

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CODE OF FIDUCIARY CONDUCT AND ETHICS

WHEREAS, the National Conference on Public Employee Retirement Systems has published NCPERS' Model Code of Ethics, the Guiding Principles of which are as follows:

1. Service to the beneficiaries of public pension funds is the primary function of public pension fund trustees.
2. The beneficiaries of public pension funds are sovereign and the trustees of those funds are ultimately responsible to them.
3. In those situations where the law is not clear, the best interests of the fund beneficiaries must be served. Conscience is critical. Good ends never justify unethical means.
4. Efficient and effective administration and investment management is basic to public pension funds. Misuse of influence, fraud, waste or abuse is unacceptable conduct.
5. Safeguarding the trust of fund beneficiaries is paramount. Conflicts of interest, bribes, gifts or favors which subordinate fund trustees to private gains are unacceptable.
6. Service to public pension fund beneficiaries demands special sensitivity to the qualities of justice, courage, honesty, equity, competence and compassion.
7. Timely and energetic execution of fiduciary responsibilities is to be pursued at all times by pension fund trustees.

WHEREAS, the California Political Reform Act of 1974 ("PRA") and California Government Code section 1090, *et seq.* ("Section 1090") set forth specific circumstances that require public officials to disqualify themselves from making, participating in, or attempting to influence governmental decisions which may affect any of their financial interests.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Contra Costa County Employees' Retirement Association (the "Board") hereby adopts the following Code of Fiduciary Conduct and Ethics:

PREAMBLE

The Contra Costa County Employees' Retirement Association ("CCCERA") is a public pension plan organized under the County Employees Retirement Law of 1937 (California Government Code Section 31450, *et seq.*)("CERL").

The administration of CCCERA, and the investment of CCCERA trust assets, are vested in the Board. (California Constitution, Article XVI, Section 17 ("Cal. Const., Art. XVI, Sec. 17").)

All members of the Board ("Board Member") shall discharge their duties with respect to the system solely in the interests of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system, with the duty to the participants and beneficiaries taking precedence over any other duty. (Cal. Const., Article XVI, Sec. 17, subsec. (b).)

The Board Members are mindful of the positions of trust and confidence held by them. They adopt this Code to ensure the proper administration of CCCERA, and to foster unquestioned public confidence in CCCERA's institutional integrity as a prudently managed and fiduciarily governed public pension system.

CCCERA's *Code of Fiduciary Conduct and Ethics* provides a fiduciary framework for the proper conduct of CCCERA's affairs.

1. Fiduciary Duties.

All Board Members shall execute their duties as set forth in Cal. Const., Art. XVI, Sec. 17 and CERL, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

All Board Members shall diligently attend to the business of the Board and shall not leave to other Board Members control over the administration of the affairs of the Board.

All Board Members shall comply with CCCERA's *Code of Fiduciary Conduct and Ethics*.

2. Fiduciary Conflicts of Interest.

Each Board Member shall abide by the provisions of Section 1090, which prohibits Board Members from being financially interested, directly or indirectly, in any contract made by the Board.

All Board Members shall abide by the provisions of the PRA, Government Code sections 81000, *et seq.*, including section 87100 which prohibits Board Members from making, participating in making, or using their positions to influence Board and CCCERA decisions in which they have a financial interest.

No Board Member shall engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, or in conflict with, their duties as a Board Member, or with the duties, functions, or responsibilities of the Board.

No Board Member shall perform any work, service, or counsel for compensation outside their Board responsibilities where any part of their efforts will be subject to approval by any other members of the Board on which they serve, unless a statutory exception to this prohibition applies.

Each Board Member shall abide by the provisions of PRA, which require the public disclosure of economic interests as prescribed therein.

In keeping with the provisions of the California Government Code, no Board Member may become an endorser, surety, or obligor on, or have any personal interest, direct or indirect, in the making of any investment for the Board, or in the gains or profits accruing therefrom. These people are prohibited from having any financial interest in any contract made by them in their official capacity and from making or influencing official decisions in which they have a financial interest.

As also required by California law, no Board Member may sell investment products to any public retirement system in California.

Each Board Member shall strive to avoid activities which may impair the ability to exercise independent judgment in the discharge of official duties.

