

**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM
CEO OF RETIREMENT SERVICES CHARTER**

[NOTE: Edits are intended to align with the Policy Regarding Roles in Vendor Selection.]

INTRODUCTION & BACKGROUND

- 1) In accordance with the City Charter, the Board of Police and Fire Department Retirement Plan and the Board of the Federated City Employees Retirement System shall appoint and prescribe the duties of the Chief Executive Officer (CEO) and the Chief Investment Officer (CIO).
- 2) The CEO is the head of the Office of Retirement Services and is responsible for providing staff services to the Board as required for the Board to fulfil its duty to administer the System (2.04.3120; 3.32.040).
- 3) This Charter summarizes the responsibilities of the CEO and clarifies the delineation of roles among the CEO, the CIO, and the Board. It also summarizes key responsibilities of the CEO as described in the System's governing legislation.
- 4) Given the complex and changing nature of the System, it is neither realistic nor practical to believe that a single document can address every situation or activity that may arise in the governance and management of the System. This Charter attempts to provide a general framework for describing the role of the CEO and the CEO's relationship with the Board. The Board expects that should uncertainty arise concerning roles and responsibilities, the matter will be discussed, resolved and, where appropriate, documented in the appropriate policy for future reference.
- 5) In establishing this policy, the Board operates on the basis that its role should be focused primarily on setting policy and direction and overseeing the management of the System, and that the CEO will be responsible for managing the day-to-day operations of the System in accordance with policies and other controls established by the Board.
- 6) This policy describes various responsibilities of the CEO; it does not provide details or procedures on how the CEO is to carry out said responsibilities. Such details may be found in relevant policies or procedures.
- 7) All authority and responsibilities delegated or assigned herein to the CEO are subject to any parameters or controls that have been, or may be, established by the Board. Such parameters may take various forms including but not limited to policies, rules, directions, plans, and budgets.
- 8) The CEO may delegate, as appropriate, any and all of his or her duties, but shall remain responsible for supervising delegates to ensure proper completion of said duties.

- 9) Where the CEO is required herein to provide a recommendation to, or otherwise advise or inform, the Board, such recommendation, advice, or information may instead be provided to an appropriate committee of the Board as circumstances warrant.

Duties & Responsibilities

Leadership & Management

- 10) The CEO shall manage and direct the day-to-day affairs of the System, including both the benefit and investment administration functions; implement all policies and decisions of the Board, and carry out all duties set out in legislation or this policy, or otherwise assigned to the CEO by the Board. In doing so, the CEO is expected to keep the Board apprised of all material information and developments in a timely manner.
- 11) The CEO is responsible for providing executive leadership for the System in regards to vision, strategy, and operations. In doing so, the CEO will solicit advice and counsel from the Board as appropriate.
- 12) The CEO shall have the authority to make all necessary expenditures for the sole benefit of the members and beneficiaries of the System, to manage the operations of the System and implement the policies and decisions of the Board, subject to applicable legislation, board policies, controls, and approved budgets.

Board Governance

- 13) The CEO shall be Secretary to the Board (2.08.1090) and as such is responsible for supporting the Board in managing its governance and meeting practices.
- 14) The CEO will co-ordinate and support the Board's internal and external educational activities, including board member travel.

Policy & Decision-making

- 15) The CEO is responsible for ensuring the Board is provided all necessary staff and advisory support to allow for prudent policy-setting and decision-making. This requires that the CEO:
- a) Identify and analyze all issues requiring a Board policy or decision;
 - b) Provide recommendations and supporting information or analysis; and
 - c) Assist in the periodic review and updating of Board policies and decisions.
- 16) The CEO shall develop and approve all necessary operating procedures to guide staff and vendors in implementing board policy or direction. The CEO will inform the Board of such procedures as the CEO deems necessary, or as requested by the Board.

Vendors

- 17) The CEO is responsible for:
- a) Ensuring all necessary due diligence is performed by staff or advisors in connection with vendors to be appointed by the Board; and furthermore that the Board is provided staff

- recommendations concerning such appointments;
- b) Selecting and appointing all vendors for which the Board has not retained selection or appointing authority, ensuring all appropriate due diligence is performed in connection with such decisions;
- c) Executing contracts with vendors of the System; and
- d) Supervising and directing all vendors on a regular basis.

