

Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: DENNIS HAWKINS

SUBJECT: SEE BELOW

DATE: October 5, 2012

**SUBJECT: APPROVAL OF CONSOLIDATED APPLICATION FOR THE
APPOINTMENT OF MEMBERS TO THE POLICE AND FIRE AND FEDERATED
RETIREMENT BOARDS**

RECOMMENDATION

The Rules and Open Government Committee approve the proposed application, as revised, for the appointment of members to the Boards of Administration of the Police and Fire Department Retirement Plan (Police and Fire Retirement Board) and the Federated City Employees' Retirement System (Federated Board).

BACKGROUND

On December 10, 2008 the Rules and Open Government Committee approved a supplemental questionnaire to be completed by all employee and retiree applicants for appointment to the Retirement Boards. On October 5, 2010 the City Council approved an application form to be completed by applicants for public members to the Boards. The terms of two members of the Police and Fire Retirement Board (David Bacigalupi, Police Retiree and Vincent Sunzeri, public member) expire November 30, 2012. The terms of two members of the Federated Retirement Board (Ed Overton, Retiree and Stuart Odell, public member) expire November 30, 2012.

ANALYSIS

With the impending appointment of new members, staff has developed consolidated Retirement Board application. The application is intended to help the Council evaluate the qualifications for applicants for appointment to the Retirement Boards. The proposed questionnaire includes questions regarding the education, experience, qualifications, and potential conflicts of interest of potential Board members and incorporates key elements of the existing supplemental questionnaires. Consolidation of the applications will provide the City Council with consistent information from all applicants.

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In addition, staff will provide a verbal update report to the Committee on the timeline and outreach efforts planned to attract a pool of qualified applicants for appointment to the Retirement Boards.

PUBLIC OUTREACH

This memo has been posted on the City Clerk's website as a part of the regular Rules and Open Government Committee agenda. In addition, this information has been posted on the websites for both the Federated and Police and Fire Retirement Systems and copies of the memorandum have been distributed to appropriate employee and retiree organizations.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, , or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

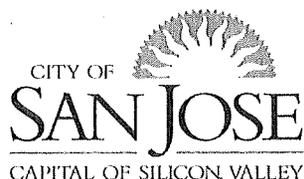
CEQA

Not a project.



DENNIS D. HAWKINS, CMC
City Clerk

For questions, please contact Dennis Hawkins, City Clerk, at (408) 535-1275.



CITY OF SAN JOSÉ
APPLICATION FOR SAN JOSE RETIREMENT BOARDS

Public members of the Board of Administration of the San Jose Police and Fire Department Retirement Plan or the Federated City Employees Retirement System must live within 50 miles of San Jose City Hall and meet specified eligibility requirements.

Employee members of the Retirement Boards must be active employees who are members of the respective retirement plan. The Police and Fire Department representative must be an employee of the Police or Fire Department respectively. The employee representatives to the Federated Board shall be employed by different departments.

Retiree members of the Retirement Boards must be persons who have retired under the provisions of the respective retirement plan.

PLEASE USE BLACK OR BLUE INK TO TYPE OR PRINT YOUR APPLICATION. Submit application to the Office of the City Clerk, 200 E. SANTA CLARA STREET, Room W-242, San José, California, 95113, Phone: (408) 535-1252; Fax: 408-292-6207; email: cityclerk@sanjoseca.gov. If more space is needed, please attach additional pages. Applications are valid for one year from the date of receipt and are public record.

Please check the appropriate box:

Police and Fire Department Plan **Federated City Employees' System**

Member category:

Public member **Employee Representative** **Retiree Representative**

Individuals applying for appointment as public members of the Board are ineligible for appointment to the Board if they meet certain criteria. Please confirm if you meet any of the following criteria:

1. Current or former City employee: Yes No
If a current employee, please answer the following:

Job Title: _____ Department: _____

2. Current or former elected or appointed City official Yes No
3. Retired members of, or persons participating in or receiving benefits from the Police and Fire Retirement Plan or Federated City Employees Retirement System Yes No
4. A representative of any union representing City employees Yes No
5. Immediate Family Member (as defined in San Jose Municipal Code Sections 2.08.1020.F and 2.08.1220.F) of a City employee or persons participating in or receiving benefits from the Police and Fire Retirement Plan or Federated City Employees Retirement System
 Yes No
-

Are you a resident of San Jose?

