



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

GOVERNANCE COMMITTEE/BOARD MEETING
NOTICE and AGENDA

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE [SEE EXECUTIVE ORDER N-29-20 ATTACHED AT THE END OF THIS AGENDA]

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**May 19, 2021
9:30 A.M.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
<p>The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. PLEASE CLICK THE LINK BELOW TO JOIN THE WEBINAR: https://us02web.zoom.us/j/87926998897?pwd=NFJuazFtcWJlRm15eWdiUVdPYzcxZ09 PASSCODE: 549621 OR TELEPHONE: DIAL (FOR HIGHER QUALITY, DIAL A NUMBER BASED ON YOUR CURRENT LOCATION): US: +1 669 900 6833 OR +1 346 248 7799 OR +1 253 215 8782 OR +1 929 205 6099 OR +1 301 715 8592 OR +1 312 626 6799 WEBINAR ID: 879 2699 8897 PASSCODE: 549621</p>	OPHELIA BASGAL, CHAIR	APPOINTED
	LIZ KOPPENHAVER, VICE CHAIR	ELECTED RETIRED
	JAIME GODFREY	APPOINTED
	HENRY C. LEVY	TREASURER
	GEORGE WOOD	ELECTED GENERAL

This is a meeting of the Governance Committee if a quorum of the Governance Committee attends and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Governance Committee and the Board if a quorum of each attends.

The order of agenda items is subject to change without notice.

Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at www.acera.org.

Public comments are limited to four minutes per person in total.

ACERA will make reasonable accommodations for persons with special needs for accessibility who plan to attend Board or Committee meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

GOVERNANCE COMMITTEE / BOARD MEETING

NOTICE and AGENDA, Page 2 of 2 – May 19, 2021

Call to Order: 9:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for Discussion and Possible Motion by the Committee

1. Review of the *CEO Job Duties and Delegation of Authority Policy*.

Staff Recommendation

That the Governance Committee recommend to the Board that the *CEO Job Duties and Delegation of Authority Policy* continues to be necessary and appropriate and that the Board make the revisions to the *CEO Job Duties and Delegation of Authority Policy* shown in the redline included with this agenda packet.

– Jeff Rieger, Chief Counsel

2. Review of the *Emergency CEO Succession Policy*.

Staff Recommendation

That the Governance Committee recommend to the Board that the *Emergency CEO Succession Policy* continues to be necessary and appropriate and that the Board make the revisions to the *Emergency CEO Succession Policy* shown in the attached redline included with this agenda packet

– Jeff Rieger, Chief Counsel

3. Review of the *CEO Evaluation Policy*.

Staff Recommendation

That the Governance Committee recommend to the Board that the *CEO Evaluation Policy* continues to be necessary and appropriate and that the Board make the revisions to the *CEO Evaluation Policy* shown in the attached redline included with this agenda packet.

– Jeff Rieger, Chief Counsel

Trustee Input

Establishment of Next Meeting

Adjournment

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 17th day
of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State




Office of the Chief Counsel

To: Governance Committee

From: Jeff Rieger, Chief Counsel

Meeting: May 19, 2021

Subject: **Proposed Revisions To Three CEO-Related Policies**



At this meeting, the Committee will review proposed amendments to three policies that relate to the ACERA Chief Executive Officer (CEO): (1) *CEO Job Duties and Delegation of Authority Policy*; (2) *Emergency CEO Succession Policy*; and (3) *CEO Evaluation Policy*. The proposed revisions, which are shown in the attached redlines, are for clarification purposes and do not fundamentally change the policies. Below is a summary of the proposed revisions, other than simple line edits:

CEO Job Duties and Delegation of Authority Policy

Delete the following underlined language: "The CEO will be responsible for ensuring that all policies of the Board and provisions of the 1937 Act, with the exception of governance policies pertaining to the conduct of the Board, are properly implemented." It is not clear which policies the underlined language refers to or why the CEO would not be responsible for the proper implementation of those policies. If the Board wishes to keep the underlined language, I recommend listing the policies to which the language refers.

