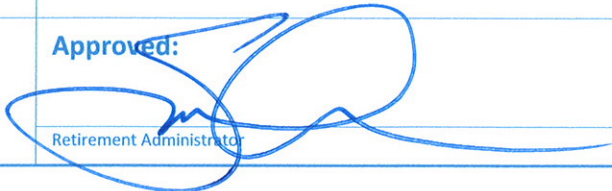




RETIREMENT BOARD POLICY AND REFERENCE MANUAL

SUBJECT: SUCCESSION PLAN POLICY AND PROCEDURES	Section: 2-41 Date Adopted/Revised: 1/11/2012
SYSTEM(S): JOINT	Approved:  Retirement Administrator

PURPOSE

The purpose of this policy is to establish temporary and permanent succession planning procedures and guidelines with respect to the executive management positions in the Retirement Office. While leadership change is inevitable in every organization, proper planning and policy development is fundamental to the sustenance of a healthy, thriving organization. Proper planning and policy development in regards to succession issues can help limit the problems of leadership transition and provide a degree of stability.

POLICY

It is the policy of the Retirement Boards to comply with City of Fresno Charter Section 910 which grants the Boards the sole responsibility to hire and assess the permanent leadership needs of the Retirement Office including the selection of a Retirement Administrator who is a good fit for CFRS mission, vision, values, goals and objectives and who has the necessary skills to lead the organization.

In this regard, the Boards hereby establish these appropriate procedures and guidelines to ensure that CFRS' operations are continued without interruption on a short and long term basis. The Boards recognizes that, compared to private sector companies, succession planning within CFRS may be constrained due to limited resources and the statutory environment in which CFRS operates (e.g. the Brown Act).

PROCEDURES AND GUIDELINES

1. Priority Functions and Temporary Strategies

- a. The Retirement Administrator shall be responsible for managing succession in key staff positions and shall report to the Boards as appropriate.
- b. In order to help ensure continuity in the position of Retirement Administrator, the Boards have established the position of Assistant Retirement Administrator. Therefore, the Assistant Retirement Administrator shall be familiar with all aspects of the administration of CFRS including investments, benefit administration, and stakeholder relations.

- c. Temporary Staffing Strategy
 - i) In the event of a vacancy of a key management employee, the Retirement Administrator may consider the following:
 - 1) Temporarily assigning mid-level management within the Office.
 - 2) Temporarily subcontracting some of the organizational functions from trained consultant or other organizations.

2. Succession plan in the event of a Temporary Short-Term Absence

- a. Definitions
 - i) A temporary absence is one in which it is expected that the Retirement Administrator will return once the events precipitating the absence are resolved. A temporary absence is ninety (90) days or less.
 - ii) An unplanned absence is one that arises unexpectedly, in contrast to a planned leave such as a vacation or a sabbatical.
- b. Temporary Staffing Strategy
 - i) For temporary planned or unplanned absences of five (5) weeks or less, the Temporary Staffing Strategy described above shall be initiated as directed by the Retirement Administrator.
- c. Appointing an Acting Retirement Administrator
 - i) For temporary absences between six to twelve (6-12) weeks, and considering the accessibility of the Retirement Administrator, the Boards may appoint an Acting Retirement Administrator, or continue to implement the Temporary Staffing Strategy.
- d. Standing Appointees to the Position of Acting Retirement Administrator
 - i) The first position in line to be Acting Retirement Administrator is the Assistant Retirement Administrator.
 - ii) The second position in line is the Retirement Benefits Manager.
- e. Cross-Training Plan
 - i) The Retirement Administrator shall exercise best efforts to train staff for each of the key functions of the Retirement Administrator and ensure that procedures are in place to achieve the objectives of this policy.

- f. Board Oversight and Support to the Acting Retirement Administrator
 - i) The Acting Retirement Administrator shall have the powers of duties of the Retirement Administrator and shall report and be accountable to the Retirement Boards as would the Retirement Administrator.
- g. Communication Plan
 - i) Upon appointment of an acting Retirement Administrator, the Board Chairs shall announce CFRS temporary leadership to staff and the City.
- h. Salary Adjustments
 - i) There shall be no salary adjustment for the Temporary Staffing Strategy.
 - ii) An appointed Acting Retirement Administrator shall be paid as determined by the Retirement Boards.

