

Boards and Commissions Application

Profile

Spencer

First Name

Horowitz

Last Name

[REDACTED]
Email Address

Please note, applications are continuously accepted to the City of San Jose Boards and Commissions. The Board or Commission you select may or may not indicate there is a vacancy. Your application will remain on file for one year from the date of submission. During the year, your application may be considered for unanticipated vacancies.

Which Boards would you like to apply for?

Federated City Employees' Retirement System: Submitted

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

Are you a resident of San Jose?

 Yes No

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

Member Category: *

 Public Member**Length of Residency**

 6 or more years

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

 Yes No

What district do you live in? To verify, please click here: <https://eservices.sccgov.org/rov/?tab=dt> *

District 6

Street Address: [REDACTED] Suite or Apt: [REDACTED]
City: SAN JOSE State: CA Postal Code: 95125

Home: (408) [REDACTED] Primary Phone Mobile: (408) [REDACTED] Alternate Phone

Self-Employed Employer: [REDACTED] Business Development Consultant Job Title

Current Employer Address

[REDACTED]

Current Employer of Spouse

Gteg Haupt Farmers Insurance

Address of Current Employer of Spouse

[REDACTED]

Spouse's Job Title

Admin

If you or your spouse is retired and receiving a pension, please state source of pension.

None.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Interests & Experiences

High School, College, Professional, Vocational, or Other Schools Attended. Please include Major or Field of Study, Dates Attended, Degree and Date of Degree.

UC Berkeley Continuing Education SACRS Public Pension Investment Management Program, 2020
Kellogg Graduate School of Management Northwestern University, Evanston, Illinois. 1985-1987. MBA in Finance & Managerial Economics, with Honors, 1987. Kean College, Union, New Jersey. 1982-1984. BS in Computer Science, with Honors, 1984. Academy of Aeronautics, LaGuardia Airport, New York. 1980-1981. AAS in Aeronautical Engineering Technology-Electronics, with Honors, 1981.

List any position or office held in any governmental agency, civic, or charitable organization including the dates

Appointed as a Trustee of San Jose Federated City Employees Retirement System, 2019. Appointed by Santa Clara Valley Water as a Board Member of the Public Facilities Financing Corporation (FPPC), 2018 – present. Twice appointed by San Jose City Council to serve on the Airport Commission. Responsible for operational oversight and policy review for the San Jose International Airport (SJC), 2010 - 2015. Elected vice-chair by fellow commissioners, 2015. Appointed to the Measure G Citizen's Bond Oversight Committee for the San Jose Evergreen Community College District, 2010 – 2013. Twice appointed by San Jose City Council to the Small Business Development Commission, 2003-2007. Elected Chair by fellow commissioners, 2006. Appointed to Board of Directors for Chai House, a 140-unit non-profit residence for low-income seniors, 2005 – 2008.

Languages Spoken

English, elementary Spanish.

Special Awards or Recognitions Received

Selected for USAID-sponsored economic advisory mission to the Romanian high-tech industry, 1999. Featured speaker at INET99, Internet Society Global Summit, San Jose, 1999. Featured speaker at "Alliance Forum" technology investment conference, Tokyo, 1996. Voting member of Semiconductor Industry Association Market Statistics Committee, 1989 - 1993. Elected Committee Chair, 1993.

Please state why you want to become a member of this Board or Commission including specific objectives which you would work toward as a member. If you are applying for the Board of Fair Campaign and Political Practices, please indicate any familiarity or experience you may have with campaign laws.

I hope to continue contributing my efforts and insight to assist the Pension Plan to achieve the highest possible return, consistent with a prudent level of risk. I hope to ensure that fees paid to active investment advisors and investment funds can be justified by their superior performance relative to the appropriate benchmarks for passive investment in comparable assets classes.

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

Do you own property in the City of San José?

Yes No

If yes, please list the addresses here.

[REDACTED]

Do you rent property in the City of San José?

Yes No

If yes, is it a month-to-month lease?

Yes No

State and local law require that you abstain from participation in decisions that may affect your financial interests, including sources of income, interest in real property, personal finances or investments. In addition, if appointed, you may be required to fill out a disclosure statement which identifies certain of your financial interest beginning with the immediate twelve-month period prior to your appointment. Please review the scopr of your board/commission in Municipal Code Chapter 2.08. Based on your best judgment, does this Board or Commission make decisions that may affect sources of income, interests in real property, personal finances or investments of you or your spouse?

Yes No

If yes, please explain. Please identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this Board or Commission, and the positions you hold in these entities.

