

CHIEF INVESTMENT OFFICER REPORTING AND PERFORMANCE EVALUATION POLICY

I. PURPOSE

The purpose of this Policy is to formalize the Chief Investment Officer (CIO) reporting and performance evaluation.

II. AUTHORITY

Chief Executive Officer (CEO) is appointed by LACERA's Board of Retirement and Board of Investments (BOI) (the Boards) to act as retirement administrator pursuant to Government Code Section 31522.2. The Boards have delegated their appointing authority for other staff under Government Code Sections 31522.1 and 31522.4 to the CEO, except for the Chief, Internal Audit position as stated in the County of Los Angeles Salary Ordinance (Salary Ordinance).

III. CIO REPORTING AND EVALUATION

On April 4, 2018, the Boards voted to formalize a process for the CEO to seek BOI input for the hiring, firing, evaluation and compensation of the CIO subject to preparation and approval of this CIO Reporting and Performance Evaluation Policy. In accordance with the Boards' April 4, 2018 action, the organizational structure of the CIO will have the following features:

- A. The CIO will continue to report to the CEO for administrative and functional purposes. The CEO will make final decisions as to the appointment, discipline, dismissal, performance evaluation, and compensation of the CIO.
- B. The CEO will seek BOI input regarding the appointment, discipline that is legally within the discretion of the CEO, dismissal, and removal of the CIO. The BOI's input concerning the appointment, discipline, dismissal, and removal of the CIO will be made in closed session under Government Code Section 54957(b).
- C. The CEO will seek the qualitative input of the BOI before setting the CIO's goals and completing the CIO's annual performance evaluation. The BOI's discussion regarding the CIO's performance evaluation will be made in closed session under Government Code Section 54957(b).
- D. After consulting with the BOI, the CEO will administer the CIO's annual salary adjustment, if any, using the Boards approved compensation structure as reflected in the Los Angeles County Code Section 6.127.040.
- E. BOI delegates specific investment authority and responsibility directly to the CIO. The CIO is authorized to interact with and communicate directly

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with the BOI in all investment related matters. The CEO shall have no authority over investment decisions that are delegated to the CIO.

- F. The CIO directs the implementation of investment policies and strategies within the goals established by the BOI. The CIO directs, plans, and supervises the activities of the Investments staff, through the chain of command as established pursuant to the Investment Division's organizational structure. All staff have the rights and obligations provided in the Salary Ordinance, to the extent applicable to their individual classification. Staff subject to civil service have the rights and obligations provided by the Civil Service Rules. Staff holding a job classification covered under collective bargaining shall also have rights and obligations provided under the operative Memorandum of Understanding.
- G. The CEO appoints all professional, technical and clerical staff and prescribes their duties, except for the Chief, Internal Audit. In the case of Investments staff, the CIO will select and recommend candidates for such positions to the CEO for formal appointment.
- H. The CEO and HR will report to the BOR on matters involving the CIO's compensation and performance that are within the BOR's authority.

Adopted: Board of Investments, August 1, 2018
Board of Retirement, August 1, 2018