



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 21

MEETING DATE: January 18, 2023

SUBJECT: CEO Delegated Authority Policy for Expenses

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

RECOMMENDATION

Amend the CEO Delegated Authority Policy for Expenses and increase the CEO's expenditure authority to \$75,000, and up to \$150,000 with Board President approval.

PURPOSE

This item supports the Strategic Management Plan by demonstrating fiscal responsibility and stewardship.

DISCUSSION

Pursuant to SCERS' practice of reviewing and refreshing policies every three years, Staff has re-evaluated the Policy in light of practical experience and considered whether any amendments are necessary. The policy was last updated in 2020 with clarifying amendments; the \$50,000 threshold (\$100,000 with Board president approval) has not increased since 2010.

In the past three years, the CEO has obtained Board President approval on several occasions for various operational matters that ranged from \$50,000-75,000, including actuarial auditors, a lease amendment for parking utilization, and executive recruitment services.

The proposed changes would allow SCERS to act quickly in order to advance SCERS' interests. The proposed \$75,000 expenditure authority is consistent with comparable County agency heads.

In addition to the threshold limits for goods and services, the current policy also includes distinct delegations of authority from the Board to the CEO for the cost of disability retirement evaluations, charges from County departments, insurance costs, and emergency management costs in response to a force majeure event or a government-declared state of emergency impacting SCERS and its employees and members.

ATTACHMENT

- Board Order
- CEO Delegated Authority Policy for Expenses – redlined version
- CEO Delegated Authority Policy for Expenses – clean version

/S/

Margo Allen
Chief Operations Officer

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
January 18, 2023

AGENDA ITEM:

CEO Delegated Authority Policy for Expenses

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to amend the CEO Delegated Authority Policy for Expenses and increase the CEO's expenditure authority to \$75,000, and up to \$150,000 with Board President approval.

I HEREBY CERTIFY that the above order was passed and adopted on January 18, 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 EXPENSES

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) to approve payments and to settle or otherwise dispose of claims as specified.

POLICY

The Board hereby delegates and/or confirms its delegation of authority to the CEO, on behalf of and in the name of SCERS, to approve payments for such goods and services as the CEO determine to be reasonably necessary as defined below.

A. Delegated Authority up to ~~\$50,000~~\$75,000

The CEO may, without prior Board approval, approve transactions and/or enter into goods and services contracts that do not obligate SCERS to pay more than ~~\$50,000~~\$75,000 per vendor in a fiscal year. Under this authority, the CEO may (without limitation) approve payments for:

- Goods and services from any vendor as the CEO deems necessary and appropriate, including goods and services for which the County of Sacramento has approved vendors;
- Expenses arising from SCERS-related litigation, including expenses arising from court judgments, settlements, attorney's fees, and litigation costs; and
- Recruitment costs for exempt positions, excluding signing bonuses.

B. Delegated Authority for Contract Amendments

The CEO has the authority to amend existing Board-approved contracts for goods and services that do not obligate SCERS to pay more than ~~\$50,000~~\$75,000 per vendor in a fiscal year.

C. Delegated Authority in Excess of ~~\$50,000~~\$75,000

With written approval of the Board President (which may include approval by electronic mail or facsimile transmission), the CEO may approve payments and/or enter into goods and services contracts or contract amendments that do not obligate SCERS to pay more than ~~\$100,000~~\$150,000 per vendor in a fiscal year.

D. Exception to Delegated Authority

The CEO has the authority to approve payments and secure services and service providers up to an amount that the CEO deems necessary and appropriate for the following items:

- Evaluating disability retirement applications;
- Charges from County departments;
- Insurance costs (e.g., fiduciary insurance); and
- Emergency management costs in response to a force majeure event or a government-declared state of emergency impacting SCERS and its employees and members.

APPLICATION

Any approved expenses and contracts or contract amendments for goods and services entered into pursuant to this policy shall comply with the budget adopted by the Board.

SCERS' General Counsel shall review any contracts or contract amendments entered into pursuant to this delegation of an amount or complexity, as determined by the CEO or his or her designee, to warrant such review, and any claims settled pursuant to this delegation.

