



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 11A

**MEETING DATE:** January 17, 2024

**SUBJECT:** CEO Performance Evaluation Policy

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

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#### **RECOMMENDATION**

Re-affirm the Chief Executive Officer Performance Evaluation Policy with no changes.

#### **PURPOSE**

This item complies with the Strategic Management Program goal to support workplace development and culture by facilitating the process for the Board to regularly conduct periodic evaluations of the CEO's performance.

#### **DISCUSSION**

On November 30, 2017, the Board adopted a performance evaluation framework to conduct an annual job review for the CEO, which was formalized into a Board policy in 2019. The policy was amended in 2021 to remove a requirement for a mid-year performance evaluation.

Pursuant to SCERS' practice of reviewing and refreshing policies every three years, Staff has re-evaluated the policy to consider whether any amendments are necessary due to legal changes or practical experience. No changes are recommended.

#### **ATTACHMENTS**

- Board Order
- CEO Performance Evaluation Policy

Prepared by:

/s/

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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Before the Board of Retirement  
January 17, 2024

AGENDA ITEM:

### CEO Performance Evaluation Policy

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to re-affirm the Chief Executive Officer Performance Evaluation Policy with no changes.

I HEREBY CERTIFY that the above order was passed and adopted on January 17, 2024 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES

(Present but not voting):

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James Diepenbrock  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



# Chief Executive Officer Performance Evaluation Policy

## PURPOSE

The purpose of the Chief Executive Officer (CEO) Performance Evaluation Policy is to provide a documented process for the Board to follow when assessing the CEO's performance, providing him/her with feedback, and determining his/her compensation.

## POLICY

The Board shall conduct an annual performance evaluation of the CEO.

## APPLICATION

Evaluating the performance of the CEO is one of the most important duties of the SCERS' Retirement Board. Accordingly, the process should be designed to include the active participation of all Board Members.

Staff members reporting to the CEO should generally not play a role in the evaluation process unless requested by the Board, except to the extent that they have an official role in assisting the Board and/or Board President.

## Evaluation Criteria

In determining the performance criteria for each performance evaluation period, the following guidelines shall be observed:

1. The criteria should address the CEO's performance in meeting SCERS' business objectives. For each performance evaluation period, the Board will identify a set of key business objectives for the CEO that are critical to advancing SCERS' strategies and define the target performance for each objective. The CEO's performance on each key business objective will collectively be weighted as 50% of the evaluation.
2. The criteria should address the CEO's leadership competencies including: vision and strategy; maximizing talent; technical expertise; judgment and decision making; and leading change. The CEO's leadership competencies will be weighted as 50% of the evaluation.
3. In evaluating the CEO's performance/competency under each criterion, each Board Member should provide an evaluation rating as well as specific suggestions about how the CEO can improve performance under that criterion in the future.

## Evaluation Timetable

### 1. Annual Performance Evaluation:

- a. Not later than October 31<sup>st</sup>, the CEO will provide a self-evaluation with the performance objectives for the evaluation period to Board Members for their consideration and reference in completing the 12-month evaluation.
- b. Not later than November 15<sup>th</sup>, each Board Member will complete a CEO Performance Evaluation Template and forward to the Board President or designee.
- c. The Board President or designee shall review the forms and create a summary of the evaluations from all Board Members. This summary shall be provided to Board Members and the CEO in advance of the Board Meeting, which shall be held not later than the December meeting.
- d. In executive session of the Board meeting:
  - 1) The Board and CEO will discuss the summary and, as appropriate and necessary, the CEO will be provided an opportunity to present and discuss his/her self-evaluation with the Board.
  - 2) The CEO may subsequently be excused from executive session to permit the Board to conduct further discussions.
  - 3) If revisions to the summary are needed, the Board President will ensure the Board's final consensus summary is prepared and provided to the CEO, whether at this meeting or at another time not later than the next regular Board meeting.
- e. In open session:
  - 1) The Board will consider what action, if any, is warranted with regard to the CEO's compensation for the next 12-month period of employment.
  - 2) The Board and CEO will discuss and confirm the business objectives on which the CEO's performance for the next evaluation period will be based.
  - 3) These objectives will be used to evaluate the CEO's performance for the next evaluation period.

2. The Board President may adjust the deadlines as necessary to accommodate changes in the Board Meeting schedule.

## Documentation

Throughout the above process, the Board President shall establish and maintain a file containing a record of all relevant activities involving the CEO Evaluation Process, including the Chief Executive Officer Performance Evaluation Template, Evaluations completed by Board Members, Summary of Board Member Evaluations, Consensus Board Evaluation, etc.

Once the CEO Evaluation Process is completed, the Board President will provide the final Consensus Board Evaluation signed by the Board President and CEO to the CEO and to the SCERS' Human Resources Officer for retention as the final, official record of the Board's evaluation of the CEO.

The Board President shall arrange for the destruction of all other materials/working documents collected throughout the process.

## RESPONSIBILITIES

Executive Owner: Chief Executive Officer

## POLICY HISTORY

Date	Description
01-17-2024	Board re-affirmed policy
01-19-2021	Board approved amended policy
09-18-2019	Board approved revised procedure as Board policy
11-30-2017	Board approved SCERS' Performance Evaluation Procedure for the Chief Executive Officer (CEO)