Emergency CEO Succession Policy

1. Change the reference to "emergency" meeting to "special" meeting. An "emergency" meeting is a term of art under the Brown Act and the scenario described in the Policy (temporary lack of a CEO) does not qualify as an "emergency." See Gov't § 54956.5. Note: A "special" meeting requires only 24-hour notice. See Gov't § 54956.
2. Clarify when the Board will meet in closed session and the statutory bases for such closed sessions.

CEO Evaluation Policy

1. Clarify that a mid-year review of the CEO is optional. The Board has not regularly conducted a mid-year reviews of the CEO.
2. Clarify when the Board will meet in closed session and the statutory bases for such closed sessions.



CEO Job Duties and Delegation of Authority Policy

I. Introduction:

The Chief Executive Officer (CEO) plans, organizes, and directs the operations of ACERA in accordance with the Board of Retirement's ("Board") mission, goals, objectives, and policies and the 1937 Act, and provides executive leadership to the Alameda County Employees' Retirement Association ("ACERA" ~~or "Association"~~).

II. Duties and Responsibilities:

A. *Leadership and Policy Analysis*

1. The CEO will provide leadership for the ACERA staff in implementing the programs necessary to achieve the mission, goals and objectives established by the Board. The CEO will manage the day-to-day affairs of ACERA in accordance with policies established by the Board, and may delegate duties to senior management as necessary. In so doing, the CEO will solicit advice and counsel from the Board, the Chair, or individual Board members, as appropriate.
2. The CEO will provide support to the Board and its committees in establishing all policies of the Board including identifying and analyzing issues related to Board policy, and providing well-supported policy recommendations for consideration by the Board or its committees.
3. The CEO will be responsible for ensuring that all policies of the Board and provisions of the 1937 Act, ~~with the exception of governance policies pertaining to the conduct of the Board,~~ are properly implemented.
4. At the Board's direction, the CEO will represent ACERA's interests at trade and professional organizations, the County Board of Supervisors, and before the State Legislature.

B. *Governance*

1. The CEO will:
 - a. Recommend to the Governance Committee policies to help ensure appropriate governance practices;
 - b. Assist the Board in implementing its governance policies and related governance documents;
 - c. Assist with Board member education and travel.
2. The CEO will serve as Secretary to the Board and, as such, will carry out the following duties:
 - a. Coordinate meetings, agendas, schedules and presentations for both Board and Committee meetings in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.
 - b. Maintain minutes of Board and Committee meetings;
 - c. Sign minutes upon approval of the Board;
 - d. Sign subpoenas.

C. *Investments*

1. The CEO will:
 - a. Employ a Chief Investment Officer (CIO) with appropriate education and experience in institutional investing;
 - b. Carry out the duties described in this section through the CIO and other professional investment staff;
 - c. Assist the Board in developing and revising an Investment Plan. Implement such plan, including the monitoring of consultants and investment managers and implementing the investment portfolio re-balancing policy.
 - d. Recommend to the Board strategies for achieving the investment objectives;

- e. Implement the strategies approved by the Board by establishing manager structures of reach asset class, which includes determining:
 - 1) The number of investment manager mandates to be established; and
 - 2) The size of each investment manager mandate.
- f. Ensure executive portfolio rebalancing and portfolio transitions;
- g. Ensure that necessary research is performed into investment trends, issues and opportunities that may have implications for the investment program of ACERA;
- h. Ensure all necessary investment manager due diligence is performed in accordance with Board policy; and
- i. Oversee the recommendation of investment managers for appointment by the Board.

D. *Benefits Administration*

- i. The CEO will:
 - a. Recommend to the Board, as necessary, policies to ensure effective and efficient 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. In consultation with medical evaluators and legal counsel, recommend disability applications to the Board for its consideration;
 - d. Maintain accurate records of member accounts;
 - e. Ensure delivery of high quality of service to members including calculations and counseling; and
 - f. Develop staff policies and procedures to ensure effective and efficient administration of member benefits.

