



Board Governance Committee

Item Number 5 – Open Session

Subject: Proposed Board Consultant Evaluation Schedule

Presenter(s): Chairperson

Item Type: Consent Information

Date & Time: November 2, 2022 – 0 minutes

Attachment(s): None

PowerPoint(s): None

PURPOSE

The purpose of this item is to review the proposed board consultant evaluation schedule. The committee chairperson will facilitate the scheduling of these evaluations with board and investment committee leaderships.

RECOMMENDATION

Mosaic recommends an evaluation of the following consultant relationships before the end of FY 22/23: (1) Global Governance Advisors (executive and investment compensation consultant); and (2) Meketa Investment Group (general investment consultant).

EXECUTIVE SUMMARY

The board conducts routine evaluations of its consultant roster to proactively manage the relationships. These evaluations can take the form of formal RFP processes, interim evaluations conducted by the board during a consultant's contract term, or both. The board recently directed the board governance committee to maintain the schedule of the interim evaluations. For the committee's review, a schedule of interim evaluations is proposed for the remainder of FY 22/23.

BACKGROUND

The board contracts with consultants (currently 11 contracts with 9 firms) that provide it with critical high-level strategic services and advice. Per board policy, the board and its committees conduct periodic interim evaluations of the consultants. To determine which consultants to evaluate, in the past, the board or board leadership has reviewed its board consultant roster and

prospectively set the schedule for the consultant evaluations. At the April 2022 offsite, the board directed scheduling management responsibility to the board governance committee.

To support the committee in this work, Mosaic has prioritized the consultants for interim evaluation based on the following information provided by staff: date of last RFP, date of last interim evaluation, and overall contract dates. Below is the proposed schedule for the interim evaluations for the remainder of FY 22/23.

- Global Governance Advisors (executive and investment compensation consultant): Contract extension decision needed before June 30, 2023.
- Meketa Investment Group (general investment consultant): Contract extension decision needed before June 30, 2023.

At the committee's March 2023 meeting, Mosaic will propose an interim evaluation schedule for FY 23/24.

Strategic Plan Linkage: N/A.

Board Policy Linkage: CalSTRS Board Governance Manual: Section 2. Board Governance - (K.) Consultant Evaluation Policy.