

RETIREMENT CHIEF EXECUTIVE OFFICER

I. INTRODUCTION

- A. The Board has delegated to the Retirement Chief Executive Officer (CEO) responsibility for the administration and management of SCERA consistent with the policies of the Board. The CEO's executive responsibilities extend to all aspects of SCERA, including but not limited to:
 - 1. Administrative and governance support to the Board
 - 2. Strategic planning;
 - 3. Investment administration;
 - 4. Funding and actuarial activities;
 - 5. Human Resource management;
 - 6. Operations, compliance and member services;
 - 7. Financial, budget and audit functions;
 - 8. Governmental affairs/media relations;
 - 9. Legal affairs
 - 10. Data and cybersecurity; and
 - 11. Service provider selection.
- B. The CEO will provide leadership for SCERA staff in implementing the programs necessary to achieve the mission, goals, values and objectives established by the Board. The CEO will manage the day-to-day affairs of SCERA in accordance with applicable law and the regulations, resolutions, bylaws, charters and policies established by the Board, and may delegate duties to senior management as necessary.
- C. The CEO 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, ensuring policies support the mission and goals of SCERA and providing policy recommendations for consideration by the Board or its

committees. The CEO will be responsible for ensuring that all policies are implemented and followed.

II. DUTIES AND RESPONSIBILITIES

A. Administrative Support to the Board

1. The CEO will:

- a. Recommend to the Board, as necessary, policies to ensure appropriate plan Governance;
- b. Assist the Board in developing, implementing and following its Strategic Plan, Governance Policies, Regulations and Bylaws;
- c. Provide all support in arranging and coordinating Board and Committee meetings, and related presentations and materials; and
- d. Coordinate Board member education.

B. Investments

1. The CEO, in coordination with the Retirement Chief Investment Officer, will be responsible for the following:

- a. Recommending to the Board a written statement of Investment Policy and a Securities Litigation Policy;
- b. Recommending to the Board a written statement of investment philosophy;
- c. Recommending investment objectives to the Board, as well as strategies for achieving them;
- 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 SCERA;
- f. Executing portfolio rebalancing and portfolio transitions;

- g. Ensuring all necessary research is performed into investment trends, issues, and opportunities that may have implications for the investment program; and
 - h. Ensuring that all necessary investment manager due diligence is being performed in accordance with the Service Provider Selection Policy and related policies of the Board.
- 2. Recommend to the Board, for ratification, the appointment of the following core service providers:
 - a. The custodian;
 - b. Investment managers, including transition managers;
 - c. Securities lending managers;
 - d. Proxy-voting advisors;
 - e. Directed commission brokers; and
 - f. Other service providers determined by the Board.

C. Benefits Administration

- 1. The CEO, or their designee, 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 as appropriate;
 - e. Maintain accurate records of member accounts;
 - f. Provide the Board or its committees analysis and recommendations concerning discretionary determinations allowed by law;

- g. Ensure delivery of high standards of service to members including calculations, communications and counseling; and
- h. Exercise the Board's power and perform its duty to retire members under §31670 and report service retirements to the Board at a public meeting.

D. Operations

1. The CEO will:

- a. Recommend to the Board policies to ensure effective and secure operations;
- b. Develop and recommend an annual Business Plan to the Board;
- c. Recommend an annual Operating Budget to the Board pursuant to the Budget Approval Policy;
- d. Authorize payments, or empower a designee to authorize payments, related to the administration of SCERA consistent with delegated authority, the Operating Budget, and internal controls of SCERA;
- e. Account for and ensure appropriate collection, deposit, and distribution of funds as required;
- f. Implement and follow internal operational control policies;
- g. Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer SCERA, and periodically test the security of such systems;
- h. Maintain the records of SCERA in a permanent, secure, and readily accessible format; and
- i. Coordinate staff and Board travel in accordance with applicable policy.

E. Finance, Actuarial and Accounting

1. The CEO will:

- a. Recommend to the Board, as appropriate, financial, accounting, and actuarial policies;

- b. Implement and follow appropriate internal financial controls to safeguard the assets of SCERA;
- c. Assist the Board (Audit Committee) in coordinating the annual financial audit;
- d. Coordinate the actuarial valuation, periodic actuarial experience studies and audits; and
- e. Before June 30th of each year, file in the office of the County Auditor and with the Board of Supervisors a sworn statement which will exhibit the financial condition of SCERA at the close of the preceding December 31, and its financial transactions for the year ending on that day.

F. Human Resources

1. The CEO will:

- a. Regularly assess the human resource needs of SCERA and establish appropriate human resource programs and procedures, consistent with the human resources and compensation policies of the Board or, when appropriate, of the County of Sonoma;
- b. Oversee senior management in the hiring, management, and termination of staff; and
- c. Ensure appropriate staff succession provisions are in place to maintain continuity in all SCERA operations; and
- d. Provide or oversee the provision of coaching and training opportunities for SCERA staff.

G. Legislation and Litigation

1. The CEO 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 SCERA;

- c. In consultation with legal counsel, provide recommendations to the Board concerning settlement or other legal action involving SCERA; and
- d. Develop and implement plans to comply with court rulings.

H. Communications

- 1. The CEO will:
 - a. Develop and recommend to the Board a SCERA 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 SCERA; and
 - c. Act as official spokesperson on behalf of SCERA.

I. Appointment of Service Providers

The CEO will perform the necessary due diligence for service providers, and will appoint or recommend the appointment of service providers to contract with the Board as provided for in the Service Provider Selection Policy.

J. Monitoring and Reporting

- 1. The CEO will provide the Board with relevant, appropriate, and timely information to enable it to properly carry out its oversight responsibilities. Furthermore, the CEO will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to SCERA, and provide recommended courses of action as appropriate.
- 2. The CEO will develop and recommend to the Board the routine reporting to be provided to the Board, and will recommend additions or deletions to the routine reporting, as appropriate.
- 3. At a minimum, the CEO will regularly monitor and report to the Board on the following issues:
 - a. Implementation and continued appropriateness of all SCERA policies;
 - b. The funded status of SCERA and all issues that may reasonably be expected to have a meaningful impact on the funded 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 the annual financial audit, and of any internal audits that may be performed;
- e. Compliance by employees and service providers with the policies of SCERA;
- f. The activities and performance of Core Service Providers including the actuary, financial auditor, investment consultant, legal counsel, and custodian;
- g. The performance of senior management;
- h. The accuracy and timeliness of all payments due to and payable by, SCERA;
- i. Compliance with applicable laws and regulations;
- j. General SCERA operations; and
- k. In conjunction with counsel, the status of all legal proceedings involving SCERA.

IV. REVIEW

This Charter shall be reviewed by the Board at least every three years.

V. HISTORY

This Charter was adopted by the Board on 7/15/2004.

Reviewed on 7/19/2007 and 7/15/2010.

Reviewed and revised on 7/18/2013, 4/17/2014, 12/18/14, 7/28/2016, 1/25/2018, 2/28/2019, 2/17/2022 and 1/23/2025.