E. *Operations*

i. The CEO will:

- a. Recommend to the Board, as appropriate, Board policies designed to help ensure effective operations;
- b. Develop and recommend a business plan to the Board, as well as updates to the plan as necessary;
- c. Recommend the annual Operating Budget to the Board;
- d. Execute or approve agreements and authorize payment related to the administration of ACERA consistent with the Operating Budget and internal controls of ACERA.
- e. Account for and ensure appropriate collection, deposit and distribution of funds as required;
- f. Implement internal operational control policies;
- g. Ensure the appropriate design, acquisition, implementation and maintenance of all technological systems required to administer ACERA.
- h. Cause to be prepared a comprehensive annual financial report on the operations of ACERA for Board approval;
- i. Maintain the records of ACERA in a permanent and readily accessible format; and
- j. Maintain an effective working relationship with the County and other plan sponsors of ACERA.

F. *Finance, Actuarial and Accounting*

i. The CEO will:

- a. Recommend to the Board financial and accounting policies;

- b. Implement appropriate internal financial controls to safeguard the assets of ACERA;
- c. Assist the Board in coordinating the annual financial audit;
- d. Coordinate the actuarial valuation, actuarial experience studies, and actuarial audits, and
- e. File in the office of the County Auditor and with the Board of Supervisors a sworn statement which will exhibit the financial condition of ACERA at the close of the preceding calendar year and its financial transactions for the year ending on that day. (~~CC~~ Gov't Code § 31597)

G. *Human Resources*

- i. The CEO will:
 - a. Recommend a human resources and compensation policy to the Board;
 - b. Assess the human resources needs of ACERA and establish and implement appropriate human resource programs and procedures, consistent with the human resources and compensation policy of the Board;
 - c. Hire, manage and terminate senior management, and oversee the hiring, management and termination of all other staff,
 - d. Develop training and job development programs for ACERA as approved in the Operating Budget; and
 - e. Set compensation for ACERA senior management and unrepresented employees, and implement compensation changes for represented employees negotiated through the collective bargaining process.

H. *Monitoring and Reporting*

- i. The CEO will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight and fiduciary responsibilities. Furthermore, the CEO will apprise the Board in a timely manner of all significant

issues problems, or developments pertaining to ACERA, and provide recommended courses of action as appropriate.

2. The CEO will:
 - a. Review all policies of ACERA on a regular basis to ensure they are being followed and continue to meet the needs of ACERA.
 - b. Monitor the funded status of ACERA and all issues that may reasonably have a significant impact on such status;
 - c. Monitor the investment performance of the fund, the component asset classes, and the investment managers retained to manage the assets of the fund;
 - d. Review and respond to the findings of the annual financial audit and of any internal audits that may be performed.
 - e. Monitor employees and service providers of ACERA to ensure compliance with the policies of ACERA, and to hire and terminate such service providers consistent with Board direction.
 - f. Review the activities and performance of key service providers including the actuary, financial auditor, investment consultant, legal counsel, and custodian on a regular basis.
 - g. Monitor and evaluate the activities and performance of senior management;
 - h. Monitor the accuracy and timeliness of all payments due to and payable by ACERA;
 - i. Monitor ACERA's compliance with applicable laws and regulations; and
 - j. In conjunction with legal counsel, monitor the status of all claims, demands, disputes and legal proceedings involving ACERA and report to the Board of Retirement as appropriate.

III. Policy Review

The Governance Committee shall review this policy at least every three (3) years, or whenever a vacancy exists in the Chief Executive Officer position, to ensure that it remains relevant and appropriate.

IV. Policy History

A. The Board adopted the Chief Executive Officer Job Description on March 16, 2000¹.

B. The Board reviewed and adopted this Policy, with revisions, on ~~June 21, 2018~~May 20,
2021.

¹ The Board of Retirement adopted the CEO Job Duties and Delegation of Authority Policy on March 16, 2000. The Board reviewed and adopted this Policy, with revisions, on December 21, 2006; March 19, 2009; April 21, 2011; September 19, 2013; October 16, 2014; and June 21, 2018. The Board reviewed and adopted this Policy, without revisions, on December 19, 2013, and July 21, 2016.



