



## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Nora Frimann  
City Attorney

**SUBJECT: PUBLIC MEMBER APPLICANT  
FOR FEDERATED CITY  
EMPLOYEES' RETIREMENT  
PLAN BOARD**

**DATE:** November 8, 2022

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### **BACKGROUND**

This Office routinely reviews applications for appointment to City boards and commissions for conflicts of interest, appearance of bias and incompatible office. The applications generally do not provide complete information; however, they do occasionally disclose potential conflicts of interest or incompatible offices.

The purpose of this memorandum is to summarize our review of the application submitted by an individual who will be considered by the City Council for a public member trustee position on the Federated City Employees' Retirement Plan's Board.

### **BOARD DUTIES**

In order to analyze potential conflicts, it is necessary to consider the duties of the particular board or commission for which the applicant is seeking appointment. The Board of Trustees of the Federated City Employees' Retirement Plan is established under the Municipal Code to manage, administer and control the plan. The Board's scope of authority and duties include determining employee eligibility for benefits, establishing contribution rates for employees and the City based on actuarial valuations, commenting on ordinances that propose modifications to the retirement plan and investing retirement funds. The Board is expressly authorized to secure the following types of contractual services:

1. Actuarial service
2. Auditing services
3. Investment management services
4. Investment performance evaluation services
5. Proxy voting services
6. Legal services
7. Other consulting services as the Board deems necessary to carry out its duties and responsibilities under the retirement plan.

## **SUBSTANCE OF CONFLICTS REVIEW**

### ***Incompatible Office***

The doctrine of incompatible offices is contained in Government Code section 1099. To fall within the Doctrine of Incompatible Offices, two elements must be present.

- Hold two public offices simultaneously, and
- A potential conflict or overlap in the functions or responsibilities of the two offices must exist.

### ***Appearance of Bias***

There may be facts which would not amount to a legal conflict of interest, but which could require a Board trustee to recuse him or herself from a Board vote or discussion, because of an appearance of bias on the part of the Board. City Council policy requires Board members to be free from bias in their decision making, and may require a Board member to recuse him or herself if the facts could reasonably lead one to conclude that the Board member would be biased for or against a person or entity.

### ***Legal Conflicts That May Preclude Board Contracts***

Because the Board has independent contracting authority, Board member conflicts of interest preclude the Board from contracting with entities in which a trustee has a financial interest. (Government Code Section 1090) For the Federated City Employees' Retirement Plan Board, it is not adequate for a trustee to recuse him or herself from participating in a Board discussion or from voting on matters coming before the Board. The trustee with the conflict must either resign, or the Board must forgo the contractual opportunity.

While this list is not complete, conflicts generally arise in one or more of the following situations:

- A trustee has "sources of income" within the 12 months preceding the start of the trustee's term or during the trustee's term, as defined under the Political Reform Act.
- A trustee's spouse or domestic partner has "sources of income" within the 12 months preceding the start of the trustee's term or during the trustee's term, as defined under the Political Reform Act.

- A trustee or trustee's spouse or domestic partner is an Officer or Board Member of an entity other than the Retirement Board and the entity is involved in a matter coming before the Board.

### **APPLICANT**

**Anurag Chandra**

**Employer**

Gresham Partners, LLC

Finance

**Spouse's Employer**

Foundation for College Education

Director of Development

**Conflict of Interest**

Mr. Chandra is a current member of the Federated City Employees' Retirement Plan Board. He did not identify any organization, association, or entity in which he is active or which he is involved or associated that might be affected by decisions of the Board. He further indicated that he would have no financial interest to disclose other than his interest in his employment and his spouse's interest in employment.

### **LEGAL REVIEW OF RETIREMENT BOARD APPLICANTS**

Our office reviewed the application submitted by the applicant to be considered for the public member position on the Federated Employees' Retirement Plan Board by the City Council. Our review was limited to the information provided by the applicant and was not intended to be a comprehensive investigation of potential conflicts involving the applicant. The results of our review are as follows:

- The applicant did not disclose any incompatible offices.
- The applicant did not disclose an appearance of bias.
- The applicant did not disclose an existing conflict of interest, e.g. no disclosure of an existing financial interest in any organization, association, or entity that has an existing contractual relationship with the Federated Retirement Board.
- The applicant indicated that he would not have any financial interests other than his own employment and his spouse's employment.