Question applies to multiple boards

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

Question applies to multiple boards

Have you ever been required to file a Statement of Economic Interest (Form 700) and failed to do so?

Yes No

Question applies to multiple boards

If yes, please explain in complete detail.

Question applies to multiple boards

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

Reference 1 Name

Honorable Julia Alloggiamento

Reference 1 Address

[REDACTED]

Reference 1 Phone

[REDACTED]

Reference 2 Name

Prof. Renate Fruchter, PhD.

Reference 2 Address

Jerry Yang & Akiko Yamazaki Environment & Energy Building 473 Via Ortega, Room 311, MC 4020
Stanford University Stanford, CA 94305

Reference 2 Phone

[REDACTED]

Supplemental Questions

Have you ever attended a meeting of the Commission(s) to which you are applying?

Yes No

Would you be available to attend meetings at the scheduled time?

Yes No

Please describe your experience in serving on a Commission or Board.

I have been appointed to serve on three San Jose commissions/boards: 1) Federated Pension Board, 2) Small Business Development Commission and 3) Airport Commission. In each case I maintained a record of full attendance, active contribution and leadership. I was honored by my fellow commissioners by my election to serve as Chair (Small Business) and Vice-Chair (Airport). I currently serve as Chair of the Governance Committee of the Federated Board.

Considering your experience and activities in business, labor, professional, social, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment to the selected commission(s).

In addition to serving in an oversight and analysis role, my proven communication skills enable me to serve the board by assuming an active role in any required written communication with stakeholders, city officers, councilmembers and the public.

What is your understanding of the purpose of the Commission?

The Board is responsible for asset allocation and operational oversight of the San Jose Federated City Employees Pension Plan.

Please list three issues facing the City that you feel the Commission should address.

Achieving the Plan's investment target (i.e. the discount rate) is quite challenging given the current low interest rate environment. It may be tempting to 'reach' for yield in order to achieve desired returns. The Plan Board should be prudent in assuming risk, and ensure the plan is appropriately compensated for the level of risk that it does assume. At the same time the Plan Board must assume the level of investment risk necessary to achieve its objectives without unduly burdening the plan sponsor and city employees. Risk underlies all investments, especially equity investment, and risk cannot be entirely eliminated to achieve the required returns for long-term plan growth. The plan must seek to balance the risk and return and appropriate allocation of assets between growth assets (equities) and low volatility assets (bonds), between foreign and domestic assets; between liquid and illiquid assets. Each asset class represents unique performance attributes to be considered, including their correlation with other asset classes. Identifying un-correlated assets is another important challenge for the plan, as un-correlated assets can significantly reduce risk without negatively impacting return. The Board must also assure that the ORS is adequately prepared for changes in leadership and personnel; and that the ORS is prepared for operational continuity in case of natural disaster or other unplanned service disruptions.

I would like to say . . .

I believe I bring an important perspective and diversity to the board. I am currently the only Public Member who is actually a resident of, and tax-payer in, the city of San Jose. I am also the only Public member that is not a lifelong employee of the investment industry and, as such, I bring a healthy degree of distance and skepticism to industry claims and presentations. As a well-informed business generalist and thirty-year member of the San Jose community, my voice represents an important and distinct perspective for board deliberations.

(Optional) Please upload a resume.

Retirement Board Questions Only

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

- Institutional investment experience
- Other

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

In my first year of service on the board, I believe I have brought a unique blend of capabilities to my responsibilities as a board member. With formal academic training in economics and finance, I have the necessary background to ask probing questions of investment advisors and to critically analyze the complex data they present. At the same time, as someone with a career outside of formal investment management, I bring an independent, data-centric viewpoint to the analysis of investment recommendations.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

A lifetime student of the financial markets, I have achieved for my family a ten-year annual rate of return exceeding 7.5% by executing a conservative asset allocation strategy utilizing low-cost passively managed mutual funds and ETFs. During my first year as a board member, I have actively participated in all board deliberations. I was a strong advocate for, and a board vote in favor of, the plan's strategic asset allocation shift to increase equity investment during the last week of March 2020. This shift proved to be a well-timed re-allocation that resulted in the plan's superior performance relative to peers in 2H2020.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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?