Emergency CEO Succession Policy

I. Purpose

The purpose of the Emergency CEO Succession Policy is to ensure that in the event of a crisis or vacancy in executive leadership at the Chief Executive Officer “CEO” level, a clear and rational plan exists to ensure continuity in leadership, thus mitigating the risk of interruptions in plan operations. This Policy ensures that there are qualified employees (or a means of recruiting them) who are able to take over when the CEO exits the agency to continue providing excellent service during times of transition.

II. Objectives

- A. The loss of the ~~Chief Executive Officer~~ (CEO) for any reason requires a swift and considered response in order to minimize potential disruptions to ~~the Association~~ ACERA.
- B. ACERA accepts the need to maintain, whenever possible, a separation between the roles of the Board and management, even if the CEO should be unable or unwilling to carry on in his/her capacity as the senior executive officer of ~~the Association~~ ACERA.

III. Assumptions & Principles

- A. In the event that the CEO is unable or unwilling to carry out his/her duties due to death, illness, departure from employment, or other reason, the incumbents in the positions below shall, in the order listed, immediately assume the role of CEO and assume all responsibility and authority delegated to the CEO until the next scheduled board meeting:
 - i. List of Incumbent Positions in Succession Order
 - a. Assistant CEO Benefits
 - b. Assistant CEO Fiscal & Information Services
 - c. Chief Counsel

2. If one of the incumbents in the positions above assumes the duties of the CEO, at the next regularly scheduled Board meeting, the Board shall select an Interim CEO from the list above or any other candidate the Board deems qualified and appropriate to assume the duties of the CEO.
 3. If the incumbents in the positions above are unable or unwilling to carry out the responsibilities of the CEO until the next scheduled Board meeting, the Board shall promptly convene ~~an emergency-special~~ meeting of the Board to select an appropriate interim replacement from among senior management or any another candidate the Board deems qualified and appropriate.
- B. In selecting an Interim CEO, the Board shall give consideration to the skills and experience of the candidates and the extent to which they best match the minimum qualifications for the position and the needs of ACERA on an interim basis.
- C. Once the Board selects Interim CEO, the Board shall ratify the Interim CEO's authority.
- D. After selection and ratification of the Interim CEO's authority to assume the responsibilities of the CEO on an interim basis, the Board shall:
1. Negotiate with the Interim CEO concerning his/her compensation package within the established salary range of the CEO Position, and
 2. Initiate a process to select and appoint a permanent successor to the CEO.
- E. In the event that an Assistant CEO position should become vacant, the CEO shall promptly inform the Board of Trustees and initiate a process to identify a replacement for the Assistant CEO as soon as possible.
- F. ~~The Brown Act provides "[N]othing contained in this chapter shall be construed to prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider appointment, employment, evaluation of performance, discipline, or dismissal of a public employee...."~~ When the Board meets to discuss and select or to evaluate the Interim CEO, the ~~Brown Act permits to the Board to~~ may meet in closed session under Gov't Code § 54957(b), but discussions regarding compensation will occur either in open session or in closed session under Gov't Code § 54957.6.

Discussions regarding compensation must occur at a regular (not special) meeting. See Gov't Code § 54956(b).

- G. The CEO will establish a procedure for delegating an acting CEO in his/her absence in the event he/she will be temporarily unavailable due to vacation or attendance at a conference or training. Such procedures will include notice to the Board and permit the CEO to delegate duties and responsibilities to the acting CEO and other members of the Senior Management Staff.

IV. Policy Review

The Governance Committee shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

V. Policy History

- A. The Board adopted this policy on July 17, 2001.
- B. The Board reviewed and adopted this policy, with revisions, on ~~November 19, 2017~~ May 20, 2021.¹

¹ Adoption date: July 17, 2001. Amendment dates, with revisions (except as noted): January 19, 2006; March 20, 2008; June 17, 2010; December 15, 2011; December 19, 2013; December 17, 2015 (without revisions); and November 16, 2017.



