



# Memorandum

**TO:** RULES COMMITTEE

**FROM:** Kay Winer

**SUBJECT: DEFERRED COMPENSATION  
ADVISORY COMMITTEE  
APPOINTMENT**

**DATE:** March 16, 2011

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Approved

Date

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**COUNCIL DISTRICT:** N/A  
**SNI AREA:** N/A

## **RECOMMENDATION**

It is recommended that the City Council approve the appointment of Daniel Earl to the Deferred Compensation Advisory Committee (Committee) as the representative nominated by the American Federation of State, County and Municipal Employees, AFSCME Local 101 (the Municipal Employees Federation (MEF) and the Confidential Employees Organization (CEO)), for the remainder of the four-year term ending March 1, 2014 that will be made vacant by the retirement of the current representative.

## **OUTCOME**

The employee currently serving in this role for the seven-member Committee will retire effective March 18, 2011. Approval of this recommendation will fill the vacant seat and allow the Committee to continue to do business, and to meet as a full committee at the April 28, 2011 meeting.

## **BACKGROUND**

The Committee oversees all aspects of the City's voluntary Deferred Compensation Program. The program currently consists of approximately 9,583 plan participants, consisting of active employees, former employees and retirees, and approximately \$622 million in assets.

Resolution No. 70176, dated February 27, 2001, requires that the Committee be composed of seven members: two appointed by the City Manager; one recommended by the management employees; one recommended by the San Jose Police Officers Association; one recommended by the San Jose Firefighters, Local 230; one recommended by the employee organizations affiliated

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with the American Federation of State, County and Municipal Employees and one recommended by the trades employee organizations. Each member normally serves a four-year term.

As a Council-appointed committee, appointments to the Committee must first be approved by the Rules Committee before being forwarded to the City Council.

**ANALYSIS**

Carol Garcia, Committee member currently in this position, will be retiring on March 18, 2011. Upon notice of the retirement, Deferred Compensation staff asked the American Federation of State, County and Municipal Employees, AFSCME Local 101 (MEF and CEO) to nominate a replacement member for the City Council's approval and appointment.

In February 2011, the Municipal Employees Federation selected Daniel Earl for the American Federation of State, County and Municipal Employees, AFSCME Local 101 (MEF and CEO) to serve the remainder of the four-year term through March 1, 2014. No other nominations were received by staff.

**EVALUATION AND FOLLOW-UP**

This recommendation addresses the performance measures of the Committee. This Committee is responsible for administering the Deferred Compensation Plan, the trust account and is responsible for the operation of the Plan in accordance with the terms of the Plan. The Committee is required to determine all questions arising out of the administration, interpretation and application of the Plan and the Trust including evaluating and selecting investment options.

Whenever terms of the members are due to expire or a seat becomes vacant, a recommendation will be presented to the City Council to appoint nominees to fill those seats on the Committee.

**PUBLIC OUTREACH/INTEREST**

The key stakeholders, the American Federation of State, County and Municipal Employees, AFSCME Local 101 (MEF and CEO) were invited to nominate a candidate for appointment to the Deferred Compensation Committee. The name of the new Committee member will be posted on the City's website as part of the agenda of the Deferred Committee, and a revised roster will be posted on the City Clerk's website.

**COORDINATION**

This memorandum has been coordinated with the Office of the City Attorney and the City Clerk's Office.

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**CEQA**

Not a project.



KAY WINER

Acting Director, Human Resources

For questions please contact Jeanne Groen, Benefits Manager, (408) 975-1428