
CHIEF EXECUTIVE OFFICER CHARTER

INTRODUCTION

- 1) The Board of Retirement will appoint a Chief Executive Officer who will serve at its pleasure. The Chief Executive Officer is the most senior executive of KCERA and is not subject to county civil service and merit system rules.

DUTIES AND RESPONSIBILITIES

Leadership and Policy Analysis

- 2) The Chief Executive Officer will provide leadership for staff in implementing the programs necessary to achieve the goals and objectives established by the Board. The Chief Executive Officer will manage the day-to-day affairs of KCERA in accordance with policies established by the Board, and may delegate duties to senior management and staff as necessary. In so doing, the Chief Executive Officer will solicit advice and counsel from the Board, the Chair, or individual trustees, as appropriate.
- 3) The Chief Executive Officer will provide support to the Board and its committees in establishing all policies of the Board including identifying and analyzing issues requiring Board policies or strategies, and providing well-supported recommendations for consideration by the Board or its committees. The Chief Executive Officer will be responsible for ensuring that all policies and strategies are properly implemented.

Authority

- 4) The Chief Executive Officer shall operate in a manner consistent with all Board policies and applicable legislation. Subject to any limitation set out in such policies and legislation, the Chief Executive Officer is authorized to:
 - a) Manage the day-to-day operations of KCERA;
 - b) Select and terminate the senior executives of KCERA including the Chief Operations Officer, Chief Investment Officer, and Chief Legal Officer; and, subject to review by legal counsel, offer employment to such personnel (see paragraph 12 below);
 - c) Develop and establish human resource staff positions and corresponding job specifications, as necessary for the proper administration and management of

KCERA and in furtherance of operational risk mitigation, which will be reported annually to the Administrative Committee as further set forth in the *Human Resources Report Protocol*, Appendix A of the Administrative Committee Charter.

- d) Hire service providers where:
 - i) The Board has not specifically retained the authority to hire such service providers; and
 - ii) The total value of the services to be rendered by the service provider over a 12-month period is not more than \$50,000 (see paragraph 16 below);
- e) Approve all qualified members who apply for service retirement and report such retirements to the Board at the next public meeting of the Board after retirement (\$31670);
- f) Resolve and settle disputes involving the over- or under-payment of:
 - i) Benefit payments to a member, provided such payment does not exceed \$20,000, consistent with the *Overpayment and Underpayment of Member Benefits Policy* and subject to review by Legal Counsel.
 - ii) Contributions made by a member, provided such payment does not exceed \$5,000, consistent with the *Overpayment and Underpayment of Member Contributions Policy* and subject to review by Legal Counsel.
- g) Settling and compromising claims and controversies (not directly involving over or under payments) on behalf of the Board and/or KCERA relating to benefits, personnel, and other legal matters.
- h) Notwithstanding f) above, if the present value of the settlement, claim, or compromise to be made by KCERA exceeds \$20,000, or the settlement or compromise involves multiple current or future KCERA members or beneficiaries, then such settlement or compromise shall require Board approval.

Governance

5) The Chief Executive Officer will:

- a) Recommend governance policies and charters to ensure appropriate board governance practices.
- b) Assist the Board in implementing its governance policies, charters, and the Regulations.
- c) Coordinate trustee education and travel.
- d) Serve as Secretary to the Board.

Risk Management

- 6) The Chief Executive Officer is responsible for monitoring, managing, and/or mitigating material risks to KCERA, including those pertaining to investments, funding, and operations. In keeping with this responsibility, the Chief Executive Officer will recommend risk management policies concerning all material aspects of KCERA, and oversee staff's implementation of such policies. The Chief Executive Officer will furthermore approve and implement any necessary risk management procedures to support the above policies.

Investments

- 7) The Chief Executive Officer is responsible for the KCERA investment program and for providing oversight of investment staff.
- 8) The Chief Executive Officer, delegating to the Chief Investment Officer as appropriate, will:
 - a) Recommend to the Board a written investment policy statement and other material investment policies necessary to properly invest the assets of KCERA.
 - b) Coordinate asset allocation studies.
 - c) Execute portfolio rebalancing and portfolio transitions.
 - d) Ensure appropriate due diligence is performed in connection with investment managers and other investment-related service providers.
 - e) Ensure that delegated authority relative to the selection and termination of investment managers is exercised within the parameters and constraints set by the Board.
 - f) Remain abreast of investment trends, issues and opportunities that may have implications for the investment program of KCERA.

Benefits Administration

- 9) The Chief Executive Officer will:
 - a) Recommend to the Board, as necessary, policies and service quality benchmarks 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 (e.g. *Overpayment and Underpayment of Member Benefits Policy*).
 - c) Prepare or oversee the preparation of all member communications in accordance with applicable policies and plans.
 - d) Manage the disability application and appeal processes in accordance with applicable policies and procedures.
 - e) Recommend annual cost-of-living adjustments to the Board.