CEO Evaluation Policy

I. Purpose

- A. The purpose of the CEO Evaluation Policy is to provide a documented process that the Board ~~shall~~will follow when assessing the CEO's performance, providing him/her with feedback, and determining his/her compensation on an annual basis.

II. Objectives

- A. Evaluating the performance of the CEO is one of the most important duties of the ACERA Board of Trustees. Accordingly, the process should be designed to include the active participation of all trustees.
- B. With regards to the annual evaluation process, timing is of the essence. Given the potential for trustee turnover at the beginning of each year, it is important that the evaluation process be completed by each trustee prior to ~~any trustees~~ departing the Board whenever possible. The evaluation process, including the basis of the evaluation and the results, should be transparent to all trustees and the CEO.
- C. Staff members reporting to the CEO should generally not play a role in the evaluation process unless requested by the Board, except to the extent that they have an official role in assisting the Board and/or Board Chair with the process such as the ACERA Chief Counsel and Human Resources Officer.

III. Policy Guidelines

- A. Annual Evaluation Form
 - 1. The CEO Performance Evaluation Form sets out the criteria to be used by the trustees in evaluating the CEO's performance each year. A copy of the CEO Performance Evaluation Form is attached as Exhibit A.

B. Evaluation Criteria

- i. In determining the performance criteria to be incorporated in the CEO Performance Evaluation Form, the following guidelines shall be observed:
 - a. To the extent possible, the criteria should be objective in nature.
 - b. The criteria should address the CEO's performance in meeting annual ~~business~~ objectives. In December of each year, the Board will define a set of key ~~business~~ objectives for the CEO that are critical to advancing ACERA's strategies. Target performance should be defined for each objective. The CEO's performance on each key ~~business~~ objective will be weighted as 50% of the evaluation.
 - c. The criteria should address the CEO's leadership competencies, including the following: vision and strategy; maximizing talent; leading change; technical expertise; and judgment and decision making. The CEO's leadership competencies will be weighted as 30% of the evaluation.
 - d. The criteria should address the CEO's performance in carrying out ongoing responsibilities. These responsibilities include overseeing day-to-day operations, implementing new strategies, resource development, and external/community relations. The CEO's ongoing responsibilities will be weighted as 20% of the evaluation.
 - e. The criteria should also provide an overall evaluation rating as well as an opportunity for each trustee to suggest specific ways in which the CEO may improve performance in the future.

C. Evaluation Timetable

- i. December – Objectives for Following Year:
 - In December of each year, the CEO and the Board will discuss and confirm the CEO's ~~business~~ objectives for the upcoming year in closed session under Gov't Code 54957(b):

- These objectives will be memorialized in writing, kept by the Board Chair and incorporated into the CEO Performance Evaluation Form that will be used in the upcoming year to evaluate the CEO's performance.
- The Board Chair will memorialize the ~~business~~-objectives in writing and provide the CEO Performance Evaluation Form to the new Board Chair for the upcoming year in January.

2. June Board Meeting:

- In June the Board and CEO ~~will~~ may conduct a mid-year informal performance discussion in closed session, under Gov't Code § 54957(b). ~~-If conducted, t~~The CEO will provide a self-evaluation to all Board members before the June meeting.
- Similar to the end of year evaluation, the CEO will be provided an opportunity to present and discuss, in ~~executive-closed~~ session, his/her self-evaluation and subsequent to the discussion the CEO may be excused from the meeting to permit the Board to conduct further discussions.
- The Board has discretion to address the compensation package during the mid-year evaluation. Any discussions regarding compensation must occur either in open session or in closed session under Gov't Code § 54957.6 with any final action in open session.-

3. October Board Meeting:

- At the October Board meeting, the CEO will provide a self-evaluation to the Board for its consideration in the overall evaluation in closed session under Gov't Code § 54957(b).
- At the same meeting, Trustees will be given CEO Performance Evaluation forms.

