

Purpose

The purpose of the Governance Committee is to study the best governance practices of other public retirement boards, state investment boards, corporate pension plans, endowments, foundations, non-profit organizations, and governmental entities to identify those practices that would be relevant and useful to the MPERS Board. The ultimate goal of the Governance Committee is to promote the best interests of MPERS, its members, retirees, and beneficiaries through the implementation of sound board governance policies and practices that enhance good, fair, and open decision-making.

Committee Composition

The Governance Committee shall consist of at least three members of the Board appointed annually by the Board Chair at, or shortly after, the first meeting of each year. One committee member shall be either an active or a retired member of the Patrol, and one member shall be either an active or retired member from MoDOT. The Board Chair shall appoint a Committee Chair. Approval of the full Board is not required for these appointments to take effect.¹ The terms of the committee members shall be one year and there are no limits on the number of terms a committee member may serve. If a vacancy occurs on the Committee reducing its total membership to less than three, the Board Chair will make a new appointment as soon as possible.

Responsibility²

The Committee has the following responsibilities:

1. Set direction and prudently delegate
 - Identify those functions that are best handled by the Board or a board committee and not delegated to others
 - Identify those functions that can be prudently delegated to staff or outside service providers, including investment consultants, actuaries, investment managers, attorneys, or others
 - Review the delegations given to outside service providers through contracts for consistency with the Board's intent
 - Document the roles and responsibilities of the Board and staff in proposed governance policies, committee charters, position descriptions, statements of delegation, or similar documents
2. Recommend policy modifications
 - Make recommendations to the full Board regarding the modification of existing policies, the adoption of new policies and the repeal of outdated policies
 - Develop, organize and present a comprehensive board governance manual to the Board for its review and approval
 - Recommend changes in the functioning of the board meetings to improve effectiveness and efficiency
 - Recommend changes, as needed, on the timing, volume and types of information the Board receives in advance of meetings

¹ Revised June 21, 2012.

² In November of 2020, the Board adopted a number of recommendations of Funston Advisory Services, one which was to reorganize the Board's various charters by the powers of the Board. The changes to this charter were adopted by the Board on June 17, 2021.

3. Oversee performance/compliance
 - Work with staff to initiate the process by which the governance manual is reviewed for accuracy, and updated if necessary, at least once every three years³
 - Monitor and evaluate emerging governance practices in the public retirement industry
 - Work with staff to regularly review orientation materials for new board members in order to identify any necessary updates, additions or changes
 - Perform other duties related to governance as assigned by the Board Chair^{4 5}

Authority

The Committee has the authority to make recommendations about policies but does not have final authority to adopt any policies that will bind the full Board or any individual board member. The Committee has the authority to call upon the MPERS Executive Director and the System's consultants to assist it in carrying out its responsibilities. Where any such consultation will result in extra fees, the Committee must first seek approval from the Board. The Committee also has the authority to request the assistance of a governance consultant but may not enter into a contract with such consultant unless the contract is approved by the Board.

The Committee has the authority to review background data, historical information, consultants' reports, and any other documents it deems reasonably necessary to form an opinion on the issues it is reviewing. The Committee may ask any questions of the firms that provide services to the Board.

Meetings

Meetings will be held in accordance with the open meetings laws of the state of Missouri. The Committee is expected to meet as necessary, but at least one time per year. The Committee may convene conference calls as frequently as necessary to carry out its responsibilities. All board members will be provided agendas for the meetings in advance. Any board member may attend the Committee's meetings and participate in discussions; however, only committee members may vote.

The Committee shall vote on all recommendations requiring Board approval and at the request of committee members, dissenting opinions shall be reflected in the minutes/summary of the committee meeting.⁶

Staffing

The Executive Director or his or her designee shall staff the Committee and support the Committee's activities by preparing meeting materials, recording meeting minutes, scheduling meetings, performing research, and rendering other types of assistance as reasonably requested by the Committee.

³ Revised June 20, 2013.

⁴ Revised June 20, 2013, added provision.

⁵ Revised February 25, 2016; deleted provision regarding Executive Director's performance evaluation, as that is performed by the entire Board.

⁶ Revised February 26, 2021.