Attachment A is a list of the entities with which the Federated City Employees' Retirement Board has a contractual relationship as of November 8, 2022. We note that some of these are forms of entities (partnerships or private companies) in which it is unlikely that an applicant would have a financial interest if they are not employed by the firm. However, even if an applicant does not currently have a contractual relationship with any firm in which the Board currently has a financial interest, the list of entities with which the Board contracts with changes from time to time and we would expect a Board member's financial interests to change over time as well. Thus, both staff and any individual appointed to this Board will need to exercise vigilance to avoid conflicts from arising in the future.

NORA FRIMANN  
City Attorney

By   
Suzanne Hutchins  
Sr. Deputy City Attorney

cc: Jennifer Maguire, City Manager  
Toni Taber, City Clerk  
Roberto Pena, Director Retirement Services



ATTACHMENT A  
Retirement Board Contractors

**FEDERATED RETIREMENT PLAN**

*List of Administrative and Investment Vendors as of November 8, 2022*

<b>Vendor</b>	<b>Category</b>
CHEIRON, INC	Actuary
SEGAL COMPANY, THE	Actuary Auditor
VERIZON WIRELESS	Cellular Service
MARTHA E BOYER	Communication Consultant
BNY MELLON	Custodian Bank
THE BERWYN GROUP	Death Audit
GRANT THORNTON LLP	External Auditor
CALAPRS CALIF ASSOC OF PUBLIC RETIREMENT SYSTEM	General Dues & Subs
CORTEX APPLIED RESEARCH INC.	Governance Consultant
LIBERTY MUTUAL INSURANCE	Insurance
RISK STRATEGIES COMPANY	Insurance
ALBOURNE AMERICA, LLC	Investment Consultant
KOFF & ASSOCIATES, INC	Investment Consultant
MEKETA INVESTMENT GROUP	Investment Consultant
ABEL/NOSER CORP	Investment Data Processing
BARRA, LLC	Investment Data Processing
BCA RESEARCH INC.	Investment Data Processing
BLOOMBERG FINANCE L.P.	Investment Data Processing
BLOOMBERG INDEX SERVICES LIMITED	Investment Data Processing
DYNAMO SOFTWARE, INC.	Investment Data Processing
EVESTMENT ALLIANCE, LCC	Investment Data Processing
FRANK RUSSELL COMPANY	Investment Data Processing
INSTITUTIONAL LIMITED PARTNERSASSOCIATION	Investment Data Processing
JP MORGAN BANK	Investment Data Processing
KLARITY FX INC	Investment Data Processing
MSCI, INC	Investment Data Processing
PITCHBOOK	Investment Data Processing
VERUS ADVISORY, INC	Investment Data Processing
PENSION REAL ESTATE ASSOCIATION	Investment Dues & Subs
HANSON, BRIDGETT, LLP	Investment Legal
AMERIPRISE FINANCIAL INC	Investment Manager
ARTISAN PARTNERS LIMITED PARTNERSHIP	Investment Manager
BLACKROCK INSTITUTIONAL TRUST COMPANY, NATIONAL ASSOCIATION	Investment Manager
COVE STREET CAPITAL LLC	Investment Manager
INSIGHT NORTH AMERICA LLC	Investment Manager
INVESCO ADVISERS, INC	Investment Manager
MELLON INVESTMENTS CORPORATION	Investment Manager
NORTHERN TRUST INVESTMENTS	Investment Manager