In order to maintain the highest standards of conduct and ethics above the minimum requirements of the California Government Code and to avoid even the appearance of a conflict of interest, each Board Member should conduct official and private affairs so as to avoid giving rise to a reasonable conclusion that they can be improperly influenced in the performance of their public duty.

Board Members shall be accountable for recognizing a potential or actual conflict of interest and for disqualifying themselves from making, participating in, or attempting to influence Board decisions which may affect any of their financial interests. Immediately prior to the Board's consideration of the matter, a Member shall publicly disclose the actual or potential conflict in detail sufficient to be understood by the public, recuse himself or herself from acting on the matter, and, except in the case of consent items, leave the room until the matter is concluded. Disclosure during Board meetings may be made 1) orally or 2) by handing a written statement to the Chairperson of the Board, with a copy to all trustees and the Chief Executive Officer (CEO). Such a disclosure shall be reflected in the official record of the meeting.

3. Limitations on Gifts, Honoraria and Personal Loans; and Disclosure of Gifts on the Record.

Each Board Member and designated staff shall comply with the gift limitation provisions and the prohibition on acceptance of honoraria under California Government Code Sections 89500 *et seq.*

Each Board Member and designated staff shall abide by the loan limitation provisions of California Government Code Sections 87460 *et seq.*, which prohibits receiving personal loans from any officer, employee, member, consultant, or contractor with the CCCERA.

In addition to the minimum gift limitation requirements of California Government Code Sections 89500 *et seq.*, Board Members shall not accept or solicit gifts, favors, services or promises of future benefits which might compromise or impair the Board Member's exercise of independent judgment, or which the Board Member knows, or should know, are being offered with the intent to influence that Board Member's official conduct.

If a Board Member or designated staff has received gifts of \$75.00 or more in the current calendar year from a person, firm or entity conducting business or seeking to conduct business with the CCCERA Board, immediately before the Board considers an item involving that donor, the Board Member or designated staff shall disclose on the record the receipt of the gift(s), the donor's name, and the nature and value of the gift(s).

If CCCERA has received a gift(s) (i.e., of travel, admission to seminars, tickets to events, use of sporting facilities, entertainment) of \$75.00 or more in the current calendar year from a person, firm or entity, at the time the Board considers assignment to a particular Board Member or designated staff, the CEO shall disclose on the record the original donor's name, and the nature and value of the gift(s).

4. Contacts with Vendors, Consultants and Advisors.

(a) **Prospective Vendors, Consultants and Advisors.** During the time when CCCERA is in the process of selecting a vendor, consultant or advisor (a "service provider"), no member of the CCCERA Board or staff shall accept any gifts, favors, or services from any current or prospective service provider that the Board Member or staff knows has responded to a Request for Proposal, or is otherwise a candidate in a non-RFP selection process. During the time when CCCERA is in the process of selecting a vendor, consultant or advisor, no Board Member or member of CCCERA staff shall accept any gift, benefit or service from CCCERA if it was donated to CCCERA by a current or prospective service provider that the Board or staff knows has responded to a Request for Proposal or is otherwise a candidate in a non-RFP selection process. Furthermore, each Board Member shall refrain from any discussions with any current or prospective service provider who is a finalist in the selection process regarding the Request for Proposal outside of an open public meeting, other than as part of a regularly scheduled interview during the selection process.

- (b) **Existing Vendors, Consultants and Advisors.** Business meetings and discussions, including meetings which include meals, with current vendors, consultants and advisors (“service providers”) may provide useful information of benefit to the Board Member, and are not prohibited by this *Code of Fiduciary Conduct and Ethics*.

5. Use of CCCERA Resources and Facilities for Private Gain.

Board Members shall not use Board consultants or staff, or CCCERA facilities, equipment, materials or supplies for any purpose other than the discharge of their responsibilities to the retirement system.

6. Use of Official Position.

Board Members shall not use their Board position either to negotiate on behalf of the CCCERA Board outside of any process established for that purpose or to become involved in personnel matters. Furthermore, Board Members shall not use their official position to secure a special privilege or exemption for themselves or on behalf of others.

