

INTRODUCTION

MISSION

The Employees' Retirement System of the City of Baltimore ("ERS" or "System") is committed to protecting and proudly investing member assets and providing accurate and timely retirement benefits with quality service to members and beneficiaries.

STANDARDS OF CONDUCT

As Trustees and Staff, we are committed to:

Safeguard the members' assets.

Strive for continuous improvement.

Maintain confidentiality as appropriate.

Effectively communicate accurate information.

Provide accountable and proactive leadership.

Conduct all business in a fair and respectful manner.

Foster an atmosphere of cooperation and teamwork.

Value members as clients and advocate on their behalf.

Comply with the System's plan provisions, policies and guidelines.

Work efficiently, simplify procedures, and minimize bureaucratic hurdles.

Form alliances and partnerships to benefit the membership and the System.

We expect all who interact with us to adhere to these standards of conduct.

BACKGROUND

1. The ERS was established to provide retirement, death and disability benefits to certain Baltimore City employees. The ERS began operations on January 1, 1926. The provisions of the ERS are set forth in Article 22, §§ 1-17.2, 42-43 and 46-48 of the Baltimore City Code.

2. The general administration and responsibility for the proper operation of the ERS and for making effective the applicable provisions of Article 22 are vested in a 7-member Board of Trustees ("Board"). Art. 22, § 5(a). The Board is also the trustee of ERS funds and has the responsibility of investing those funds. Art. 22, § 7(a).

3. The members of the Board are fiduciaries, and as such are required to discharge their duties solely in the interest of ERS members and beneficiaries and for the exclusive benefit of providing benefits to ERS members and beneficiaries and defraying reasonable expenses of administering the ERS. Art. 22, §§ 5(r) and 7(h).

4. The Board has the authority to establish, from time to time, rules and regulations for the transaction of its business. Art. 22, § 5(g).

5. The Elected Officials' Retirement System of the City of Baltimore ("EOS") was established to provide retirement benefits and death and disability benefits to certain elected officials of the City of Baltimore. The EOS began operations on December 1, 1983. The provisions of the EOS are set forth in Article 22, §§ 17A-28, 43 and 46-48 of the Baltimore City Code.

6. The Board has authority over administration of the EOS and investment of EOS funds to the same extent it has authority over administration of the ERS and investment of ERS funds. Art. 22, § 21(a).

7. The Retiree Benefit Trust of the City of Baltimore ("OPEB Trust") was established to fund the current payment of health benefits for retired Baltimore City employees and to establish a reserve to pay health benefits for future retirees. The OPEB Trust was effective November 1, 2006.

8. Effective June 13, 2007, the Director of Finance, then trustee of the OPEB Trust, delegated to the Board the authority to invest OPEB Trust funds consistent with prudent investment practices and to pay invoices to healthcare and other OPEB vendors, under the direction of the City's Bureau of Accounting and Payroll Services.

PURPOSE

9. The governance policies are intended to:
- a. Establish rules for the conduct of Board meetings, including rules to ensure compliance with open meetings act requirements;
 - b. Establish procedures for the election of Board members and officers;
 - c. Establish the scope of duties for Board committees;

- d. Ensure that Board members comply with applicable ethics requirements;
- e. Establish procedures for the selection of investment managers and other service providers;
- f. Establish policies for certain investment categories and other investment matters;
- g. Facilitate effective communications between and among Board members, the Executive Director/CIO, ERS staff, ERS and EOS members and third-parties;
- h. Ensure that Board members are provided sufficient opportunity and assistance to receive training and education necessary for them to carry out their fiduciary duties;
- i. Establish rules pertaining to the process for payment and receipt of ERS and EOS benefits; and
- j. Be subject to review and revision as needed, but at least every three years.

10. Adoption of the governance policies is intended to facilitate the organized, effective, and prudent functioning of the Board, and to assist the Board members in satisfying their fiduciary duties.

11. In considering, adopting and periodically reviewing the governance policies, the Board seeks to establish and follow best practices in Board governance.