3. Succession plan in the event of a Temporary Long-term Absence

- a. Definition
 - i) A long-term absence is ninety (90) consecutive days or more.
- b. Procedures
 - i) Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following additions:
 - 1) The Retirement Boards shall give immediate consideration with the Retirement Administrator or Acting Retirement Administrator, to temporarily filling the management position left vacant by the Acting Retirement Administrator, or reassigning priority responsibilities where help is needed to other staff. This is in recognition that, for a term of ninety (90) days or more, it may not be reasonable to expect the Acting Retirement Administrator to carry the duties of both positions.

4. Succession plan in the event of a Permanent Absence

- a. Definition
 - i) A permanent absence is one in which it is firmly determined that the Retirement Administrator will not be returning to the position.
- b. Procedures
 - i) Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following additions:

- 1) The Retirement Boards shall consider the need to hire an interim Retirement Administrator from outside the organization instead of appointing an Acting Retirement Administrator. This decision shall be guided, in part, by internal candidates for the Retirement Administrator position, the expected time frame for hiring a permanent Administrator and the management needs of the organization at the time of the transition.
- c. Hiring an Interim Retirement Administrator
 - i) If an Interim Retirement Administrator is hired, the Board Chair's and legal counsel shall negotiate a contract agreement with a defined scope of work.
 - ii) The scope of the agreement with an Interim Retirement Administrator shall be determined based on an assessment of the organizations needs at the time of the leadership transition.
 - d. Responsibilities of the Interim Retirement Administrator
 - i) An Interim Retirement Administrator shall have full authority for day-to-day decision-making and independent action as the regular Retirement Administrator.

5. Board Oversight and Support to the Interim Retirement Administrator

- a. The Interim Retirement Administrator reports to the Board Chairs.
- b. The Retirement Boards shall be alert to the special support needs of the Interim Retirement Administrator in this temporary role. The Board Chairs shall convene once per month with the Interim Retirement Administrator.
- c. The Board Chairs will consult with staff and the Interim Retirement Administrator to assure a smooth transition within two (2) months and at least quarterly thereafter.

6. Succession Plan for Key Management Positions

- a. The Retirement Administrator shall use similar procedures in case of an executive transition that involves any key management positions.
- b. The Retirement Administrator shall exercise best efforts to train staff for each of the key functions of the organization and ensure procedures are in place to achieve the objectives of this policy.

7. Retirement Administrator Recruitment Procedure

- a. The Boards shall ensure that the recruitment is in compliance with Federal Equal Employment Opportunity (EEO) Laws.
- b. The Boards shall be the body responsible for the oversight of the selection process for the position of Retirement Administrator and may create an ad-hoc Committee of Board Members

to oversee the search process (Retirement Administrator Job Specification is attached as reference to the tasks and skills required for the position).

- c. The Boards shall utilize a Statement of Qualifications/Request for Proposal (“RFP”) process to select a hiring/recruitment consultant. Staff and legal counsel will assist the Boards through the RFP process to select the consultant that will conduct the recruitment and selection process. The RFP shall include the method, plan and timeframe that will be utilized in the search. Funding will come from the Retirement Trust’s and be shared equally between the Boards. The Boards should outline their process, including having an updated RFP on file, ranking system and interview questions for immediate use, if needed.
- d. The consultant will work with the Boards to hire a replacement for the Retirement Administrator position. Legal counsel and staff will assist the Boards and the selected consultant, including creating a post offer contract, salary/fringe negotiations.

8. Restrictions to appointment of Retirement Administrator

To establish a high degree of transparency in the recruitment process, Board Members cannot be considered for employment as Retirement Administrator at CFRS unless they have been off the Boards for at least one year.

9. Policy Review

The Boards will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.