

# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**FROM:** Jennifer Schembri

**SUBJECT: DEFERRED COMPENSATION  
ADVISORY COMMITTEE  
APPOINTMENT**

**DATE:** February 21, 2023

Approved



Date

2/22/2023

## **RECOMMENDATION**

- (a) Approve the appointment of Laurence (Larry) Brown, nominated by the “trades organizations” consisting of the Association of Building, Mechanical & Electrical Inspectors (ABMEI), International Union of Operating Engineers, Local 3 (OE#3) and International Brotherhood of Electrical Workers (IBEW), as the active employee member to the Deferred Compensation Advisory Committee (DCAC) to fill a vacant seat for the remainder of the term, beginning March 20, 2023, and ending on March 1, 2025.
- (b) Place the item on the March 7, 2023, City Council Agenda for action.

## **SUMMARY AND OUTCOME**

Approval of this recommendation will allow the DCAC to continue to do business and have a quorum at its next meeting on March 20, 2023.

## **BACKGROUND**

The DCAC oversees the investments of the City’s voluntary Deferred Compensation Program. The program currently consists of approximately 8,512 plan participants and includes active employees, former employees, retirees, and holds approximately \$1.2 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, 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 and Open Government Committee before being recommended to the City Council.

### **ANALYSIS**

Jason Santos is the current employee member on the DCAC that was recommended by the “trades organizations” and his four-year term commenced on March 1, 2021. Mr. Santos’s four-year term was set to expire on March 1, 2025, but he resigned from the DCAC effective July 8, 2022. Thus, there is a vacant seat on the DCAC for the member recommended by the “trades organizations.”

The “trades organizations” consisting of Association of Building, Mechanical & Electrical Inspectors (ABMEI), International Union of Operating Engineers, Local 3 (OE#3) and International Brotherhood of Electrical Workers (IBEW) nominated Larry Brown to fill the vacant seat and serve the remainder of the four-year term, starting on March 20, 2023. Mr. Brown is an active employee and Deferred Compensation participant.

### **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 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 shall have 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, a recommendation will be presented to the City Council to appoint nominees to fill those seats on the DCAC.

### **COORDINATION**

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

### **PUBLIC OUTREACH**

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

**COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

**CEQA**

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



Jennifer Schembri  
Director of Employee Relations and  
Director of Human Resources

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