Policy Updates for Q3

City of San Jose – Office of Retirement Services

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Q3 Policies Under Review

- Review and update the CEO Charter, CIO Charter, and Board Education Policy as part of Q3 governance improvements.
- Gather Governance Committee feedback to inform redlined revisions for future submission.

CEO & CIO Charters: Governance Alignment

- Consolidate each Charter into a single document applicable to both Boards, eliminating duplication.
- Align the Charters with the Policy on Policies framework, including format, review cycle, and ADA compliance.
- Address technical inconsistencies by conforming outdated references, drafting deficiencies, and obsolete appendices.
- Adopt a delegation of authority matrix defining CEO and CIO roles, decision rights, and parameters across existing policies and resolutions.

CEO & CIO Charters: Delegation of Authority Matrix

- Strengthens fiduciary governance and compliance by centralizing delegation in one operational tool.
- Clarifies decision rights by defining who decides what across CEO and CIO roles.
- Improves efficiency and risk control by connecting existing governance documents into a unified framework.
- Enhances accountability, transparency, and continuity through a structured authority framework.
- Establishes a basis for periodic review and improvement of delegated authorities.

CEO/CIO Roles and Authority

- Resolve the misalignment between CEO and CIO authority and accountability within the current governance structure.
- Clarify accountability for investment outcomes, given the CEO’s administrative role and the CIO’s Board-granted investment authority.
- Coordinate updates across the CEO Charter, CIO Charter, IPS, and evaluation frameworks to align responsibilities with accountability.

CEO Charter

- Define the CEO's role in supporting Board governance, including responsibilities for agendas, materials, and follow-up tracking.
- Reference City Liaison Role & MOU with the City
- Clarify operational authority across functions and align the Charter with the current organizational structure.
- Strengthen the CEO's role in strategic planning, trustee onboarding, organizational culture, ethics, and Board-directed City liaison responsibilities.

CIO Charter

- Position the CIO Charter as a governance document and the IPS as the primary source of investment authority, reducing duplication and inconsistencies.
- Establish a structured framework for CIO delegated authority across manager and consultant selection, implementation, risk oversight, and contract execution.

Board Education Policy

- Streamline the framework by consolidating the two Board Education Policies and aligning them with the Trustee Educational Travel Policy.
- Strengthen governance alignment through clear cross-references to the Gift Policy, Board Performance Assessment Policy, charters, and related governance documents.
- Modernize education expectations by clarifying proficiency standards, reassessing minimum education requirements, and updating training obligations.
- Enhance strategic value and oversight by linking education planning to board self-assessments, expanding reporting, and improving knowledge-sharing across the Board.
- Improve onboarding and accountability through updated orientation materials, stronger mentorship and reference tools, and clearer compliance expectations.

CEO Charter — Summary

Theme	Commentary	Recommended Action
Governance structure	The Charter is maintained separately across FED and P&F, creating duplication and inconsistency	Unify into a single charter across both Boards
Alignment with governance framework	Alignment with the Policy on Policies, evaluation policies, and other governance documents needs strengthening	Standardize format, review cycle, and cross-referencing
Delegation framework	Delegated authority is scattered across multiple documents with no centralized structure	Implement a formal Delegation of Authority Matrix
Thresholds and controls	Contract thresholds and vendor aggregation rules do not reflect current practices	Update thresholds and control mechanisms to current standards
Organizational role	The CEO's role in Board governance processes (agendas, materials, follow-up) is insufficiently defined	Define explicit governance support and accountability expectations
Operational authority	Authority scope across administrative and functional areas lacks clear definition	Align responsibilities, authority, and accountability

CIO Charter — Summary

Theme	Commentary	Recommended Action
Governance positioning	The Charter overlaps with the IPS on investment authority, creating duplication and ambiguity	Define distinct roles for the Charter and the IPS
Consolidation and alignment	Like the CEO Charter, documents need consolidation and alignment with the Policy on Policies framework	Consolidate and standardize across policies
Delegation framework	Delegated investment authority lacks clear structure for manager selection and implementation	Establish a structured decision-making framework
Authority gaps	Key authorities, including contract execution, are not addressed in current documents	Codify these authorities in the appropriate documents
Governance boundaries	Board, CIO, and staff role boundaries lack clear articulation	Delineate policy-setting, execution, and monitoring responsibilities

Board Education Policy — Summary

Theme	Commentary	Recommended Action
Policy alignment	Overlap and inconsistencies exist with the Travel, Gift, and Board Performance Assessment Policies	Harmonize and remove duplication across related policies
Consolidation	Separate Board versions exist despite substantial overlap	Merge into a single, unified education policy
Strategic linkage	Education activities lack explicit ties to Board priorities, self-assessments, and strategic objectives	Link education activities directly to governance priorities
Standards and expectations	Trustee knowledge and education expectations lack clear definition	Establish clear guidance and minimum education standards
Oversight and reporting	Reporting and knowledge-sharing practices need expansion for better visibility	Implement structured reporting and information-sharing protocols

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