsibilities	<ul style="list-style-type: none"> • Board vs. staff roles • Board vs. operational authority • Governance boundaries 	The highest-rated single topic in the survey at 4.17. This session addresses the governance boundaries and role clarity that underpin effective board functioning and informed decision-making.
3	Fiduciary Duties and Conflicts of Interest	<ul style="list-style-type: none"> • Prudent person standard and its application • Conflicts of interest and avoiding even the appearance of a conflict • Identification, disclosure, and recusal obligations 	<u>Combines</u> related topics that together define the legal and ethical framework of trusteeship. Conflicts of interest and disclosure obligations are integral to fiduciary practice.
4	Risk Management and Board Oversight	<ul style="list-style-type: none"> • Organizational risk frameworks and key risk categories • Board oversight role for data and vendor risks, including incident response. 	Scored 4.06 with strong support across both boards. Open-ended responses specifically requested education on the board’s oversight role for data and vendor risk, which staff have incorporated into this session.

CONCLUSION

The survey results reflect a clear set of priorities across both boards. The proposed four-session plan directly addresses those priorities and incorporates the staff's perspective on the training that trustees would most benefit from. Staff will work with Board Chairs and consultants to deliver these sessions during the next fiscal year.

Staff recommend that the board adopt the fiscal year 2027 Educational Plan and that staff work with consultants to develop the educational materials.



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