



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 10

MEETING DATE: March 20, 2019

SUBJECT: CEO Delegated Authority Policy for Expenses

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

RECOMMENDATION

Staff recommends the Board approve the revised policy for Delegated Authority to the Chief Executive Officer (CEO) for Expenses.

PURPOSE

This item supports the 2018-19 Strategic Management Plan by maintaining transparent communications to stakeholders and demonstrating fiscal responsibility and stewardship.

DISCUSSION

This policy was originally brought to the Board in April 2018, which includes the following three distinct delegations of authority from the Board to the CEO:

1. Authority for securing the services and service providers that the CEO deems necessary and appropriate to properly process and evaluate disability retirement applications, and to designate an appropriate staff member to review the need for and approve such activities, including the reasonable and necessary payment for such services.
2. Authority to enter into contracts or contract amendments on behalf of SCERS in an amount up to \$50,000 for the term of the contract without the Board President's written approval, and up to \$100,000 for the term of the contract with the Board President's written approval.
3. Authority to allow, deny, compromise, or settle any claims, litigation, demands, actions, liabilities, losses, damages, injuries, and expenses (including attorneys' fees and defense costs) provided that the amount to be paid:
 - does not exceed \$50,000,

- is with the concurrence of SCERS' General Counsel, and
- is not subject to the terms of an insurance policy.

Since the policy was last updated, Staff and the Department of Finance have discussed minor, technical changes that can clarify the Board's intent and help facilitate timely payments to vendors. The revised policy includes the following updates:

- Clarifies the CEO authority regarding payment of expenses related to the disability retirement determination process.
- Clarifies that the CEO's authority to enter into contracts or contract amendments includes purchases for goods and services.
- Clarifies that the authorized contract limits represent the maximum contract amounts that can be paid to the same vendor regardless of fiscal years.
- Authorizes the CEO to make payments related to recruitment costs for exempt positions, excluding signing bonuses, that the CEO deems necessary and appropriate.
- Authorizes the CEO to enter into contracts or contract amendments with any vendors for goods and services that the CEO deems necessary and appropriate, including goods and services for which the County has approved vendor contracts.

ATTACHMENT

- CEO Delegated Authority Policy for Expenses – Revised Without Markups
- CEO Delegated Authority Policy for Expenses – Original With Markups

/S/

Debbie Chan
Senior Accounting Manager

/S/

Kathryn T. Regalia
Chief Operations Officer

/S/

Eric Stern
Chief Executive Officer



CEO DELEGATED AUTHORITY POLICY FOR EXPENSES

Revision Date: **March 20, 2019**

Policy Number: **007**

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 as follows:

A. Payment Authority

The CEO is authorized, on behalf of and in the name of SCERS, to approve payments for such goods and services as the CEO shall determine to be reasonably necessary for:

1. Securing the services and service providers up to an amount that the CEO deems necessary and appropriate to properly process and evaluate disability retirement applications, and to designate an appropriate staff member to review the need for and approve such activities, including the reasonable and necessary payment for such services.
2. The administration of SCERS consistent with the budget adopted by the Board and as otherwise limited by this Policy, as follows:
 - a. Without written approval of the Board President, the CEO may enter into contracts or contract amendments for goods and services that do not obligate SCERS to pay more than \$50,000 per vendor.
 - b. With written approval of the Board President (which may include approval by electronic mail or facsimile transmission), the CEO may enter into contracts or contract amendments for goods and services that do not obligate SCERS to pay more than \$100,000 per vendor. The Board hereby authorizes the Board President to grant or deny such written approval in his or her sole discretion as the most senior officer of the Board duly elected by the members of the Board.

- c. The authorized contract limits as prescribed in this Section are the cumulative maximum contract amounts that can be paid to a vendor in a fiscal year or across multiple fiscal years.
3. Recruitment costs for exempt positions, excluding signing bonuses, that the CEO deems necessary and appropriate, as limited in Section A.2.

This policy authorizes the CEO to enter into contracts or contract amendments with any vendors for goods and services that the CEO deems necessary and appropriate, including goods and services for which the County of Sacramento has approved vendor contracts.