OBERWEIS ASSET MANAGEMENT INC	Investment Manager
RUSSELL INVESTMENTS IMPLEMENTATION SERVICES, LLC	Investment Manager
VOYA INVESTMENT MANAGEMENT	Investment Manager
WHITE OAK GLOBAL ADVISORS, LLC	Investment Manager
DELOITTE & TOUCHE LLP	Investment Misc
SEI INVESTMENTS GLOBAL FUND SERVICES	Investment Misc
CASEWARE INTERNATIONAL INC.	IT
COMPUTERLAND OF SILICON VALLEY	IT
FLEXENTIAL COLORADO CORP. (F/K/A VIAWEST, INC)	IT
GRANICUS, LLC	IT
IRON MOUNTAIN INC.	IT
J & J AIR CONDITIONING, INC	IT
OFF-SITE RECORDS MANAGEMENT	IT
SHI INTERNATIONAL CORP	IT
SMARTWAVE TECHNOLOGIES, LLC	IT
SRP/SOCIALSELLINATOR	IT
TOSHIBA BUSINESS SOLUTIONS	IT
ZOOM VIDEO COMMUNICATIONS, INC	IT
ICE MILLER LLP	Legal
REED SMITH LLP	Legal
SALTZMAN & JOHNSON LAW CORP	Legal
CALIFORNIA MEDLINK INC	Medical Consultant
EXAMWORKS, INC	Medical Consultant
WORK HEALTH SOLUTIONS	Medical Consultant
ANTHEM BLUE CROSS LIFE & HEALTH INSURANCE COMPANY	Payroll Medical Insurance
KAISER FOUNDATION	Payroll Medical Insurance
KAISER PERMANENTE HEALTH PLAN	Payroll Medical Insurance
PRUDENTIAL INSURANCE COMPANY	Payroll Medical Insurance
VISION SVC PLAN	Payroll Medical Insurance
LIFE INSURANCE COMPANY OF NORTH AMERICA-L.I.N.A.	Payroll Medical Insurance
LEVI, RAY, AND SHOUP INC	Pension Administration System
PITNEY BOWES INC	Postage
SENDNLINK	Postage
UNITED PARCEL SERVICE	Postage
UNITED STATES POSTAL SVC	Postage
U S BANK CORPORATE PAYMENT SYSTEMS	Procurement Card
PACIFIC RESOURCES FIRST AMERICAN, LLC	Rent
TRENDTEC INC	Temp Agency



## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Nora Frimann  
City Attorney

**SUBJECT: PUBLIC MEMBER APPLICANT  
FOR POLICE AND FIRE  
RETIREMENT PLAN BOARD**

**DATE:** November 17, 2022

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### **BACKGROUND**

This Office routinely reviews applications for appointment to City boards and commissions for conflicts of interest, appearance of bias and incompatible office. The applications generally do not provide complete information; however, they do occasionally disclose potential conflicts of interest or incompatible offices.

The purpose of this memorandum is to summarize our review of the applications submitted by the individuals who will be considered by the City Council for a public member trustee position on the Police and Fire Department Retirement Plan's Board.

### **BOARD DUTIES**

In order to analyze potential conflicts, it is necessary to consider the duties of the particular board or commission for which the applicant is seeking appointment. The Board of Trustees of the Police and Fire Department Retirement Plan is established under the Municipal Code to manage, administer and control the plan. The Board's scope of authority and duties include determining employee eligibility for benefits, establishing contribution rates for employees and the City based on actuarial valuations, commenting on ordinances that propose modifications to the retirement plan and investing retirement funds. The Board is expressly authorized to secure the following types of contractual services:

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There may be facts which would not amount to a legal conflict of interest, but which could require a Board trustee to recuse him or herself from a Board vote or discussion, because of an appearance of bias on the part of the Board. City Council policy requires Board members to be free from bias in their decision making, and may require a Board member to recuse him or herself if the facts could reasonably lead one to conclude that the Board member would be biased for or against a person or entity.

### ***Legal Conflicts That May Preclude Board Contracts***

Because the Board has independent contracting authority, Board member conflicts of interest preclude the Board from contracting with entities in which a trustee has a financial interest. (Government Code Section 1090) For the Police and Fire Department Retirement Plan's Board, it is not adequate for a trustee to recuse him or herself from participating in a Board discussion or from voting on matters coming before the Board. The trustee with the conflict must either resign, or the Board must forgo the contractual opportunity.

