



COUNCIL AGENDA: 2/15/2022

ITEM: 2.20

FILE NO: 22-203

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: February 15, 2022

SUBJECT: Deferred Compensation Advisory Committee Appointments

Recommendation

As recommended by the Rules and Open Government Committee on February 9, 2022:

(a) Approve the following appointments to the Deferred Compensation Advisory Committee (DCAC) for an additional four-year term, beginning March 2, 2022 and ending on March 1, 2026:

(1) Roberto Peña as the representative nominated by the group of employees designated as "Management Employees"; and

(2) Jaime Fonseca as the representative nominated by the group of employees designated as American Federation of State, County, and Municipal Employees, AFSCME Local 101.

CEQA: Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment. (Human Resources)

[Rules Committee referral 2/9/2022 - Item F.1.b]



Memorandum

TO: RULES AND OPEN GOVERNMENT COMMITTEE **FROM: Jennifer Schembri**
SUBJECT: DEFERRED COMPENSATION ADVISORY COMMITTEE APPOINTMENTS **DATE: February 1, 2022**

Approved  Date 02/02/22

RECOMMENDATION

- (a) Approve the following appointments to the Deferred Compensation Advisory Committee (DCAC) for an additional four-year term, beginning March 2, 2022 and ending on March 1, 2026:
 - (1) Roberto Peña, as the representative nominated by the group of employees designated as “Management Employees;” and
 - (2) Jaime Fonseca as the representative nominated by the group of employees designated as American Federation of State, County, and Municipal Employees, AFSCME Local 101.

- (b) Place the item on the February 15, 2022 City Council Agenda for action.

OUTCOME

Approval of this recommendation will allow the DCAC to continue to do business and meet as a full committee at its next meeting on March 21, 2022.

BACKGROUND

The DCAC oversees the investment aspects of the City’s voluntary Deferred Compensation Program. The Deferred Compensation Program currently consists of approximately 8,300 plan participants, and includes active employees, former employees, retirees, and holds approximately \$1.3 billion in assets.

Resolution No. 70176, dated February 27, 2001, requires that the DCAC 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 International Association of Firefighters, Local 230; one recommended by the employee organizations affiliated with the American Federation of State, County, and Municipal Employees, AFSCME Local 101 and one recommended by the trades employee organizations. Each member normally serves a four-year term. As a Council-appointed committee, appointments to the DCAC must first be approved by the Rules Committee before being recommended to the City Council.

ANALYSIS

Two current members' terms are set to expire on March 1, 2022. The group of employees designated as "Management Employees" and the group of employees designated as American Federation of State, County, and Municipal Employees (AFSCME) were each asked for nominations from their organizations for the City Council's approval and appointment to their members' seats on the DCAC.

On October 8, 2021, Roberto Peña's interest in continuing his role with the DCAC was communicated to the group of employees designated as "Management Employees". The Unit 99 Forum was contacted to provide confirmation of the nomination, but the Forum did not respond to the notification and did not nominate anyone for appointment to the DCAC seat by the October 15, 2021 deadline. After the October 15, 2021 deadline had passed, the Human Resources Department clarified that the "Management Employees" designation also refers to the Management bargaining units. As such, the group of employees designated as "Management Employees" consists of Unit 99 – Executive Management and Professional Employees, Association of Engineers and Architects, Association of Maintenance Supervisory Personnel, City Association of Management Personnel and Association of Legal Professionals of San Jose. On January 25, 2022, Roberto Peña's interest in continuing his role with the DCAC was communicated to the group of employees in Association of Engineers and Architects, Association of Maintenance Supervisory Personnel, City Association of Management Personnel and Association of Legal Professionals of San Jose. No objections were received.

On October 12, 2021, the group of employees designated as American Federation of State, County, and Municipal Employees AFSCME Local 101 informed Staff that there was no objection to Jaime Fonseca continuing to serve another four-year term.

EVALUATION AND FOLLOW-UP

The DCAC has the authority to make decisions on behalf of the City as to the investment policy, the choice and nature of investments to be available under the Deferred Compensation Plan, and enter into agreements on behalf of the City for investment advice under the Plan where the fees to be paid under such an agreement are to be paid by participants of the Plan or where there is no amount to be paid by the City under the agreement. The DCAC also has the authority to review and advise the City Manager on annual budgets and proposed changes to the Plan.

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

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

The key stakeholders were invited to nominate a candidate for appointment to the DCAC.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment.

/s/
Jennifer Schembri
Director of Employee Relations and
Director of Human Resources

For questions, please contact Amy Morton, Senior Benefits Analyst at (408) 975-1425.