B. Litigation Authority

The Board hereby delegates to the CEO authority, on behalf of and in the name of SCERS, to allow, deny, compromise, or settle any claims, litigation, demands, actions, liabilities, losses, damages, injuries, and expenses (including attorneys' fees and defense costs) in any matter involving the SCERS Board of Retirement or its officers and/or members, or SCERS employees, provided that:

1. The amount to be paid pursuant to such claim, allowance, compromise, or settlement does not exceed \$50,000. If the amount to be paid exceeds \$50,000, the allowance, compromise, or settlement must be approved by the Board of Retirement.
2. The claim, allowance, compromise or settlement is with the concurrence of the General Counsel; and,
3. The claim, allowance, compromise or settlement is not subject to the terms of an insurance policy wherein the insurer is granted the authority to allow, deny, compromise, or settle claims or actions within the scope of such policy.

APPLICATION

Any contracts or contract amendments for goods and services entered into pursuant to Section A.2 of this delegation shall comply with the budget adopted by the Board.

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 contracts or contract amendments entered into pursuant to Section A.2 of this policy for an amount greater than \$5,000, and any payments pursuant to Section B of this policy.

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 decision.

RESPONSIBILITIES

Executive Owner: Chief Executive Officer

POLICY HISTORY

Date	Description
03-20-2019	Board to approve 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 DELEGATION DELEGATED OF **AUTHORITY** POLICY FOR CONTRACTS AND CLAIMS EXPENSES POLICY

Revision Date: April <u>March 18</u> 20 , 2018 <u>2019</u>	Policy
Number: 007	
Revision Number: 2	

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 ~~enter into contracts~~ 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 as follows:

A. Contract Payment Authority

The CEO is authorized, on behalf of and in the name of SCERS, to approve ~~enter into contracts~~ payments for such goods and services as the CEO shall determine to be reasonably necessary for:

1. Securing the services and service providers up to an amount that the CEO deems necessary and appropriate to properly process and evaluate disability retirement applications, ~~to incur the costs therefor~~, and to designate an appropriate staff member to review the need for and approve such activities, including the reasonable and necessary payment for such services.
2. The administration of SCERS consistent with the budget adopted by the Board and as otherwise limited by this Policy, as follows:
 - a. Without written approval of the Board President, the CEO may enter into contracts or contract amendments for goods and services that do not obligate SCERS to pay more than \$50,000 per vendor in total for the term of the contract.
 - b. With written approval of the Board President (which may include approval by electronic mail or facsimile transmission), the CEO may enter into contracts or contract amendments for goods and services that do not obligate SCERS to pay more than \$100,000 per vendor in total for the term of the contract. The Board hereby authorizes the Board President to grant or deny such written approval in

his or her sole discretion as the most senior officer of the Board duly elected by the members of the Board.

c. The authorized contract limits as prescribed in this Section are the cumulative maximum contract amounts that can be paid to a vendor in a fiscal year or across multiple fiscal years.

3. Recruitment costs for exempt positions, excluding signing bonuses, that the CEO deems necessary and appropriate, as limited in Section A.2.

This policy authorizes the CEO to enter into contracts or contract amendments with any vendors for goods and services that the CEO deems necessary and appropriate, including goods and services for which the County of Sacramento has approved vendor contracts.

B. Claims-Litigation Authority

The Board hereby delegates to the CEO authority, on behalf of and in the name of SCERS, to allow, deny, compromise, or settle any claims, litigation, demands, actions, liabilities, losses, damages, injuries, and expenses (including attorneys' fees and defense costs) in any matter involving the SCERS Board of Retirement or its officers and/or members, or SCERS employees, provided that:

1. The amount to be paid pursuant to such claim, allowance, compromise, or settlement does not exceed \$50,000. If the amount to be paid exceeds \$50,000, the allowance, compromise, or settlement must be approved by the Board of Retirement.
2. The claim, allowance, compromise or settlement is with the concurrence of the General Counsel; and,
3. The claim, allowance, compromise or settlement is not subject to the terms of an insurance policy wherein the insurer is granted the authority to allow, deny, compromise, or settle claims or actions within the scope of such policy.

APPLICATION

Any contracts or contract amendments for goods and services entered into pursuant to Section A.2. of this delegation shall comply with the budget adopted by the Board.

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 contracts or contract amendments entered into pursuant to Section A.2. of this policydelegation for an amount greater than \$5,000, and any payments pursuant to Section B of this policy and any claims settled pursuant to this delegation.

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 decision.

RESPONSIBILITIES

Executive Owner: Chief Executive Officer

POLICY HISTORY

Date	Description
<u>03-20-2019</u>	<u>Board to approve the revised CEO Delegated Authority Policy for Expenses</u>
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04-17-2013	Board approved Delegation of Claims Settlement Authority in Resolution 2013-06
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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