



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

**SUBJECT: RETIREMENT SERVICES
AUDIT**

DATE: November 3, 2017

Approved

Date

11/03/17

RECOMMENDATION

Defer discussion and action on the Retirement Services Audit to November 28, 2017.

DISCUSSION

Over the last ten years, reforms to the City's retirement plan structures has populated the Boards with members possessing greater professionalism and expertise. I thank members of both Boards for their service to the City and to our retirees.

Still, the poor performance of the Plans' investment over the last three years, by any measure—whether compared to peer public pension plans, to policy benchmarks, or most importantly, to the Board's own actuarial assumptions for rates of return—have substantially added to both the Plans' unfunded liabilities and the General Fund's burdens.

The City Auditor's Retirement Services Audit has requested that Stanford University prepare a comparative analysis between San Jose and peer public plans, but that report awaits completion. For this reason, additional time is needed to inform the audit and Council discussion.