7. Confidential Information.

Board Members shall not obtain or use for personal reasons or for private gain any confidential information acquired as a result of their position as a member of the Board.

Each Board Member shall abide by the provisions of Government Code section 54963, which prohibits the disclosure of confidential information acquired during authorized closed sessions.

8. Conduct at Retirement Board Meetings.

The CCCERA Board shall provide fair and equal treatment for all persons and matters coming before the Board or any Board committee.

Board Members shall listen courteously to all discussions at meetings and avoid interrupting other speakers, including other Board Members, staff or committee members, except as may be permitted by established Rules of Order.

Board Members shall refrain from abusive or disruptive conduct, personal charges or verbal attacks upon the character, motives, ethics, or morals of others.

9. Communications with Service Providers and other Non-CCCERA Persons and Entities.

Board Members shall be respectful of the Board and its decisions in all external communications, even if they disagree with such decision.

Board Members shall indicate when they are speaking in a capacity as a Board Member or in another capacity in their external communications.

- A. Board Members shall not correspond with a non-CCCERA person or entity in an official capacity as a spokesperson on behalf of the Board unless the communication is authorized by the Board. This rule does not apply to communications by and between the Board's elected officers and non-CCCERA persons or entities in the ordinary course of conducting CCCERA's business.
- B. Subject to C below, copies of all written communications from a Board Member to a current service provider (vendor, consultant or advisor), or person or entity related to a current service provider, relating to CCCERA's business (other than purely personal or social correspondence) shall be provided to the CEO for subsequent distribution to all members of the Board or posting in the CCCERA Dropbox file for review by Board Members.
- C. Subject to (i) below, a copy of any written CCCERA business-related communication (other than routine announcements, generally distributed newsletters, and similar material) received by a Board Member directly from a current CCCERA service provider, or person or entity representing a current service provider, which after reasonable inquiry the Board Member determines was not received by any other Board Member, shall be forwarded to the CEO for subsequent distribution to all members of the Board or posting in the CCCERA Dropbox file for review by Board Members.
 - (i) Sub paragraph C does not apply to receipt of draft presentation materials for review by the Board's elected officers or Board committee members in the course of reviewing proposed CCCERA agenda item materials for presentation to the CCCERA Board.

10. Communications with Plan Members.

Board Members shall be aware of the risk of communicating inaccurate information to plan members (including active, retired, and deferred members) and their beneficiaries, and the potential exposure to liability and possible harm to a plan member that may result from such miscommunications.

Board Members shall mitigate the risk of miscommunication with plan members and their beneficiaries and thereby avoid creating additional plan liability by refraining from providing specific advice or counsel with respect to the rights or benefits to which a plan member may be entitled under the CCCERA plan. **To that end, any Board Member communication to three or more members of the public shall include the following disclaimer: "The following statement has not been authorized by CCCERA or its Board. It reflects the personal views of the author and should not be construed as an official statement of CCCERA or its Board. Additionally, members of CCCERA should not rely on any factual information contained in the following statement when making retirement related decisions. All inquiries relating to a member's retirement should be directed to CCCERA staff."**

Where explicit advice or counsel, with respect to retirement plan provisions, policies or benefits is needed, Board members will refer inquiries to the CEO or appropriate designee.

11. Non-Compliance Sanctions.

Violation of this *Code of Fiduciary Conduct and Ethics* is grounds to remove the offender from the position of Board Chairperson, Vice-Chairperson, Secretary, or Committee Chairperson, or from any other assignment on behalf of the Board, including, without limitation, suspension of a Board Member's authorization to travel on behalf of CCCERA, therefore eliminating the Board Member's reimbursement rights relative thereto, and may also subject the offender to censure by majority vote of the Board, or private censure by the Board Chairperson; provided, however, if the Board Chairperson is the subject of the contemplated censure or other remedies as provided hereunder, then the Officer next in line, and who did not participate in the conduct for which the censure is being considered, may provide private censure and all other listed remedies except removal from office, as warranted under the circumstances and in the reasonable discretion of that Officer. The Board may also pursue all of its legal remedies against any Board member who violates the provisions of this *Code of Fiduciary Conduct and Ethics*.

HISTORY

Adopted: 7/23/2003

Amended: 7/10/2024