While this list is not complete, conflicts generally arise in one or more of the following situations:

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- A trustee or trustee's spouse or domestic partner is an Officer or



Board Member of an entity other than the Retirement Board and the entity is involved in a matter coming before the Board.

## **APPLICANTS**

### **1. Sunita Ganapati**

**Employer**

N/A

**Spouse Employer**

The Liver Company

Chief Business Officer

**Conflict of Interest**

Ms. Ganapati is a current member of the Police and Fire Department Retirement Plan Board. Ms. Ganapati did not identify any organization, association, or entity in which she was active or which she is involved or associated which might be affected by decisions of the Board. Ms. Ganapati further indicated that she would have no financial interest to disclose other than her interest in her spouse's employment.

### **2. Howard Lee**

**Employer**

Weild & Co

Managing Director

**Spouse Employer**

N/A

**Conflict of Interest**

Mr. Lee is a current member of the Police and Fire Department Retirement Plan Board. Mr. Lee did not identify any organization, association, or entity in which he was active or which he is involved or associated which might be affected by decisions of the Board. Mr. Lee further indicated that he would have no financial interest to disclose other than his interest in his employment.

**3. Eswar Menon**

**Employer**

Self-Employed                      Investor

**Spouse Employer**

N/A

**Conflict of Interest**

Mr. Menon is a current member of the Police and Fire Department Retirement Plan Board. Mr. Menon did not identify any organization, association, or entity in which he was active or which he is involved or associated which might be affected by decisions of the Board. Mr. Menon further indicated that he would have no financial interest to disclose other than his interest in his employment.


**LEGAL REVIEW OF POLICE AND FIRE RETIREMENT BOARD APPLICANTS**

Our office reviewed the applications submitted by the applicants to be considered for a public member position on the Police and Fire Department Retirement Plan's Board by the City Council. Our review was limited to the information provided by the applicants and was not intended to be a comprehensive investigation of potential conflicts involving the applicants. The results of our review are as follows:

- The applicants did not disclose an incompatible office.
- The applicants did not disclose an appearance of bias.
- The applicants did not disclose any existing conflict of interest, e.g. no disclosure of an existing financial interest in any organization, association, or entity that has an existing contractual relationship with the Police and Fire Department Retirement Plan's Board.
- Two applicants indicated that they would not have any financial interests other than their own employment.
- One applicant indicated that she would not have any financial interests other than her interest in her spouse's employment.

Attachment A is a list of the entities with which the Police and Fire Department's Retirement Plan's Board has a contractual relationship with as of November 16, 2022. We note that some of these are forms of entities (partnerships or private companies) in which it is unlikely that the applicant would have a financial interest if the applicant is not employed by the firm. However, even if the Board does not currently have a contractual relationship with any firm in which the applicant has a financial interest, the list of entities with which the Board contracts with changes from time to time and we would expect a Board member's financial interests to change over time as well. Thus, both staff and any individual appointed to this Board will need to exercise vigilance to avoid conflicts from arising in the future.

NORA FRIMANN  
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Suzanne Hutchins  
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cc: Jennifer Maguire, City Manager  
Toni Taber, City Clerk  
Roberto Pena, Director Retirement Services