The ORS staff is the specific city department responsible for managing the pension plan, reporting to the City Administration, which, in turn, is answerable to the City Council. Employee bargaining units represent the interests of plan participants and beneficiaries.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Short-term goals include maintaining sufficient liquidity to cover current plan liabilities. Long-term the board must seek to obtain the highest possible return consistent with prudent risk taking, so as to meet the obligations of the Federated Plan

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Retirement funds are 'public' in so far as they serve a public purpose—namely the recruitment and maintenance of a high-quality city staff. However, the funds are segregated from other city accounts, and are not available to serve any other public function; they are exclusively to be used for the payment of retiree benefits.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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: <https://www.sanjoseca.gov/DocumentCenter/View/3208>

Yes No

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

If so, how is this report applicable to the work you would do as a Retirement Board Member?

The City of San Jose, like municipalities and States all across the nation, faces a challenge of underfunded pension liabilities. The fundamental challenge of defined benefit plans is to accumulate sufficient assets to pay their full obligations. If this cannot be achieved through investment in the public and private markets, any shortfall must be made-up by municipal tax payers.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Reading a wide variety of financial publications is my daily avocation. My go-to sources include the Wall Street Journal, Barron’s, the Economist, Financial Times, Bloomberg, Institutional Investor, CIO Magazine, as well as finance blogs from Barry Ritholz, Ray Dalio, Matt Levine, Ben Carlson and others. In my first year on the Pension Board I have also actively availed myself of additional learning opportunities at industry conferences, and continuing education seminars at UC Berkeley.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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?

I think it important to not overly react to current fluctuations in the market. Long-term results are best achieved by consistent application of a pre-determined asset allocation strategy. I believe the plan should lean primarily on public, liquid markets where the cost of investing is lower than illiquid markets, and where the long-term returns are typically as high as, if not higher than, those achieved by illiquid markets in recent years. Risk budgeting can be an important analytical tool.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

Asset allocation will have more effect on the overall investment return of the pension plan than any other decision. In the long run, asset allocation decisions are more consequential than decisions about individual stocks, bonds or managers. It is well documented that long run investment growth requires significant allocation to equity investment. Unless plan managers/advisors can document strong statistical support for alternative asset classes, domestic and foreign equity should probably comprise a minimum of 75% of plan assets.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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?

The relative risk-adjusted performance of alternative assets is the subject of significant on-going analysis and debate, which I am following closely. Alternative asset classes can comprise an important portion of a portfolio, especially if their returns are un-correlated with traditional equity and fixed income. That said, many private equity and other specialized funds have recently failed to match the returns offered by passive equity investment, with the additional cost of significant fees. The performance of alternative assets is highly dependent on the performance of individual asset managers, which can be challenging to identify and engage with. I believe the Board should approach such investments with great prudence and data-driven due diligence.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

How would you evaluate an investment manager? When would you terminate an investment manager? How should due manager diligence be conducted?

I believe managers must meet two key criteria. 1) Their investment philosophy/approach should offer some quantifiable benefit (higher returns or reduced risk or both) vs. passive investment in the same asset class; they should be able to document a track record to substantiate this advantage, and 2) They must demonstrate the highest possible standards of ethical and transparent operation.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

The pension plan's official Investment Policy Statement should conform to the best practices outlined by the Government Finance Officers Association (GFOA), which addresses roles, responsibilities, standards of care, investment suitability, internal controls, performance and reporting standards. It should outline a rigorous approach to determining the plan's strategic asset allocation.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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:

None Selected

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

If yes, please provide details.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

If yes, please provide details.

Verification

By checking the box below, you agree with the following statement.

I agree that all of the information contained in my responses to the questions on this application are true and accurate to the best of my knowledge. I further agree that, by checking the box below and submitting this application, online or otherwise, I am affixing my digital signature to this form as of the date submitted.

I Agree *

Boards and Commissions Application

Profile

Vincent

First Name

Sunzeri

Last Name

[REDACTED]
Email Address

Please note, applications are continuously accepted to the City of San Jose Boards and Commissions. The Board or Commission you select may or may not indicate there is a vacancy. Your application will remain on file for one year from the date of submission. During the year, your application may be considered for unanticipated vacancies.

Which Boards would you like to apply for?

Police and Fire Retirement Plan Board: Submitted

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

Are you a resident of San Jose?