Human Resources

- 18) Subject to City rules and regulations, and the exceptions noted below, the CEO shall manage the personnel of the Office of Retirement Services.
- 19) With the exception of the CIO, the CEO may appoint and prescribe the duties of the professional and technical employees and clerical employees employed in the office of retirement services. The CEO shall consult with the Board when appointing and prescribing the duties of the Chief Operating Officer and any other senior officers that may be required.
- 20) Though the Board, together with the Board of the Federated City Employees Retirement System, shall appoint and prescribe the duties of the CIO, the CEO shall work with the Joint Personnel Committee in the CIO recruitment and selection process.
- 21) With the exception of the CIO, when the CEO deems it necessary for the good of the service he or she may suspend without pay, demote, discharge, remove or discipline any such employee in the Office of Retirement Services subject to any applicable Civil Service provisions of the Charter and any Civil Service Rules adopted thereto; and shall advise the Board of such actions in a timely manner. In the case of the CIO, the CEO may only advise the Board with respect to such matters.
- 22) The CEO shall regularly assess the human resource needs of the Office of Retirement Services and provide recommendations to the Board regarding:
 - a) Human resources and compensation policies,
 - b) The creation or elimination of staff positions.
- 23) The CEO shall ensure necessary employee training, development, and succession programs are in place to meet the needs of the office of retirement services.

Planning

- 24) The CEO will support the Board in setting the direction of the organization by developing and recommending to the Board appropriate long-term goals, plans, or strategies, as well as appropriate operating and capital budgets.
- 25) The CEO shall have the authority to develop and approve any staff-level plans necessary to implement the plans and budgets adopted by the Board and approved by the City, and will inform the Board of such plans as necessary or as requested by the Board.

Financial & Accounting

- 26) The CEO will be responsible for developing and recommending to the Board:

- a) Policies relating to material accounting and audit issues;
- b) The scope of the financial audit; and
- c) The annual and quarterly financial statements of the System and related audit reports, and the Comprehensive Annual Financial Report (CAFR).

27) The CEO will be responsible for:

- a) Ensuring accurate and complete financial books and records are kept for the System; and
- b) Establishing and maintaining controls and reporting processes relating to the financial condition of the System.

Benefits & Funding

28) The CEO will be responsible for among other things:

- a) Coordinating the preparation of actuarial valuations.
- b) Advising the Board with respect to assumptions and methodologies used in preparing actuarial valuations.
- c) Coordinating actuarial experience studies and actuarial audits as required.
- d) Advising the Board as to such mortality, service, and other actuarial tables as may be necessary.
- e) Advising the Board as to contributions to fund benefits for sickness, accident, hospitalization, dental, or medical expenses.

Risk Management

29) The CEO is responsible for:

- a) Establishing and implementing processes to identify, monitor, manage, or mitigate material risks to the organization;
- b) Ensuring the Board is kept apprised of staff's risk management activities, and of any material concerns that may arise in connection with such activities that are not being properly managed or mitigated.

Stakeholder Communications

30) The CEO will support and advise the Board with respect to stakeholder communications. This shall include but is not limited to:

- a) Providing the Board with advice and recommendations in connection with all communication plans, policies, frameworks, and related decisions requiring Board approval or action.
- b) Implementing any communication-related policies, strategies, or initiatives.
- c) Keeping the Board informed of material communication issues and developments.

31) As directed by the Board, the CEO will:

- a) Notify the City Council of any Board concerns with respect to positions on legislation at the state and federal level that relate to the retirement system, consistent with the process set out in Council Policy 0-4, Involvement in the Legislative Process.
- b) Provide the City Council with any recommendations of the Board concerning proposed

ordinances amending the Federated City Employees' Retirement System.

- 32) Consistent with applicable policies, plans, and directions of the Board, the CEO, co-ordinating with the Chair as appropriate, shall be responsible for engaging in effective communications with all stakeholders of the System, including, but not limited to, City Council and City Administration. The goal of such communications shall be to ensure the City and other stakeholders have a sufficient understanding of the workings of the System and its potential impact on stakeholders. In regards to the City, this responsibility shall include working with City staff to determine the types of retirement board activities and meeting agenda items about which the City should be specifically notified.