The CEO shall provide a quarterly report to the Board of any approved expenses and contracts or contract amendments entered into pursuant to Sections A through C of this policy for an amount greater than \$5,000.

BACKGROUND

The CEO has been appointed by the Board in accordance with Government Code Sections 31522.1 and 31522.2 and is responsible for the management of SCERS including the retirement fund, operating budget, appointment and management of personnel, and the other day-to-day activities of the retirement system.

The CEO serves as Secretary of the Retirement Board in its management of the retirement system. Pursuant to Government Code Sections 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, and to sign all documents, including 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 a delegation of authority granted by the Board to the CEO for such decisions.

RESPONSIBILITIES

Executive Owner: Chief Executive Officer

POLICY HISTORY

Date	Description
<u>01-18-2023</u>	<u>Board amended CEO Delegated Authority Policy for Expenses</u>
03-18-2020	Board approved the revised CEO Delegated Authority Policy for Expenses
03-20-2019	Board approved the revised CEO Delegated Authority Policy for Expenses
04-18-2018	Board combined and amended all three delegations in revised policy format
04-17-2013	Board approved Delegation of Claims Settlement Authority in Resolution 2013-06
07-15-2010	Amended Delegation of Contract Authority in Resolution 2010-12
10-21-2004	Board approved Delegation of Contract Authority for Services for Disability Retirement Application Processing and Evaluation in Resolution 2004-06
06-21-2001	Board approved Delegation of Contract Authority in Resolution 2001-02



CEO DELEGATED AUTHORITY POLICY FOR EXPENSES

PURPOSE

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POLICY

The Board hereby delegates and/or confirms its delegation of authority to the CEO, on behalf of and in the name of SCERS, to approve payments for such goods and services as the CEO determine to be reasonably necessary as defined below.

A. Delegated Authority up to \$75,000

The CEO may, without prior Board approval, approve transactions and/or enter into goods and services contracts that do not obligate SCERS to pay more than \$75,000 per vendor in a fiscal year. Under this authority, the CEO may (without limitation) approve payments for:

- Goods and services from any vendor as the CEO deems necessary and appropriate, including goods and services for which the County of Sacramento has approved vendors;
- Expenses arising from SCERS-related litigation, including expenses arising from court judgments, settlements, attorney's fees, and litigation costs; and
- Recruitment costs for exempt positions, excluding signing bonuses.

B. Delegated Authority for Contract Amendments

The CEO has the authority to amend existing Board-approved contracts for goods and services that do not obligate SCERS to pay more than \$75,000 per vendor in a fiscal year.

C. Delegated Authority in Excess of \$75,000

With written approval of the Board President (which may include approval by electronic mail or facsimile transmission), the CEO may approve payments and/or enter into goods and services contracts or contract amendments that do not obligate SCERS to pay more than \$150,000 per vendor in a fiscal year.

D. Exception to Delegated Authority

The CEO has the authority to approve payments and secure services and service providers up to an amount that the CEO deems necessary and appropriate for the following items:

- Evaluating disability retirement applications;
- Charges from County departments;
- Insurance costs (e.g., fiduciary insurance); and
- Emergency management costs in response to a force majeure event or a government-declared state of emergency impacting SCERS and its employees and members.

APPLICATION

Any approved expenses and contracts or contract amendments for goods and services entered into pursuant to this policy shall comply with the budget adopted by the Board.

SCERS' General Counsel shall review any contracts or contract amendments entered into pursuant to this delegation of an amount or complexity, as determined by the CEO or his or her designee, to warrant such review, and any claims settled pursuant to this delegation.

The CEO shall provide a quarterly report to the Board of any approved expenses and contracts or contract amendments entered into pursuant to Sections A through C of this policy for an amount greater than \$5,000.

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RESPONSIBILITIES

Executive Owner: Chief Executive Officer

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04-17-2013	Board approved Delegation of Claims Settlement Authority in Resolution 2013-06
07-15-2010	Amended Delegation of Contract Authority in Resolution 2010-12
10-21-2004	Board approved Delegation of Contract Authority for Services for Disability Retirement Application Processing and Evaluation in Resolution 2004-06
06-21-2001	Board approved Delegation of Contract Authority in Resolution 2001-02