Length of Residency:

Council District:

If not a resident, do you live within 50 miles of San Jose City Hall?

Yes No

Name (Last, first, middle)

Home Address

City, State

Zip Code

Home Phone No.

Cellular Phone No.

Home Fax No.

Business Address

Zip Code

Business Phone No.

Business Fax No.

Business Email

Personal Email

Present Employer (Name/Describe Business)

Job Title/Description of Duties

Current Employer of Spouse (Name/Address)

Spouse's Job Title/Description of Duties:

College, Professional,
Vocational or Other Schools
attended

Major Subject

Dates Attended

Degree & Date

Licenses Held:

Certifications Held:

Special Awards or Recognitions Received

Languages spoken

Draft

A. GENERAL BACKGROUND

1. Please list your applicable experience or expertise relevant to public retirement plan administration.

Category (check all that apply)	Years of Experience	Describe your experience or expertise
<input type="checkbox"/> Senior executive position in pension administration		
<input type="checkbox"/> pension actuarial practice		
<input type="checkbox"/> institutional investment experience		
<input type="checkbox"/> auditing		
<input type="checkbox"/> accounting		
<input type="checkbox"/> legal		
<input type="checkbox"/> health and welfare and/or employee benefits management		
<input type="checkbox"/> investment management		
<input type="checkbox"/> banking		
<input type="checkbox"/> Insurance company asset/liability management		
<input type="checkbox"/> college or university professor (focus on fiduciary or trust law, quantitative background in financial theory or actuarial math)		
<input type="checkbox"/> Other		
<input type="checkbox"/> Other		

2. Please summarize your qualifications to serve as a member of the Retirement Board? Briefly highlight your skills, training, education, qualifications, experience (licenses and/or certifications) and personal qualities that you will bring to the Board and share with the organization.

3. What is your interest and motivation for serving as a member of the Retirement Board?

4. Please describe your community leadership or administrative experience serving as a Board member of a governmental entity and/or non-profit, educational or other community-based organization? Please list the organization(s); dates served; role/title and examples of accomplishments.

5. Please discuss your pension plan and/or investment management and oversight experience including the development of key financial policies.

6. Please describe your membership in relevant professional or trade organizations. Please note any offices held, etc.

7. Please state any other information, which you feel, would be useful in reviewing your application

B. FAMILIARITY WITH BOARD

1. Please describe your understanding of the role and responsibilities of Retirement Board members?

2. Please describe your understanding of the relationship between the Retirement Board and City Council? The City Administration? Retirement Services staff? Employee bargaining units? Plan participants and beneficiaries?

4. What do you consider to be the three most important issues currently facing the Retirement Board?

5. What do you perceive as the short and long-term goals of the Retirement Board?

6. Do you believe that the retirement funds that are invested by the retirement boards are public funds? Why or why not?

7. Have you read the report by the City Auditor entitled "Pension Sustainability: Rising Pension Costs Threaten the City's Ability to Maintain Service Levels?" This report is available at: <http://www.sanjoseca.gov/auditor/AuditReports/1010/1010.pdf>

How is this report applicable to the work you would do as a Retirement Board Member?

8. Have you read the report by the City Auditor entitled "Audit of Pensionable Earnings and Time Reporting" This report is available at: <http://www.sanjoseca.gov/auditor/AuditReports/0910/0910.pdf>

How is this report applicable to the work you would do as a Retirement Board Member?

9. Have you read the report by the City Auditor entitled "Disability Retirement: A Program in Need of Reform". This report is available at: <http://www.sanjoseca.gov/auditor/AuditReports/1102/1102.pdf>

How is this report applicable to the work you would do as a Retirement Board Member?

10. Have you read the report by the City Auditor entitled "An Audit of Retirement Services Travel Expenses"? This report is available at: <http://www.sanjoseca.gov/auditor/AuditReports/0802/0802report.pdf>

How is this report applicable to the work you would do as a Retirement Board Member?