 Yes No

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

Member Category: *

 Public Member**Length of Residency**

 6 or more years

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

 Yes No

What district do you live in? To verify, please click here: <https://eservices.sccgov.org/rov/?tab=dt> *

District 10

Street Address: [REDACTED] Suite or Apt: [REDACTED]
SAN JOSE CA 95120
City State Postal Code

Mobile: (408) [REDACTED] Business: (408) [REDACTED]
Primary Phone Alternate Phone
MORGAN STANLEY SENIOR VICE PRESIDENT -
Employer Job Title INVESTMENTS; CERTIFIED
PRIVATE WEALTH ADVISOR

Current Employer Address

[REDACTED]

Current Employer of Spouse

NA

Address of Current Employer of Spouse

NA

Spouse's Job Title

HOMEMAKER

If you or your spouse is retired and receiving a pension, please state source of pension.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Interests & Experiences

High School, College, Professional, Vocational, or Other Schools Attended. Please include Major or Field of Study, Dates Attended, Degree and Date of Degree.

SAN JOSE STATE UNIVERSITY, B.S. :BUSINESS ADMINISTRATION, CONCENTRATION: FINANCE; MINOR: ECONOMICS, 1988 WHARTON SCHOOL AT UNIVERSITY OF PENNSYLVANIA: CERTIFIED INVESTMENT MANAGEMENT ANALYST (CIMA) 2005 UNIVERSITY OF CHICAGO BOOTH SCHOOL OF BUSINESS: CERTIFIED PRIVATE WEALTH ADVISOR (CPWA) 2008

List any position or office held in any governmental agency, civic, or charitable organization including the dates

CITY OF SAN JOSE POLICE AND FIRE RETIREMENT BOARD OF ADMINISTRATION: DECEMBER 2010 - PRESENT (TRUSTEE, PAST BOARD CHAIR) ROTARY CLUB OF SAN JOSE: MEMBER SINCE 2005, CLUB BOARD MEMBER 2017 - PRESENT, PAST FOUNDATION BOARD MEMBER AND BOARD PRESIDENT 2012 - 2015 VIA SERVICES: 2002 - 2016; PAST BOARD MEMBER, BOARD CHAIR SAINT CHRISTOPHER'S HOLY NAME PAST BOARD MEMBER: 1999 - 2002

Languages Spoken

ENGLISH

Special Awards or Recognitions Received

UBS PRESIDENTS CLUB BROKER ADVISORY COUNCIL NORTHERN PACIFIC REGION MORGAN STANLEY MASTERS CLUB BRANDES GLOBAL CONSULTANTS FORUM

Please state why you want to become a member of this Board or Commission including specific objectives which you would work toward as a member. If you are applying for the Board of Fair Campaign and Political Practices, please indicate any familiarity or experience you may have with campaign laws.

To assist with the accountability of the Retirement Board to all stakeholders: the City, Employees, Retirees and Tax payers. To utilize my 30+ years of professional training and experience in one of the most important issues that the City is struggling with today. I would like to continue bringing my knowledge, experience, and detailed understanding of the capital markets and portfolio construction to the Board. I believe that offering my qualified financial expertise will be mutually rewarding. Having served on the Police and Fire Board for nearly 10 years has given me an unique perspective on the challenges faces pension plans today and the decision-making required to move them in the right direction. I believe the most valuable skill I've provided over the last years has been leadership as past Board Chair, Vice-Chair, and Chair of numerous committees.

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

AS Chair of the Joint Personnel Committee of the Police & Fire and Federated Retirement Boards, I am working hard to complete and implement the CEO and CIO evaluation policies. These policies provide methods and measurable metrics for evaluating these positions. This would fulfill a recommendation that came from the Civil Grand Jury. As a member of the Retirement Stakeholders Solutions Working Group (RSSWG), I would like to see what specific recommendations come forward from this committee and would like to continue serving on the P&F Board to help educate the Board on the recommendations, evaluate as needed, and implement the most impactful recommendations with the goal of helping to reduce the unfunded liability.

Do you own property in the City of San José?

Yes No

If yes, please list the addresses here.

[REDACTED]

Do you rent property in the City of San José?

Yes No

If yes, is it a month-to-month lease?

Yes No

State and local law require that you abstain from participation in decisions that may affect your financial interests, including sources of income, interest in real property, personal finances or investments. In addition, if appointed, you may be required to fill out a disclosure statement which identifies certain of your financial interest beginning with the immediate twelve-month period prior to your appointment. Please review the scopr of your board/commission in Municipal Code Chapter 2.08. Based on your best judgment, does this Board or Commission make decisions that may affect sources of income, interests in real property, personal finances or investments of you or your spouse?

Yes No

If yes, please explain. Please identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this Board or Commission, and the positions you hold in these entities.

Question applies to multiple boards

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

Question applies to multiple boards

Have you ever been required to file a Statement of Economic Interest (Form 700) and failed to do so?

