

**SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION**  
**POLICY ON THE ROLE OF THE CHIEF EXECUTIVE OFFICER**

**I. INTRODUCTION**

- A. The Board has delegated to the Chief Executive Officer responsibility for the administration and management of SDCERA consistent with the policies of the Board and the Board's delegations of authority. The Chief Executive Officer's executive responsibilities extend to all aspects of SDCERA, including but not limited to the following:
1. Administrative support to the Board;
  2. Investment administration;
  3. Funding and actuarial activities;
  4. Human resource management;
  5. Member Services;
  6. Financial and audit functions, and presentation of an annual budget;
  7. Governmental affairs/media relations;
  8. Legal affairs; and
  9. Vendor selection.
- B. The Chief Executive Officer will provide leadership for SDCERA staff in implementing the programs necessary to achieve the mission, goals and objectives established by the Board. The Chief Executive Officer will manage the day-to-day affairs of SDCERA in accordance with policies established by the Board, and may delegate duties to senior management as necessary.
- C. The Chief Executive Officer will provide support to the Board and its committees in establishing all policies of the Board. Such support will include identifying and analyzing issues requiring board policy, and providing policy recommendations for consideration by the Board or its committees. The Chief Executive Officer will be responsible for ensuring that all policies are implemented, and provide input to the Board concerning policies so that the Board can perform its policy oversight function.

**II. DUTIES AND RESPONSIBILITIES**

- A. Administrative Support to the Board
1. The Chief Executive Officer will:
    - a) Recommend to the Board, as necessary, policies to ensure appropriate governance practices;
    - b) Assist the Board in developing and implementing its governance policies and bylaws;

- c) Provide all support in arranging and coordinating board and committee meetings, and related presentations and materials;
- d) Respond to reasonable requests for information from individual trustees outside of Board meetings; and
- e) Coordinate trustee education and travel.

**B. Investments**

1. The Chief Executive Officer will direct and oversee SDCERA's investment staff, consultants, and advisors in carrying out the following responsibilities:
  - a) Recommending to the Board a written statement of investment policy, and coordinating the Board's review of same in accordance with the Policy on the Role of the Board of Retirement;
  - b) Recommending to the Board a written statement of investment philosophy, and coordinating the Board's review of same in accordance with the Policy on the Role of the Board of Retirement;
  - c) Recommending investment objectives to the Board, as well as strategies for achieving them, and coordinating the Board's review of same in accordance with the Policy on the Role of the Board of Retirement;
  - d) Implementing board-approved strategies by developing investment manager structures with respect to:
    - (1) The number of investment manager mandates; and
    - (2) The size of each mandate.
  - e) Coordinating studies of the relationship between the assets and liabilities of SDCERA;
  - f) Executing portfolio rebalancing and portfolio transitions;
  - g) Conducting research into investment trends, issues, and opportunities that may have implications for the investment program of SDCERA;
  - h) Performing all necessary investment manager due diligence in accordance with the Vendor Selection Policy and related policies of the Board.
2. Recommend to the Board, for approval, the appointment of the following Named Vendors:
  - a) The custodian;
  - b) Investment managers;
  - c) Securities lending managers; and
  - d) Other vendors determined by the Board.

**C. Benefits Administration**

1. The Chief Executive Officer will:

- a) Recommend to the Board policies to ensure effective administration of member benefits;
- b) Ensure accurate payment of benefits to members, and address problems or errors in accordance with established policies and procedures;
- c) Present to the Board any benefit applications or provisions that require a board interpretation or decision, along with supporting analysis and recommendations;
- d) Recommend annual cost-of-living adjustments to the Board;
- e) Maintain accurate records of member accounts; and
- f) Ensure delivery of high standards of service to members including calculations and counseling.

**D. Operations**

1. The Chief Executive Officer will:

- a) Recommend to the Board policies to ensure effective operations;
- b) Develop and recommend a strategic plan and/or business plan to the Board, as well as updates to the plan(s);
- c) Recommend an annual Operating Budget to the Board;
- d) Authorize payments related to the administration of SDCERA, consistent with the Operating Budget and internal controls of SDCERA;
- e) Account for and ensure appropriate collection, deposit, and distribution of funds as required;
- f) Implement internal operational control policies;
- g) Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer SDCERA;
- h) Maintain the records of SDCERA in a permanent, secure, and readily accessible format;
- i) Develop and recommend to the Audit and Finance Committee an annual internal audit plan;
- j) Assist the Audit and Finance Committee in coordinating financial audits; and
- k) Establish a staff travel policy and approve staff travel in accordance with said policy.

