

Governance Manual

MainePERS Board of Trustees

Board Governance

1.7 – Board Self Evaluation

Date Adopted: October 9, 2003

Date Amended: December 13, 2012, October 8, 2015; October 13, 2016; November 18, 2021

Policy

Trustees shall continuously work to maintain excellence in governance by reviewing their own and the Board's performance on an annual basis.

Individual Trustee Self-Assessment

Trustees shall annually engage in a self-assessment, which may be facilitated by a governance consultant. The purpose of the individual Trustee self-assessment is to encourage introspection and heighten awareness of the important responsibilities of being a trustee. See Attachment 1 for an example.

Overall Board Evaluation

Trustees shall annually complete an overall board evaluation, which may be facilitated by a governance consultant. Regular board evaluations enable the Board as a whole to evaluate its performance with candor, objectivity, and a broad perspective. The evaluation process should be designed to enable Trustees to reinforce strong performance while simultaneously identifying any areas for improvement. See Attachments 2 and 3 for examples of evaluation criteria and a Board self-evaluation cycle.

The governance consultant will:

1. Have all Trustees participate in a survey or process deemed to be appropriate by the Board at the time of the evaluation.
2. Hold a facilitated executive session with the entire Board to discuss the results.
3. Identify any actions needed to reinforce strengths or to create any agreed upon governance changes.
4. Assist with changes to existing policies or the establishment of new policies to codify the governance changes.

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1.7 – Attachment 1 – Individual Trustee Self-Assessment

Date Adopted: October 9, 2003

Date Amended: December 13, 2012; October 8, 2015; November 18, 2021

The following represent elements of good trusteeship for a public retirement board member:

1. I attend the Board and committee meetings I am expected to attend and I arrive on time and stay until meetings conclude.
2. I contribute to the discussion in a meaningful and helpful way, listening to the voices of others and making my points concisely without dominating the conversation and giving equal time to the voices of others.
3. I fully understand my fiduciary duties and act for the benefit of all members, not merely for or in response to pressure from a particular constituency or the appointing authority.
4. I make an effort to be educated on the aspects of the retirement system that I do not understand.
5. I am adequately well-versed on benefits and investments.
6. I avoid conflicts of interest and ask questions of the Board Chair or Chief Executive Officer if I am unsure if a conflict exists.
7. I read the materials distributed before the Board meeting so I can constructively participate and make timely decisions.
8. I work with the other Board members as a team.
9. I understand that certain work requests of staff and outside consultants need to be agreed to by the Board and I act accordingly.
10. I work with the Chief Executive Officer in a way that creates an atmosphere of trust and cooperation.
11. I understand the Chief Executive Officer works for the entire Board and not for individual trustees.
12. I communicate governance and ethical problems to the Board Chair and Chief Executive Officer.

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1.7 – Attachment 2 – Evaluation Criteria

Date Adopted: October 9, 2003

Date Amended: December 13, 2012; October 8, 2015; November 18, 2021

The following represent good elements of trusteeship for public retirement boards:

1. The Board knows and understands the system's mission and reflects this understanding when addressing key issues throughout the year.
2. The Board has achieved what it set out to accomplish the past year.
3. The Board stays abreast of issues and trends affecting the system, using this information to assess and guide the organization over the long term.
4. The Board understands its statutory authority and is free from political interference.
5. The Board ensures that new Board members receive a prompt, thorough orientation.
6. Board meetings are conducted in a manner that ensures open communication, meaningful participation, sound resolution of issues, and sound decision making.
7. The Board meeting agendas are well-balanced, allowing appropriate time for the most critical issues.
8. The Board and committee meetings are of reasonable length.
9. The committees and special project groups report back to the Board as they should and do not exceed their authority.
10. The Board is well-educated on benefits and investments issues.
11. The Board recognizes its policy-making role and reconsiders and revises policies as necessary.
12. The Board comprehends and respects the difference between its policy-making role and the Chief Executive Officer's management role.
13. The Board comprehends and respects the difference between its oversight role and the Chief Investment Officer's investment management role.
14. The Board receives timely, accurate, and useful information upon which to make decisions.
15. The Board is consistent about being prepared for meetings and staying engaged.

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16. The Board as a whole evaluates (and Board members as individuals evaluate) their performance on an annual basis.
17. The Board periodically monitors investment performance and measures it against appropriate benchmarks.
18. The Board reviews and adopts a reasonable operating budget that is followed and monitored throughout the year.
19. Board goals, expectations, and concerns are promptly, candidly and effectively communicated to the Board Chair and Chief Executive Officer.
20. The Board anticipates issues and does not often find itself reacting to “crisis” situations.
21. The Board conducts a comprehensive evaluation of the Chief Executive Officer annually.
22. The Board speaks in “one voice” when directing or delegating to staff.
23. The Board brings discussions to a conclusion with clear direction to staff.
24. The Board is collegial and polite during meetings.

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1.7 – Attachment 3 – Evaluation Cycle

Date Adopted: October 13, 2016

Date Amended: *New*

The following four-year cycle supplements traditional self-evaluation with a broader exploration of Board values and informal discussion of relevant topics:

- Year 1: Board values exercise
- Year 2: Traditional self-evaluation questionnaire/exercise
- Year 3: Informal self-evaluation discussion focused on key topics identified through Board input
- Year 4: Traditional self-evaluation questionnaire/exercise