Investments

- 33) The CEO has broad responsibility and accountability for ensuring that the investments of the Plan are administered prudently and that the Investment Committee and the Board are provided sound and prudent investment analysis and recommendations from staff.
- 34) While the Board appoints and prescribes the duties of the CIO, the CEO is responsible for the day-to-day direction and oversight of the CIO. The CIO shall provide independent investment analysis and recommendations directly to the Investment Committee and the Board.
- 35) As part of the CEO's duty to oversee the CIO, the CEO shall:
- a) Review the work, analysis, and recommendations of the CIO and provide input and advice to the CIO, as appropriate.
 - b) As necessary, also provide independent advice and input to the Investment Committee or the Board.
 - c) Ensure prudent implementation of the Board's investment policies and strategies, and work with the CIO to achieve the investment performance goals of the Plan.
 - d) Ensure the CIO and the investment program operate in accordance with applicable Board and City policies and procedures, applicable law, and generally accepted industry standards.
 - e) Evaluate the performance of the CIO on at least an annual basis, with input from the Board.
 - f) Work with the CIO to identify the resources necessary to ensure the long-term effectiveness of the investment function and recommend corresponding budgets for Board approval.

Benefit Administration & Operations

- 36) The CEO shall have all necessary authority to administer benefits to plan members and beneficiaries in accordance with the terms of the Plan and applicable legislation. This includes but is not limited to:
- a) Keeping such records as are necessary to determine each member's, former plan member's, or his or her beneficiaries' or dependents' benefits under the Plan, and to determine the amount of such benefits as they become due.
 - b) Processing of member transactions and contributions.
 - c) Adjusting any benefit payments and collecting overpayments of benefits pursuant to and in

- accordance with the law and Board policy.
- d) Establishing procedures to be followed in filing applications for benefits.
 - e) Taking all necessary and appropriate efforts to ensure timely receipt and allocation of contributions.
 - f) Processing all claims against the System.
 - g) Entering into leases or purchases of such lands, premises, materials, supplies and equipment as may be necessary to administer the System, subject to board policies, rules, directions, and budgets.
 - h) Advising the Board with respect to fiduciary liability insurance and other insurance for the System, and subsequently implementing the Board's directions with respect to such insurance.

37) Subject to board policies, rules, directions, and budgets, the CEO is authorized to enter into any contract ~~that does not exceed~~ up to \$50,000 in value over the term of the contract. Any contract in excess of this amount shall require Board approval. Board approval is also required for any contracts that would result in a cumulative contract value with a single the vendor in excess of \$50,000 ~~question that exceeds \$50,000~~ over two consecutive fiscal years. All contracts entered into by the CEO shall be reported to the Board in a timely manner.

Litigation

38) The CEO will be responsible for:

- a) Recommending to the Board, in consultation with legal counsel, the commencement, conduct, settlement and termination of all litigation involving the Plan or Fund.
- b) Accepting service of summons and any other legal service of process for and on behalf of the Board and the System.

Emergency Situations

39) The CEO may act on matters not expressly set out in this document, provided the action is, in the CEO's judgment, necessary to protect the System, its employees, or the Fund from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a meeting of the Board or its committees.

40) The CEO shall promptly report to the Board any actions taken in accordance with paragraph ~~37~~ 39 above along with the reasons for doing so.

Reporting & Monitoring

- 41) The CEO is responsible for developing and implementing appropriate reporting systems to enable the Board to oversee the Plan and Fund. At a minimum, such information and reporting shall enable the Board to:
- a) Monitor the performance of the member services and benefit delivery functions.
 - b) Monitor the performance of the investment function.
 - c) Monitor implementation of or compliance with:
 - i) Applicable legislation;
 - ii) All policies of the System;

- iii) Strategic plans, business plans, and related planning documents;
- iv) Risk management processes; and
- v) Operating and capital budgets.

Other

- 42) The CEO shall timely report to the Board when engaging in any activities requested by any party other than the Board itself and that would affect the Board's administration of the System.
- 43) The CEO will be responsible for performing such other duties as the Board may determine.

Policy Review & History

- 44) This policy will be reviewed at least every three years.
- 45) This policy was approved by the Board on April 19, 2012. Reviewed and amended on May 19, 2016. Amended Dec. 21, 2017. Approved by the Board June 21, 2018. [Approved by the Board on October 17, 2019.]