**E. Finance, Actuarial and Accounting**

1. The Chief Executive Officer will:

- a) Recommend to the Board, as appropriate, financial, accounting, and actuarial policies;
- b) Implement appropriate internal financial controls to safeguard the assets of SDCERA;
- c) Assist the Audit and Finance Committee in coordinating the annual financial audit;

- d) Co-ordinate the actuarial valuation, and periodic actuarial experience studies and actuarial audits; and
- e) File in the office of the County Auditor and with the Board of Supervisors a sworn statement which will exhibit the financial condition of SDCERA at the close of the preceding June 30<sup>th</sup> and its financial transactions for the year ending on that day.

F. Human Resources

1. The Chief Executive Officer will:

- a) Recommend a human resources and compensation policy to the Board;
- b) Regularly assess the human resource needs of SDCERA and establish appropriate human resource programs and procedures, consistent with the human resources and compensation policy of the Board;
- c) Recommend to the Board the hiring and termination of assistant administrators; and
- d) Oversee senior management in the hiring, management, and termination of staff.

G. Legislation and Litigation

1. The Chief Executive Officer will:

- a) Recommend for board approval, legislative proposals to be initiated, supported, or opposed by the Board;
- b) Coordinate with legal counsel on all legal proceedings involving SDCERA;
- c) In consultation with Legal Counsel, provide information and recommendations to the Board concerning actual, potential, and threatened litigation or other legal action involving SDCERA, and the strategy, settlement, and resolution of such litigation or other legal action; and
- d) Develop and implement plans to comply with court rulings.

H. Communications

1. The Chief Executive Officer will:

- a) Develop and recommend to the Board a SDCERA communications policy;
- b) Ensure effective and timely communications and working relationships with members and stakeholders on benefits and other appropriate matters relating to the administration of SDCERA; and
- c) Act as official spokesperson on behalf of SDCERA, and coordinate with the Chair of the Board of Retirement as necessary and appropriate to allow the Chair to perform his or her responsibilities with respect to public communications.

I. Appointment of Vendors

1. The Chief Executive Officer will perform the necessary due diligence for vendors, and will appoint or recommend the appointment of vendors to contract with the Board as provided for in the Vendor Selection Policy.

### **III. MONITORING AND REPORTING**

- A. The Chief Executive Officer will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities. Furthermore, the Chief Executive Officer will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to SDCERA, and provide recommended courses of action as appropriate.
- B. The Chief Executive Officer will supervise and ensure compliance with the Board's Monitoring and Reporting Policy summarizing the routine reporting to be provided to the Board, and will regularly review said policy and recommend additions or deletions to the routine reporting, as appropriate. The Chief Executive Officer will also provide the Board in December of each year with a schedule for reports required under the Monitoring and Reporting Policy.
- C. At a minimum, the Chief Executive Officer will regularly monitor and report to the Board on the following issues:
  1. Implementation and continued appropriateness of all SDCERA policies, providing sufficient information for the Board to meet its oversight responsibilities;
  2. The funded status of SDCERA and all issues that may reasonably be expected to have a meaningful impact on the funded status;
  3. The investment performance of the Fund, portfolio risk, the component asset classes, and the investment managers retained to manage the assets of the Fund;
  4. The findings of the annual financial audit, and of any internal audits that may be performed;
  5. Compliance by employees and vendors with the policies of SDCERA;
  6. The activities and performance of Named Vendors including the actuary, financial auditor, investment consultant, legal counsel, and custodian;
  7. The performance of senior management;
  8. The accuracy and timeliness of all payments due to, and payable by, SDCERA;
  9. Compliance with applicable laws and regulations;
  10. General SDCERA operations; and
  11. In conjunction with counsel, the status of all legal proceedings involving SDCERA.

### **REVIEW**

This policy shall be reviewed by the Board at least every three (3) years and may be amended at any time.

**HISTORY**

November 14, 2001	Adopted
April 1, 2004	Amended, effective July 1, 2004
October 4, 2007	Revised, effective immediately
April 5, 2012	Revised, effective immediately
June 4, 2015	Reviewed, no changes