4. Two Weeks after the October Board Meeting:

- Trustees shall complete the CEO Performance Evaluation Forms and forward them to the Board Chair two weeks after the October Board meeting.

- Once the Board Chair receives the evaluation forms, the Board Chair shall review the forms and create a summary of the evaluations (“Summary”) to give to the CEO and Board at the November Board meeting.
5. November Board Meeting:
- At the November Board meeting, the Board Chair will provide the Summary to the CEO and Board to review in closed session under Gov’t Code § 54957(b).
 - The CEO shall have an opportunity to present and discuss, in ~~executive-closed~~ session, his/her self-evaluation presented to the Board at its October Board meeting.
 - Subsequent to the discussion, the CEO may be excused from the meeting to allow the Board to conduct further discussions.
 - ~~The Board may address the process or compensation negotiation as discussed in further detail in Section D below.~~
6. December Board Meeting:
- At the December Board meeting, the Board ~~addresses will address~~ the compensation package, ~~if desired unless the CEO does not seek any adjustment to the compensation package. The Board may consult with a designated representative (which usually will be the Board Chair) in closed session consistent with Government Code section 54957.6, but all final action on proposed compensation occur in open session at a regular meeting of the Board.~~
 - The Board, as noted above in Section C (1), will also discuss and confirm the CEO ~~business~~-objectives for the upcoming year (if not completed by this date-) in closed session under Gov’t Code § 54957(b)
7. It is the Board’s intent to complete the evaluation at the November Board meeting and the compensation package at the December Board meeting.

D. Compensation Package

1. Upon completion of the annual performance evaluation, the Board shall establish the compensation of the CEO for the following year and direct Staff to amend the

CEO contract, as may be necessary to incorporate the Board-approved compensation changes. In doing so, the Board shall adhere to the following guidelines or principles:

- a. The Compensation package should be arrived at initially through a negotiation process involving the Board Chair, or designee, and the CEO. The final decision, however, rests with the Board.
 - b. The Board Chair has discretion to create an ad hoc committee to gather and evaluate data to assist in the compensation process. ~~The Board Chair would be the de facto Chair of any such committee.~~
 - c. The compensation package established each year should be progressive in that it is not necessarily constrained or dictated by the previous years' practices or general industry practices.
 - d. The CEO will be granted any and all COLA's that are approved for Alameda County unrepresented management.
 - e. Should compensation include a bonus or incentive-based element, the Board will establish with the CEO specific and objective criteria that will serve as the basis for awarding said bonus or incentive element.
 - ~~f. Per the Ralph M. Brown Act, the Board may discuss in closed session whether to authorize the CEO to receive an increase in compensation or benefits, but any discussion on the amount and scope of change to the compensation package will occur in open session, unless the Board consults with its designated negotiator in closed session consistent with Government Code section 54957.6 (see footnote 2).~~
 - ~~g. Any action on the CEO's compensation and/or benefits must occur in open session at a regular meeting of the Board.~~
2. Determining the structure of the compensation package, the Board may incorporate the following elements as it deems appropriate:
 - a. Salary
 - b. Bonus

- c. Performance incentives
- d. Perquisites
- e. Benefits
- f. Severance

E. Transition

Throughout the above process, the Chair of the Board shall establish and maintain a file containing a record of all relevant activities involving the CEO Evaluation Process, including the Chief Executive Officer Performance Evaluation Form, completed individual Evaluation Forms, Summary of Evaluations, etc. Once the Evaluation Process is completed, the Board Chair will provide the Human Resource Officer all relevant documents in a sealed envelope for storage.

IV. Policy Review

The Governance Committee shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

V. Policy History

- A. The Board adopted this policy on November 18, 1999.
- B. The Board reviewed and adopted this policy, with revisions, on ~~July~~ May 20, ~~2017~~2021.¹

¹ Adoption date: November 18, 1999. Previous amendment dates, with revisions (except where noted): August 16, 2001; December 18, 2003; May 19, 2005; October 18, 2007; October 15, 2009 (without revisions); December 15, 2011; December 19, 2013; December 17, 2015; and July 20, 2017.