



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 16

MEETING DATE: April 19, 2023

SUBJECT: CEO Delegated Authority Policy for Personnel

SUBMITTED FOR: ___ Consent X **Deliberation and Action** ___ **Receive and File**

RECOMMENDATION

Approve new policy to formalize existing practices regarding the Chief Executive Officer's authority for personnel matters.

PURPOSE

This item supports the Strategic Management Plan goals to promote transparent policies about roles and responsibilities, and maintain a high-performance organizational structure and workforce, with the capacity and skills needed to fulfill SCERS' mission.

DISCUSSION

As part of a regular review of policies and practices, Staff determined that the longstanding delegation of authority to the CEO to approve staff personnel decisions should be clarified in a formal policy.

Though the CEO serves as the departmental appointing authority, the County Employees' Retirement Law of 1937 (CERL) suggests the Board is to "appoint" the statutorily authorized positions of Chief Investment Officer and Assistant Administrators (Gov. Code § 31522.3), staff attorneys (Gov. Code § 31529.9), and "administrative, technical and clerical staff personnel as are required to accomplish the necessary work" of SCERS (Gov. Code § 31522.1). For clarity and avoidance of doubt, the proposed policy authorizes the CEO to make the appointments, as has been the practice for decades.

The proposed policy also directs the CEO to review the selected senior management candidates with the Board prior to the appointment. This includes the following SCERS' positions exempt from Civil Service: Chief Investment Officer, General Counsel, and Assistant Retirement Administrators (Chief Operations Officer, Chief Benefits Officer, Chief Technology Officer, and Deputy Chief Investment Officer).

The formalization of a delegated authority policy is common across other CERL systems, such as Fresno, Imperial, Kern, Orange, San Diego, San Joaquin, Santa Barbara, and Ventura.

ATTACHMENTS

- Board Order
- CEO Delegated Authority Policy for Personnel

Prepared by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
April 19, 2023

AGENDA ITEM:

CEO Delegated Authority Policy for Personnel

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to approve new policy to formalize existing practices regarding the Chief Executive Officer's authority for personnel matters.

I HEREBY CERTIFY that the above order was passed and adopted on April 19, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:
(Present but not voting)

Keith DeVore
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



CEO Delegated Authority Policy for Personnel Matters

PURPOSE

The purpose of this policy is to provide for the efficient and effective management of SCERS by delegating authority from the Board to the SCERS Chief Executive Officer (CEO), as the Retirement Administrator of SCERS, over personnel matters and the appointment of Chief Investment Officer, General Counsel, and Assistant Administrators, as well as administrative, technical and clerical staff personnel as are required to accomplish the necessary work of the Board.

POLICY

AUTHORITY OVER PERSONNEL

1. **Administration.** The Board delegates to the CEO, as Executive Officer of SCERS and for the Board, the authority to administer SCERS with exclusive management and control of the day-to-day operations of SCERS, subject to direction and approval of the Board, and to provide administrative leadership of SCERS' personnel.
2. **Personnel Matters.** The Board delegates to the CEO general authority over personnel matters involving SCERS' staff, to include but not limited to the following:
 - a. Recruiting, onboarding, managing, promoting, disciplining and terminating executive staff exempt from Civil Service, including Chief Investment Officer, General Counsel, and Assistant Administrators.
 - b. Serving as the departmental appointing authority for SCERS for County personnel matters, as defined under Sacramento County Code 2.78.210, including the approval of all personnel decisions concerning SCERS' staff, consistent with applicable federal, state, and County laws and policies.
3. **Non-Interference.** Individual Board members shall not interfere with the CEO in regard to SCERS' personnel matters.

APPLICATION

This policy is to apply to all executive and administrative staff of SCERS under the direction, management and control of the CEO.

The CEO shall review the proposed selection of Chief Investment Officer, Assistant Administrators, and General Counsel with the Board of Retirement prior to their appointment. The CEO shall report to the Board any significant changes to executive/administrative staff at the Board's next Regular Meeting.

BACKGROUND

The CEO has been appointed by the Board in accordance with Gov. Code § 31522.1 and § 31522.2 and is responsible for the management of SCERS including investment and oversight of the retirement fund as directed by the Board, operating budget, appointment and management of personnel, and other day-to-day activities of SCERS. Gov. Code § 31522.3 and § 31529.9 authorize the Board to appoint Chief Investment Officers, Assistant Administrators, and legal staff, as well as administrative, technical and clerical staff personnel as are required to accomplish the necessary work of the Board (pursuant to Gov. Code § 31522.1).

The CEO serves as Secretary of the Board of Retirement in its management of SCERS. Pursuant to Gov. Code § 31522.2 and § 31590, the CEO has authority on behalf of the Board: To sign or authorize all warrants, checks, and electronic fund transfers drawn on the retirement fund, including signing of all documents and contracts necessary to carry out any decision, including investment decisions, made or approved by the Board; to negotiate and sign contracts with vendors, consultants, and payees of the system as required by contract or applicable law; and any other decision made or approved by the CEO pursuant to the delegation of authority granted by the Board to the CEO for such decisions.

RESPONSIBILITIES

Executive Owner: Chief Executive Officer

POLICY HISTORY

Date	Description
04-19-2023	Board approved new policy