- f) Maintain accurate records of member accounts.

Operations

10) The Chief Executive Officer will:

- a) Recommend to the Board, as appropriate, policies to ensure effective operations.
- b) Develop and recommend a strategic plan and other material plans to the Board, including updates, as necessary.
- c) Recommend the annual Operating Budget to the Board.
- d) Authorize payments related to the administration of KCERA, consistent with the Operating Budget and internal controls of KCERA.
- e) Account for and ensure appropriate collection, deposit and distribution of funds as required.
- f) Develop and implement operational controls, and procedures.
- g) Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer KCERA.
- h) Maintain the records of KCERA in a permanent and readily accessible format.

Finance, Actuarial and Accounting

11) 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 KCERA.
- c) Coordinate financial audits, actuarial valuations, actuarial experience studies, actuarial audits, and any other audits that may be required.
- d) File in the office of the County Auditor and with the Board of Supervisors an Annual Comprehensive Financial Report which will exhibit the financial condition of KCERA at the close of the preceding June 30th and its financial transactions for the fiscal year ending on that day (§31597.1).

Human Resources

12) The Chief Executive Officer is responsible for hiring, directing, and terminating all personnel of KCERA. This includes but is not limited to:

- a) Selecting and terminating the Chief Operations Officer, Chief Investment Officer, and Chief Legal Officer, providing an opportunity to the Board to interview candidates and provide input.
- b) When appropriate, and subject to review by legal counsel, offering employment to the above personnel.

- c) Ensuring KCERA's human resource practices are consistent with applicable legislation, agreements, and County requirements.
- d) Regularly assessing the human resource needs of KCERA and establishing human resource positions and corresponding job specifications, appropriate human resource programs, succession plans, and procedures to address them.

Litigation

13) The Chief Executive Officer will:

- a) Determine settlements and compromises within his/her authority as specified in paragraphs 4 e) and f) above and report to the Board accordingly.
- b) In consultation with the Chief Legal Officer, advise the Board concerning the commencement, conduct, settlement, and termination of all litigation involving KCERA that exceeds the authority of the Chief Executive Officer.
- c) Coordinate with the Chief Legal Officer on all legal proceedings involving KCERA.
- d) Develop and implement plans to comply with court rulings.

Communications

14) The Chief Executive Officer will:

- a) Ensure effective and timely communications with stakeholders on matters relating to the administration of KCERA.
- b) Recommend communications and disclosure-related plans or policies to the Board for approval.
- c) Serve as spokesperson for KCERA, conferring with the Chair in advance if the issue in question is significant.
- d) In consultation with the Chief Legal Officer, recommend for Board approval any legislative proposals to be initiated, supported or opposed by the Board.

Appointment of Service Providers

15) The Chief Executive Officer will perform or cause to be performed all due diligence for Board-appointed service providers, as listed in paragraph 16 of the Board Charter, and will provide the Board with appropriate recommendations.

16) The Chief Executive Officer may hire other service providers, consistent with the Operating Budget and other policies of the Board, provided that:

- a) The Board has not specifically retained the authority to hire such service providers; and
- b) The total value of the services to be rendered by the service provider over a 12-month period is not more than \$50,000.

Monitoring and Reporting

- 17) 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, concerns, or developments pertaining to KCERA, and provide recommended courses of action as appropriate.
- 18) The Chief Executive Officer will regularly monitor and report to the Board on the following issues:
- a) Implementation and continued appropriateness of all KCERA policies.
 - b) The funded status of KCERA and all issues that may reasonably have a significant impact on such status.
 - c) The investment performance of the Fund, the component asset classes, and the investment managers retained to manage the assets of the Fund.
 - d) The findings of any internal audits that may be performed.
 - e) Compliance by employees and KCERA service providers with the policies of KCERA.
 - f) The activities and performance of key service providers including the actuary, the financial auditor, the investment consultant, legal counsel, and the custodian.
 - g) The performance of Management.
 - h) The accuracy and timeliness of all payments due to and payable by KCERA.
 - i) KCERA's compliance with applicable laws and regulations.
 - j) In conjunction with the Chief Legal Officer, the status of all legal proceedings involving KCERA.
 - k) The status of the strategic plan, and any other material plans.

POLICY REVIEW AND HISTORY

- 1) This charter will be reviewed at least every five years.
- 2) This charter was:
 - a) Adopted by the Board on November 14, 2001.
 - b) Amended on January 28, 2004; June 23, 2004; September 27, 2006; July 28, 2010; December 12, 2012; April 13, 2016; March 11, 2020; August 11, 2021; April 13, 2022; December 14, 2022; and September 11, 2024.