Yes No

Question applies to multiple boards

If yes, please explain in complete detail.

Question applies to multiple boards

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

Reference 1 Name

Councilmember Pam Foley

Reference 1 Address

[REDACTED]

Reference 1 Phone

[REDACTED]

Reference 2 Name

Matt Loesch

Reference 2 Address

[REDACTED]

Reference 2 Phone

[REDACTED]

Supplemental Questions

Have you ever attended a meeting of the Commission(s) to which you are applying?

Yes No

Would you be available to attend meetings at the scheduled time?

Yes No

Please describe your experience in serving on a Commission or Board.

I have served on the City of San Jose's Police & Fire Retirement Board since December 2010. I have served as Chair of the Board for two years, chaired multiple committees, and led and/or participated in numerous board retreats. I have served on committees that recruited and hired both our CEO and CIO. I have attended multiple Joint Board and City Council meetings. I am currently serving on the Mayor's Retirement Stakeholders Solution Working Group.

Considering your experience and activities in business, labor, professional, social, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment to the selected commission(s).

I have consistently moved into leadership positions within the organizations that I've served. I've served as Past Board Chair, Vice-Chair, and Committee Chair of the Police and Fire Retirement Board, Past President of the Rotary Club of San Jose Foundation Board, Board member of the Rotary Club of San Jose, Board member and past Board Chair of Via Services. These experiences have enhanced my leadership skills. I also believe in each term that I've served, I helped these organizations improve policies, accountability, and progress overall.

What is your understanding of the purpose of the Commission?

The Retirement Board must carry out their duties and responsibilities in accordance with Fiduciary standards applicable to trustees of retirement plans. The Retirement Board has exclusive control over the management and administration of the retirement system and funds. Board members are specifically responsible for considering requests for retirement, determining eligibility for membership in the pension plan and determining eligibility for benefits in the pension plans.

Please list three issues facing the City that you feel the Commission should address.

There has been a decline in pension values during the last two recessions coupled with a need to increase pension contributions. We are at an inflection point. Therefore, the three most important issues facing the Retirement Board are the following: 1) To ensure a fiscally sound, stable and sustainable retirement fund. 2) To continue evaluating the actuarial assumptions of the plan; particularly in light of the collapse in interest rates. 3) To ensure that all stakeholders interests are being addressed in resolving the unfunded liability, but primarily to ensure pension obligations can be met.

I would like to say . . .

I believe the City of San Jose Police & Fire CEO, CIO, fellow trustees, and third-party consultants would say that I am a dedicated, well prepared, and engaged trustee on the P&F Board. I would be honored to continue my serve on this Board.

(Optional) Please upload a resume.

Retirement Board Questions Only

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Investment management

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

As a Certified Investment Management Analyst, I bring 30+ years of investment management experience with a major financial institution. I am well versed in the following areas: 1) Modern portfolio theory and post-modern portfolio theory. 2) Investment policy statements. 3) Evaluating Performance measurement, asset allocation, management search and evaluation. 4) Analyzing fixed income instruments, equities and alternative investments.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

As the Vice Chair of Via Services Board of Directors, I was active in evaluating the investment allocation of our Endowment funds. Specifically, I have been a proponent of developing a reasonable spending policy based upon the prudent allocation of these funds. I assisted the Los Gatos - Saratoga Department of Education and Recreation in drafting an Investment Policy Statement. I have been their Advisor for the last 24 years. I served on the Shortino Foundation's RFP Money Manager Search Committee. I lead the RFP for the Money Manager of the Rotary Club of San Jose's Foundation. I have served on the P&F Investment Committee that completed an RFP for Investment Consultants. During the vacancy of the CIO position, I chaired the Investment Committee, lead frequent meetings, interacted with our -interim-CIO, and worked hard to help retain talented personnel within the investment team.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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?

