



Board Governance Committee

Agenda Item 4b

June 15, 2021

Item Name: Annual Review of CEO Delegation Resolution

Program: Administration

Item Type: Action Consent

Recommendation

The Enterprise Compliance team recommends a change to the Chief Executive Officer (CEO) Delegation Resolution EXEC 18-01, approved by the Board on May 16, 2018. The proposed change would bring the CEO Delegation Resolution into alignment with the Board Governance Policy.

Executive Summary

The Board Governance Committee Delegation Resolution requires the Committee to “Conduct an annual review of the delegation to the Chief Executive Officer, and update, as appropriate.” This review of the CEO Delegation Resolution follows the annual Board Committee Delegation review process where each Board Committee reviews and makes changes to the Committee delegation authorities. This year, the Enterprise Compliance team recommends a change to the CEO Delegation Resolution, to conform with the change to the Board Governance Policy that was adopted by the Board at its November 18, 2020 meeting.

Strategic Plan

This item supports CalPERS’ 2017-22 Strategic Plan goal to cultivate a risk-intelligent organization.

Background

The Board Governance Policy (<https://www.calpers.ca.gov/docs/board-governance-policy.pdf>) reserves authority for the Board to approve Board delegations (see page 8, section V.B.10). The Board has in turn delegated authority to the Board Governance Committee to “Conduct an annual review of the delegation to the Chief Executive Officer, and update, as appropriate.” (Delegation No. BG-17-01, Item 6). The Committee conducted its last annual review of the CEO Delegation Resolution on June 17, 2020, and no changes were recommended. The Board of Administration accepted the Committee’s recommendation on June 17, 2020.

Analysis

The Enterprise Compliance team has reviewed the CEO Delegation Resolution and recommends a change to the CEO Delegation Resolution, to bring it into conformance with the Board Governance Policy. The proposed change makes clear that the Board and CEO share responsibility for hiring, evaluating, and terminating the Chief Investment Officer. Any additional revisions to the CEO Delegation Resolution that the Committee wishes to make will be incorporated and brought back for Board consideration and approval at a subsequent meeting.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

The benefit of reviewing the CEO Delegation Resolution annually is to continually align the CEO Delegation Resolution with Board direction and industry best practice.

Attachments

Attachment 1 – Current CEO Delegation Resolution

Attachment 2 - Tracked Changes version of CEO Delegation Resolution.

Attachment 3 - Final Version of revised CEO Delegation Resolution

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