

Memorandum

TO: Governance Committees of the
Police & Fire Department Retirement Plan
and Federated City Employees' Retirement System

FROM: John Flynn

SUBJECT: Delegation of Authority to CEO for Approval
of City Policies for ORS Operations

DATE: March 18, 2026

RECOMMENDATION

Discussion and action to recommend delegating authority to the Chief Executive Officer (CEO) to approve City policies applicable to the operations of the Office of Retirement (ORS).

BACKGROUND

A Memorandum of Understanding (MOU) was signed between Police & Fire and Federated Board Chairs and the City Manager on August 16, 2024, which stipulated the following as it relates to policies:

- If the City makes a change or adopts a new policy affecting the operations of ORS, the City will allow the Boards of Administration ("Boards") the opportunity to review the changes and provide comment. The CEO has been designated as the liaison to City Administration to provide comments.
- Unless affecting fiduciary obligations, City policies that have been shared with the Board will be adopted within 90 days of the effective date of the policy.
- If ORS or the Boards wish to make a change or adopt a new policy affecting the operations of ORS, City Administration should have the opportunity to review changes and provide comment.

Under the current process, the City Manager's Office (CMO), or another City department, notifies ORS of any new or revised City policy. ORS staff then reviews the policy to assess its impact on ORS operations. If concerns are identified, the policy is brought to the Governance Committees for discussion. If no concerns are identified, the policy is presented at the next Board meeting under New Business with a recommendation for adoption.

ANALYSIS

Since the execution of the MOU, no City policies submitted for Board review have raised operational concerns, and all have been recommended for adoption by ORS staff and subsequently approved by the Boards. Although recent policy notifications have improved, ORS

has not always received timely notice of new or revised City policies, and in some instances, notification occurred well after the policy's effective date. This creates a governance gap between the City's adoption of a policy and the Board's formal approval, during which employees may be uncertain about which policy applies (the prior City policy or the new policy). Because the Boards serve as the policy-making authority for ORS, this gap presents a governance risk that should be addressed.

ORS staff has been working with the CMO to strengthen the policy notification process. To further address the gap described above, staff recommends that the Boards grant the CEO authority to approve City policies applicable to ORS operations, ensuring a timely approval process. This authority would operate as follows:

1. The CMO or other City department notifies ORS of a new or revised City policy.
2. ORS staff reviews the policy and evaluates its impact on ORS operations.

If no concerns are identified:

The CEO approves the City policy on behalf of the Boards. The approved policy is then placed on the consent calendar of the next scheduled Board meeting, to notify the Boards and provide an opportunity to raise any concerns. If concerns are raised, the policy may be referred to the Governance Committee for further discussion.

If concerns are identified:

The CEO approves the City policy on an interim basis to close the governance gap and refers the matter to the Governance Committee for discussion, or to the next full Board meeting, if the matter is urgent.

The Boards retain full policy-making authority. This delegation allows the CEO to act promptly so that ORS employees have clear direction on applicable policies, while preserving Board oversight through agenda notification and the ability to refer any policy for further review. The Boards retain full authority to modify or rescind any CEO-approved City policy as it applies to ORS operations.

CONCLUSION

ORS staff recommend that the Governance Committees recommend to the Boards the delegation of authority to the CEO to approve City policies applicable to the operations of the ORS.



John Flynn
Chief Executive Officer, ORS