C. EXPERIENCE/EXPERTISE

1. How do you ensure that you are maintaining an in-depth and up-to-date knowledge of institutional investing and the capital market environment?

2. Given the current status of the capital markets, where do you see opportunities to increase return and reduce risk in the pension portfolios? What is your experience with risk budgeting?

3. Please describe your views on the role of asset allocation and provide detail on your recommended asset classes and proportions for pension funds like those serving the employees of the City of San Jose.

4. Should pension plans like those in San Jose invest in alternative investments such as private equity, commodities, infrastructure or separate account real estate? If so, how? If not, why?

5. How would you evaluate an investment manager? When would you terminate an investment manager? How should due manager diligence be conducted?
6. What should be included in a pension plan's statement of investment policies? Please address the roles of trustees, staff, consultants, investment managers and custodians in asset allocation, portfolio structure, manager selection and due diligence, rebalancing, reporting and analysis.

D. CONFLICT OF INTEREST.

1. State and local law require that Retirement Board members publicly disclose, in advance of action being taken, any conflict of interest, including sources of income, interests in real property or investments, on a matter agendized for Board action; recuse themselves from voting on such item; and leave the room while the item is being discussed and voted on, unless the item is a consent or uncontested item. Please confirm that you have reviewed and agree to comply with San Jose City Council Conflict of Interest Policy (Council Policy No. 0-34); and Government Code Section 1090 and 87105. Yes No I have not read and/or do not agree to comply.
2. .In addition, if appointed, you will be required to fill out a disclosure statement, which identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment and annually on or before April 1 of each year thereafter. Please confirm that you have read Fair Political Practices Commission (FPPC) Form 700 Reference Pamphlet and agree to file required FPPC Form 700 Statements of Economic Interest, as required by current City Council Conflict of Interest resolution. Yes No I have not read and/or do not agree to comply.
3. Have you ever been required to file a Statement of Economic Interest (Form 700) and failed to do so? Yes No If yes, please explain in complete detail.
4. If you were required to file a FPPC Form 700 Statement of Economic Interest as a Retirement Board member as of the date of this application, would you have any financial interests that you would be required to disclose other than your financial interest in the employment already disclosed in this application?. Yes No If yes, please identify any interest that you would be required to disclose as an attachment to this application..
5. Please identify any organizations, associations, or entities in which you are active, or with which you are involved or associated that might be affected by decisions of this Board, and the positions you hold.

6. Please confirm that you have reviewed and agree to comply with the San Jose Municipal Code Chapter 12.08 (Prohibition of Gifts), City of San Jose Ethics Policy (City Policy Manual 1.2.1), and City of San Jose Gift Policy (City Policy Manual 1.2.2).

- Yes
 No I have not read and/or do not agree to comply.

E. BACKGROUND CHECKS AND REFERENCES

1. Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years (except for minor traffic offenses that resulted only in a fine)?
 Yes No If yes, please explain in complete detail. State the nature and approximate date of the conviction, the sentence imposed, whether the sentence has been completed, and any other information you consider relevant.
2. Are you or your firm currently or within the past five years been the subject of any litigation or claims resulting from any investment activity, advice, a fiduciary relationship, or regarding alleged financial improprieties? Yes No Not Applicable If yes, please provide details.
3. Are you or your firm currently or within the past five years been the subject of any investigation or disciplinary action by any governmental and/or regulatory body (SEC, NASD, states Attorney General or Insurance Commissioner, etc.)? Yes No Not Applicable If yes, please provide details.
4. Please provide four personal and/or business references (not relatives). Please include name, contact information (address, email, and telephone number(s)), and relationship.

How did you learn of a vacancy on this Board?

- Internet
 Newspaper
 Advertisement – Source: _____
 City Website
 Personal contact from Councilmember
 Personal contact from City staff member
 Word of mouth
 Other (please specify)

SIGNATURE OF APPLICANT

DATE SIGNED

Submit to:
City Clerk's Office
200 E. Santa Clara Street, Wing Room 243
San Jose, CA 95113-1905
(408) 535-1275
CityClerk@sanjoseca.gov