CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Aram Kouyoumdjian

SUBJECT: **See Below**

DATE: July 29, 2026

Approved

Date: 7/30/26

COUNCIL DISTRICT: Citywide

SUBJECT: Resolution of Intention to Approve an Amendment to the Contract Between the California Public Employees' Retirement System (CalPERS) and the City of San José

RECOMMENDATION

Adopt a Resolution of Intention to approve an amendment to the contract between the California Public Employees' Retirement System (CalPERS) and the City of San José.

SUMMARY AND OUTCOME

Adoption of the Resolution of Intention to amend the contract between CalPERS and the City of San José will allow the City to begin the process to add the Deputy Chief Investment Officer classification in the Office of Retirement Services to the CalPERS contract for retirement benefits.

BACKGROUND

On November 4, 2014, Measure G was passed by the voters of San José. Measure G excluded the Chief Executive Officer, the Chief Investment Officer, and investment professional staff in the Office of Retirement Services (ORS) from being members of the City's defined benefit pension or retiree healthcare plans under City Charter Section 1101(a)(12). However, this exclusion did not apply to any incumbents filling those positions as of November 4, 2014.

Accordingly, investment staff hired after the implementation of Measure G had been mandatorily placed into the City's defined contribution plan (Tier 3) until 2019, when City Council approved mandating incumbent and future eligible ORS investment staff to enroll in CalPERS benefits. Incumbents in those investment staff classifications were required to join CalPERS and were no longer eligible to participate in the Tier 3 plan. The process of amending the City's contract with CalPERS was completed in 2020, and at that time, all impacted employees were enrolled in CalPERS.

In 2025, ORS and the Human Resources Department created a new Deputy Chief Investment Officer classification within the investment group of ORS, and ORS began recruiting for this position. There is currently no employee in the new Deputy Chief Investment Officer classification. By way of this memorandum and the accompanying documentation and subsequent resolution, the City seeks to further amend the City's contract with CalPERS to ensure that any future hires in the Deputy Chief Investment Officer classification will also be appropriately enrolled in CalPERS benefits.

ANALYSIS

The first step in the process of adding the new Deputy Chief Investment Officer classification to the CalPERS contract is for the City Council to adopt the Resolution of Intention to amend the City's contract with CalPERS. The Resolution is intended to give notice of the City's intention to approve changes to its contract with CalPERS to allow for the Deputy Chief Investment Officer classification in ORS to enroll in CalPERS retirement benefits prospectively. These changes will apply to employees hired into the Deputy Chief Investment Officer classification on or after the adoption date of the ordinance.

The Resolution of Intention to approve an amendment to the contract and the corresponding contract amendment are attached to the resolution. The proposed amendment from CalPERS would add the new Deputy Chief Investment Officer classification in ORS, but all of the other current terms in the contract with CalPERS would remain unchanged. If the City Council adopts the Resolution of Intention to approve an amendment to the contract, staff will return to the City Council with an ordinance to amend the contract, as the final step required by CalPERS. CalPERS requires that the ordinance must have a first and second reading, as well as be published in a newspaper of general circulation. Further, pursuant to California Government Code Section 7507, the future annual costs of changes in retirement benefits as determined by CalPERS shall be made public at a public meeting at least two weeks prior to the adoption of the final ordinance, as required by CalPERS.

EVALUATION AND FOLLOW-UP

If the City Council adopts the proposed Resolution of Intention to approve an amendment to the contract with CalPERS, staff will bring back an ordinance to amend the contract.

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the August 11, 2026, City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

Aram Kouyoumdjian
Director of Human Resources and City Manager's Office of Employee Relations

For questions, please contact Bill Gold, Assistant to the City Manager, City Manager's Office of Employee Relations, at (408) 535-8150.