
September 21, 2016

Item Name: Approval of CEO Delegation of Authority

Program: Board of Administration

Item Type: Action Consent

Recommendation

Approve the Chief Executive Officer (CEO) Delegation Resolution.

Executive Summary

At its April 20, 2016 meeting, the Board of Administration approved staff's recommended changes to the CEO Delegation Resolution (delegation).

CalPERS' former CEO, Anne Stausboll, subsequently retired on June 30, 2016, and an Interim CEO was appointed on July 1, 2016. Per the Board Governance Policy, the Board of Administration has reserved the authority to approve the CEO delegation. In preparation for the new CEO, Marcie Frost the current delegation is provided to the Board of Administration so it may be executed by Ms. Frost on her first day in office.

The attached delegation contains minor non-substantive changes from the CEO Delegation which was approved in April.

Strategic Plan

This item supports CalPERS' Strategic Plan Goal B: Cultivate a high-performing, risk-intelligent and innovative organization.

Background

On April 20, 2016 the Board Governance Committee conducted its annual review of the CEO Delegation. Staff's proposed changes to the CEO delegation were recommended by the Board Governance Committee and approved by the full Board the same day. These revisions clarified the delegation of actuarial, financial, and investment authority, and conformed the CEO Delegation to the new Delegation Standards for Executives and Senior Managers.

On June 30, 2016, Anne Stausboll retired from her position as CEO, and all authority previously delegated to Ms. Stausboll was rescinded. Doug Hoffner was appointed Interim CEO on July 1, 2016; an interim delegation was signed to provide him with delegated authority until Ms. Frost begins her tenure on October 3, 2016.

Board of Administration approval is required for the CEO delegation in order for the new CEO to execute the duties and responsibilities of her position.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

Staff's recommendation clearly and effectively aligns the CEO Delegation with Board direction and industry best practice.

The risk of not adopting this recommendation is that the CEO will not have clearly documented authority to act on behalf of the Board in executing her responsibilities as CEO. This will also further impact her ability to delegate authority to her direct reports.

Attachment

Attachment 1 – CEO Delegation Resolution

CHERYL EASON

Chief Financial Officer

DOUG HOFFNER

Interim Chief Executive Officer