The Retirement Board reports to City Council. This includes reports such as the Comprehensive Annual Financial Report (CAFR), Investment Results, Fees, and the annual budget. The City Council also appoints a non-voting Councilmember to each Board. The Retirement Boards work with the City appointed Liaison and City Manager, and City Budget Manager. In addition to open Board and Committee meetings, the Boards provide an annual update for all bargaining units. Finally, the Board is responsible for administering and managing the funds on behalf of plan participants and beneficiaries.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Short-term Goals: 1) Ensure that sound investment principals are being followed 2) Monitor Investment managers 3) Ensure that the fund is healthy, safe and transparent 4) Ensure that succession planning is being developed for senior personnel. 5) Evaluate management effectiveness at retaining key personnel. Long-term Goals: 1) Deal with the underfunded pension liability 2) Evaluate the actuarial assumptions 3) Evaluate the Asset Allocation Model assumptions 4) Balance Asset/Liability goals to guarantee we can meet pension obligations 5) Ensure Board policies related to the decision-making process of Investment Policy and Asset Allocation strategy isn't reacting to each economic crisis, but rather prepares for one.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

These funds are public funds in the sense that we have a Fiduciary obligation that may not be present with investing private fund. Contributions into the pension fund come from both the plan sponsor and plan members. We have an obligation to provide complete transparency and to report to all stakeholders. Since the City is making significant contributions to the fund, they are considered public funds; however, I don't want that to be confused with the fact the as public funds, the City can divert these funds for other financial needs. The most important requirement of these public funds are to ensure plan members retirement obligations can be met.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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: <https://www.sanjoseca.gov/DocumentCenter/View/3208>

Yes No

If so, how is this report applicable to the work you would do as a Retirement Board Member?

It is one of the resources that I've referred to as a member of the Retirement Stakeholders Solutions Working Group. The RSSWG is primarily concerned with reducing the unfunded liability for both pensions plans. The growing contributions are a significant portion of the City's General Fund and budget. These growing costs hinder the City's ability to maintain service levels, particularly when we hit a recession like we are experiencing today.

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

There are continuing education requirements for maintaining the designations of Certified Investment Management Analysts (CIMA®) and the Certified Private Wealth Advisor (CPWA®). These designations require that you adhere to a strict ethical code of professional responsibility and complete 40 hours of training every two years. In addition, as a Registered Representative, I am required to complete various ongoing training programs and compliance education to retain my licenses.

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?

This is not a questions which can be easily answered in one paragraph. Nonetheless, empirical data suggests that the Endowment Model of investing which includes alternative investments is one way of increasing returns while reducing risk. These asset classes, however, lack liquidity which can cause problems in times of crisis. The Yale Endowment, one of the largest in the country, has an enviable twenty year track record due to it's use of alternative investments. Part of my CIMA®, training included risk budgeting.

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.

Asset allocation may be one of the most important duties of the Retirement Board. In reviewing the Investment Policy Statements (IPS), the Strategic Asset Allocation Policy has been set by the Board. Time horizon, risk tolerance, volatility and re-balancing have also been addressed in the IPS. Liquidity and Diversification are also addressed. These are all important factors in determining asset allocation. I would be most concerned with whether or not the expected returns for each asset class is based upon historical data or forward looking.

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?

Since the liabilities from these pension plans stretch over a very long period of time, I believe that alternative investments are an appropriate investment. The lack of liquidity, in some cases, can be tolerated to seek the higher anticipated return. This is higher potential return is called the illiquidity premium. However, the most important element is due diligence. Finally, alternative investments need to be evaluated within the context of the overall of asset and liability management.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

How would you evaluate an investment manager? When would you terminate an investment manager? How should due manager diligence be conducted?

Each manager should be evaluated relative to their particular benchmark using quantitative measures such as Standard Deviation, Beta, Alpha, R- squared, Sharpe ratio, Information ratio, Tracking error, Upside/Downside capture ratios and peer analysis. Managers who have under-performed a full market cycle should be terminated. However, ongoing due diligence is critical to capture pertinent information during the cycle. This type of information can be gathered through the manager's ADV Form or through actual on site visits.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

The Investment Policy Statement (IPS) is the guiding document outlining the plans overall investment objective, risk tolerance and budget, asset allocation, manager selection criteria, and the roles and responsibilities of the Board, Consultants, CIO, and staff. As Board Chair, I established an Ad Hoc Committee that was responsible for redrafting the IPS and delegating specific authority to the CIO and staff regarding manager selection, and rebalancing of plan assets. The maintains responsibility for Strategic Asset Allocation. The Board utilizes a third-party consultants in establishing Asset Allocation. Staff conducts due diligence on investment managers supported by research from third-party consultants.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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:

None Selected

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

If yes, please provide details.

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

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

Question applies to Federated City Employees' Retirement System, Police and Fire Retirement Plan Board

If yes, please provide details.

Verification

By checking the box below, you agree with the following statement.

I agree that all of the information contained in my responses to the questions on this application are true and accurate to the best of my knowledge. I further agree that, by checking the box below and submitting this application, online or otherwise, I am affixing my digital signature to this form as of the date submitted.

I Agree *