

SBCERS

Santa Barbara County Employees' Retirement System

DATE: April 23, 2025

TO: SBCERS Board of Retirement

FROM: Gregory Levin, Chief Executive Officer

RE: Warrant Resolution

Recommended Action

That the Board of Retirement approve resolution 2025-03 authorizing the SBCERS CEO and Controller to authorize warrants, checks, and electronic fund transfers drawn against the retirement fund.

Summary

Government Code Section 31590 grants the Board of Retirement discretion to delegate the authority to draw payments on SBCERS' accounts. As described in the table below, the statute requires that all payments be authorized by either two board officers or employees or, alternatively, the County Treasurer.

If the Board of Retirement delegates this function to the County Treasurer, then the County Auditor-Controller must also sign or authorize warrants. If the County Treasurer is not designated as the signatory, the County Auditor-Controller is not required to sign or authorize warrants. Since its inception, SBCERS has performed operational banking through the County of Santa Barbara (Option B). Over time, the process has evolved into a hybrid system, wherein the System's CEO authorizes payments, and the County Auditor-Controller issues those payments.

Section 31590 requires that all warrants, checks, and electronic fund transfers drawn on the retirement fund be signed or authorized by:

Signer	Option A	Option B
Principal Authorizer	Board Officer or SBCERS Employee	County Treasurer
Secondary Authorizer	Board Officer or SBCERS Employee	County Auditor – Controller

**Pursuant to subdivision c, SBCERS has the option of retaining a bank to process and issue payments regardless of the authorization method selected.*

A review of Board resolutions reflects that the Board last formally considered the delegation of authority to the County Treasurer in 1980 through resolution 1980-2. At the time, the statue

required authorization of warrants by the County Treasurer and one other board member. The Board authorized the County Treasurer, with approval of another Board member, to authorize the disbursement of funds through the County Auditor-Controller's system for issuing warrants.

In 2003, following the 1995 amendment to Section 31590 that permitted the Retirement Board to delegate signature and authorization responsibility to its own employees, the System separated from the County as an independent agency and hired its own administrator, later designated the Chief Executive Officer (“CEO”). Since that time, the CEO and delegated employees have been responsible for authorizing payments on SBCERS accounts through the County Auditor-Controller’s payment system.

At its March 2025 Board meeting, the Board received a Staff presentation on current payment administration practices for the System. The presentation included a survey of the practices at other county retirement systems, a discussion of internal controls and governance, and a discussion of operational considerations. These considerations included the time required to maintain two separate general ledger systems to fulfill SBCERS’ accounting and financial reporting obligations. Pursuant to that discussion and direction from the Board, the attached resolution delegates payment authorization responsibility and signature authority to the SBCERS CEO and SBCERS Controller.

Fiscal Impact

There is no fiscal impact associated with approving the resolution formally delegating responsibility for the authorization of payments to the SBCERS CEO and SBCERS Controller. However, in a related effort, staff evaluated banking service alternatives to those provided by the County of Santa Barbara. The attached report details the anticipated cost of these alternatives along with staff’s recommendation to the SBCERS CEO.

Attachments

- Staff evaluation of banking services providers
- Resolution 2025-03