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San Bernardino County Employees'
Retirement Association

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Area General
Applicability SBCERA
systemwide

Disruptive Event Policy

POLICY NO. 011

I. PURPOSE

The purpose of this policy is to provide guidance in the event of a disruption to business operations.

II. BACKGROUND

A Disruptive Event is any unscheduled incident **that, which** is not anticipated and interrupts the continuance of business or normal functions, such that the San Bernardino County Employees' Retirement Association (SBCERA) no longer has the capability to make its full range of services available for Staff to perform their daily business activities, and assist the membership and/or stakeholders.

A Disruptive Event can take many forms, from a natural disaster, to mass personnel disruptions that limit SBCERA's business operations. A Disruptive Event may require actions that deviate from the normal course of business to ensure the fund's financial stability, continued services, and a quick return to normal operations. SBCERA recognizes that under extreme circumstances, it may be prudent to take urgent action on short notice and thus, has established specific procedures and protocols with flexibility and business continuity in mind.

III. SCOPE

This policy sets forth the guidelines by which the SBCERA Board of Retirement (Board), Chief Executive Officer (CEO), Department Chiefs (Chiefs), and applicable designees, may ensure business operations are maintained to the most reasonable levels possible during a Disruptive Event, and grants the necessary authority to ensure SBCERA can remain agile enough to act swiftly to procure the goods and services it needs during a declared event.

IV. POLICY GUIDELINES

Declaration of Disruptive Event

The declaration of a Disruptive Event shall be made jointly in writing or reduced to writing as soon as possible thereafter by the Board Chair and CEO.

In the event the Board Chair is unavailable, the declaration of a Disruptive Event will be made in the following order of precedence: the Vice Chair of the Board, the Chair of the Administrative Committee, the Chair of the Investment Committee, the Chair of the Audit Committee. Should the situation arise where all persons with the title of Chair of the Board or one if of its committees are unavailable, the authority to declare a Disruptive Event will first go to the Ex Officio member and then be based on the seniority of the full voting right members. Should none of the full voting right Board members be available, the authority will pass first to the Safety Alternate Trustee, and then to the Retiree Alternate Trustee.

In the event the CEO is unavailable, the declaration of the Disruptive Event will be made in consultation with all available Chiefs in the following order of precedence: the Chief Counsel, Chief Information Officer, Chief Financial Officer, Chief Investment Officer, Chief Human Resources Officer, Chief of Member Services, and Director of Human Resources and Risk Management, and Chief of Member Services Communications. Should the situation arise where all persons holding a senior officer position are unavailable, the authority to declare an event will be made in the following order: Senior Staff Counsel, Information Security Officer Manager, Information Systems Manager, Assistant Facilities and Projects Manager, Fiscal Accounting Managers (by seniority), Senior Investment Officer Officers (by seniority), and the Retirement Benefits Officer Member Services Managers (by seniority), all remaining managers by seniority.

Should the situation arise where there are no eligible members of the Board to declare a Disruptive Event, sole authority will be granted to the CEO or next appointed authority. Conversely, in the event there are no Senior Management Staff, or the Staff identified within this policy, sole authority will be granted to the Chair of the Board or next Board appointed authority.

The declaration of a Disruptive Event shall be ratified by the Board at its next available meeting. Upon ratification the action to extend or conclude the declaration shall be made. Should the Board choose to extend the declaration, specified findings shall be provided illustrating SBCERA is unable to reasonably provide its full range of services; and make those findings every ninety (90) days thereafter to remain in a declared Disruptive Event state. Conversely, should the Board choose to conclude the declaration, specified findings shall be provided, illustrating SBCERA is able to reasonably provide its full range of services.

Until such time as the Board is able to ratify a Disruptive Event declaration, SBCERA's Board Chair and CEO; or their next appointed authorities shall be authorized to extend or conclude a Disruptive Event dependent upon SBCERA's ability to reasonably provide its full range of services.

V. Operations During a Disruptive Event

1. Disruptive Event Evaluation

Immediately upon the declaration of a Disruptive Event, SBCERA's Senior Management Team shall consider the nature and severity of the event. Should one or more SBCERA Senior Managers be unavailable, a reasonable effort will be made to include the next available manager from those departments. Once fully evaluated, the CEO or next appointed authority will provide a recommended course of action to the Board Chair or next Board appointed authority if available.

2. Procurement Procedures

During a declared Disruptive Event, a recommended course of action may include the need to procure goods and services quickly or outside SBCERA's normal governing procurement policies. The procurement of goods and services may be to restore SBCERA to an identified operating level, or necessary to perform additional functions during a declared event. The flexibility to act, however, is critical during an event and may have a significant impact on operations and the membership if delayed. The use of the Disruptive Event Policy to provide authority to procure goods and services outside of normal operating procedures will only be permissible under the following conditions:

- A Disruptive Event has been declared.
- SBCERA is unable to hold a Board Meeting, or waiting to do so would negatively impact the organization, the fund's financial stability, the membership, and/or its stakeholders.
- The Board Chair or next board appointed authority approves the request unless the CEO is acting within the role of sole authority, in which case this final condition need not be met.
- The fund's financial status allows for said procurements.
- The goods and services are linked to the Disruptive Event such that their procurement is reasonable.

Any goods or services procured as a result of the authority granted by this policy and would have otherwise required Board approval or other formal process must be ratified at the next available Board meeting.

1. Written Record

Given the varying types of disruptive events, the need to document actions and incidents may be necessary. Should the declared event require a written record, the CEO or their designee(s) shall record the applicable actions and incidents. Documentation may take place within pre-existing systems of record or within new systems and/or centralized location identified during the initial event analysis. All records shall be appropriately secured to protect any sensitive or confidential information, and all records shall be backed up and retained pursuant to the SBCERA Records Retention Policy.

Types of actions and incidents that require written record include but are not limited to:

- Any injuries to Staff and visitors.
- The loss of any assets.
- The location of any temporary operating facilities, including remote work locations.

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- Any modifications to Staff schedules.
- The procurement of goods and services pursuant to this policy.
- The identification of SBCERA's full range of capabilities necessary to return to normal operation if modified from pre-event capabilities.

1. Return to Normal

During a declared event, the SBCERA CEO, along with the Senior Management Team or available department representatives, shall theorize SBCERA's full range of capabilities post -event. When those capabilities are reached, SBCERA will have "Returned to Normal," and the declared Disruptive Event will be eligible for conclusion. The objectives necessary to conclude a declared event may evolve based on the type or length of disruption. As such, identified capabilities shall be reviewed no less than every ninety (90) days to determine the achievement feasibility.

Approval Signatures

Step Description	Approver	Date
Applicability		
SBCERA, SBCERA Internal		