ATTACHMENT A  
Retirement Board Vendors

**POLICE AND FIRE DEPARTMENTS' REIREMENT PLAN**

*List of Administrative and Investment Vendors as of November 16, 2022*

<u>Custodian Bank</u>	Bank of New York Mellon
<u>Investment Consultant</u>	Meketa Investment Group
	Koff & Associates
<u>Absolute Return Consultant</u>	Albourne
<u>Governance and Joint Personnel</u>	Cortex Applied Research
<u>General Counsel</u>	Reed Smith
<u>Investment Counsel</u>	Hanson Bridget LLP
<u>Tax Counsel</u>	Ice Miller
<u>Actuary</u>	Cheiron
<u>Actuary Auditor</u>	The Segal Company
<u>Disability Counsel</u>	Saltzman & Johnson
<u>Auditor</u>	Grant Thornton
<u>Risk Advisory Services</u>	Verus Advisory
<u>Portfolio Overlay Services</u>	Russell Investments
<u>Pension Administration System</u>	LRS
<u>Medical Consultant</u>	Work Health Solutions
<u>Medical Providers</u>	Medlink and Examworks
<u>Communication Consultant</u>	Communication Advantage - Marty Boyer
<u>Temp Agency</u>	Trendtec
<u>Cellular Service</u>	Verizon Wireless
<u>Death Audit</u>	The Berwyn Group
<u>Membership</u>	CALAPRS
<u>Insurance</u>	Liberty Mutual Insurance and Risk Strategies Company
<u>Investment Data Processing</u>	Abel/Noser Corp
	Barra, LLC
	Bloomberg Finance LP
	Bloomberg Index Services Limited
	Dynamo Software, Inc.
	Evestment Alliance, LLC
	Frank Russell Company
	Institutional Limited Partners Association
	JP Morgan Bank
	Klarity FX Inc
	MSCI, Inc
	Pitchbook
<u>Investments Dues &amp; Subscriptions</u>	Pension Real Estate Association

**Investment Miscellaneous**

**IT Vendors**

Deloitte & Touche  
SEI Investments Global Fund Services  
Caseware International  
Computerland of Silicon Valley  
Flexential Colorado Corp (ViaWest)  
Granicus LLC  
Iron Mountain  
J&J Air Conditioning  
Off-site Records Management  
SHI International Corp  
Smartwave Technologies LLC  
SRP/Social Sellinator  
Toshiba Business Solutions  
Zoom Video Communications  
Pacific Resources First American LLC

**Rent**

**Investment Managers:**

57 Stars  
Aether Investment Partners  
AIG Global Real Estate  
Angelo Gordon  
Arbour Lane  
Artisan Partners  
BlackRock  
Blackstone  
Blue Bay Asset Management  
Berkeley SkyDeck Fund  
Bow Capital  
Brookfield Asset Management  
BSF  
Canvas Ventures  
CCMP Capital  
Centerbridge  
Clarion Partners  
Columbia Threadneedle Investments  
Cove Street Capital  
Crabel Capital Management  
Credit Suisse Asset Management  
Crescent Capital Group  
Crestline Investors  
Cross Ocean Partners



DE Shaw  
Dimensional Fund Advisors  
DRA Advisors  
Eagle Point Credit Management  
EQT Exeter  
Exeter Property Group  
First Eagle  
Francisco Partners  
GCP SecureSpace Property Partners  
GEM Realty Capital, Inc.  
Global Infrastructure Partners  
GQG Partners  
Harbour Vest Partners  
HIG Realty Partners  
HPS  
Hudson Bay Capital  
Hull Street Energy  
Industry Venture  
Innovation Endeavors  
Insight Investment  
Invesco  
JD Capital  
Kepos Capital  
Kimmeridge  
KSL Capital  
Kotak India  
Lerer Hippeau  
Lime Rock Partners  
Medley Capital  
Mellon Investments Corporation  
Morgan Stanley  
Mountain Capital  
Neuberger Berman  
Nortgage Venture Partners  
Northern Trust  
Next Play Capital  
Northgate Capital  
Oberweis Asset Management  
Octagon Credit Investors  
Orion Capital  
Orion Mine Finance  
Pantheon Ventures  
Payden & Rygel

Park Square Capital, LLP  
Pine River Capital  
Portfolio Advisors  
Praedium Group  
Rockpoint  
RWC  
Redwheel  
Sculptor Capital Management  
Shoreline Capital  
Signia Venture Partners  
Siguler Guff  
Strategic Value Partners  
TA Realty  
TCW  
Tembo Capital  
Tiger Iron Capital  
Top Tier Capital  
Torchlight Investors  
TPG Capital  
Tristan Capital  
Voya Investment Management  
Warburg Pincus  
Wellington Management  
White Oak Global Advisors  
Wilson Sonsini