

Boards and Commissions Application

Profile

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.

Drew

Lanza

First Name

Last Name

Email Address

Suite or Apt

Street Address

State

Postal Code

City

Are you a resident of San Jose?

☐ Yes

☒ No

What district do you live in? To verify, please click here:
<https://rovservices.sccgov.org/Home/IndexPost?selected=dt&electionId=133&distance=5&navtab=vc&asm=simple> *

☒ N/A - Retirement Board Applicants Only

Alternate Phone

Primary Phone

Length of Residency

☒ 6 or more years

Which Boards would you like to apply for?

Police and Fire Retirement Plan Board: Submitted

Question applies to multiple boards

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

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.

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

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

☒ Yes ☐ No

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

Member Category: *

☒ Public Member

Berkeley Catalyst Fund

Employer

Founder and Managing Partner

Job Title

Current Employer Address

[REDACTED]

Current Employer of Spouse

<Retired>

Address of Current Employer of Spouse

<none>

Spouse's Job Title

<none>

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

Jane gets \$1,500 a month from IBM

Demographics (Optional)

Drew Lanza

[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.

BSMSEE Stanford 1979; MBA Harvard 1987

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

Stanford Museum ~1998-2008 Chairman Pajaro Dunes Association HOA ~ 2016-present (Treasurer)
Smart Coast California 2022-present

Languages Spoken

English; Spanish

Special Awards or Recognitions Received

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.

I'd like to continue the service I started 11 years ago to help the P&F Retirement Fund get 100% funded. My major objectives for this term would be to get our discount rate up to the median of our peers (7%) while simultaneously lowering the core risk of our investment portfolio and I would like to see the plan become 100% fully funded on a market basis before my next term expires.

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

I was in the freshman class of public trustees back in 2011 and I brought my expertise in building high function teams to this board. I was the major instigator of Measure G back in 2016.

Do you own property in the City of San José?

☐ Yes ☒ No

If yes, please list the addresses here.

Do you rent property in the City of San José?

☐ Yes ☒ No

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

☐ Yes ☐ No

Question applies to multiple boards

Are you currently experiencing homelessness or have you experienced it in the past?

☐ 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 financial interest beginning with the immediate twelve-month period prior to your appointment. Please review the scope 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.

I am fully recusing myself from any decisions related to small investment in any venture capital funds which might intersect my fund. VC is a very collegial business and I 'intersect' hundreds of other VC funds.

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

Ted Hou

Reference 1 Address

Menlo Park

Reference 1 Email address

[REDACTED]

Reference 1 Phone

[REDACTED]

Reference 2 Name

Alison Wrigley Rusack

Reference 2 Address

Santa Barbara

Reference 2 Email address

[REDACTED]

Reference 2 Phone

[REDACTED]

Supplemental Questions

Drew Lanza

If applicable, have you ever attended or watched 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 over 50 boards of directors of all shapes, sizes, and colors. I have served on this board for 12 years this Spring.

Considering your experience and activities in business, labor, School, professional, social, Commissions, Boards, or other organizations, indicate the experience, training, knowledge and/or skills which qualify you for appointment.

I am an acknowledged expert in building and sustaining high function teams.

What is your understanding of the purpose of the Commission?

To oversee the funds held in trust for San Jose's Police and Fire employees and to administer those funds and the benefits they provide in a prudent fashion.

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

Underfunding of both the P&F and Fed plans. Autonomy of the plans. Compensation of the financial professionals who work for the plan.

Anything else you would like us to know?

I am an expert in high function teams and I believe the experience of the P&F board over the past decade shows that I have brought that experience to this board. Fortunately, the city of San Jose itself is run by a high function team. It may not be apparent at times. but the Mayor and City Council and staff (such as Jennifer Schembri and Cheryl Parkman) are also a high function team which has made this journey both a rewarding and a pleasant one.

(Optional) Please upload a resume.

Retirement Board Questions Only

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

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

- ☒ Institutional investment experience
- ☒ Investment management

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

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.

I have served twice as Chairman of this board and I have been a trustee of this board for 12 years.

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

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

I have served numerous times on the Investment Committee of this board.

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

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 City Council oversees our activities and approves annual pay and bonuses for our senior staff. We work closely with the City Manager, the City Treasurer and Auditor, and the City head of Human Resources. We hire and manage our staff. We generally do not interface with the bargaining units. We oversee contributions to the fund from active employees and oversee the disbursement of benefits to our retired members. We also serve as a conduit between the city and our retirees for information.

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

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

Long term to become 100% funded while having a plan that is less risky than our peers. Short term our goal is to use financial alpha to achieve a discount rate commensurate to those of our peers (7%) while simultaneously having a core portfolio that is less risky than our peers.

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

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

They are public funds in the sense that most of the money in the funds has come from the taxpayers of San Jose. But they are not public funds in the sense that they are accessible to either the public or the city. They are funds held in trust for our active and retired service members.

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

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

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

<the link is broken> The report I think you're referencing is now 15 years old. Most of the recommendations made in that report were insightful and have been implemented by this board. The auditors insights about disability applications, however, were incorrect and has since been rectified with the auditor's office.

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

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

That is the job of our Investment Committee. As Chairman, I make sure that committee is chaired by our most capable trustee and staffed by our most capable trustees. The monthly reports by that committee and by its consultants keeps all trustees 'in the know'.

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

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?

We have worked for over a decade now to build an investment staff capable of generating consistent, profitable, predictable, sustainable alpha and, under the superb leadership of our CIO, Prabhu Pilani, we have met that goal. I drove the risk budgeting exercise for this board which culminated in an all-day offsite any he Hayes Mansion about five years ago.

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

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 is used to determine what assets will meet the required risk tolerance of the city. A small portion of the portfolio is allocated to achieve 35 basis points of alpha. There is also the occasional rotation of our asset allocation to achieve 'gamma' which we successfully did in the Spring of 2020 generating an incremental \$500M for the city. The job of recommending asset classes and their proportions is left to our investment committee, staff, and consultants and is presented to the board where it is scrutinized, debated, and approved.

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

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?

Yes. In small quantities overseen by professionals on staff, on the Investment Committee, on the board (I created the board's VC investment strategy, for example), and consultants.

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

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

Have they consistently delivered what they committed to? I would terminate them when they consistently underperform their commitments to us. Diligence is a 'deep dive' into what commitments they've made in the past and are making now, have they met those commitments, and a deep understanding of how and why they did.

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

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 job of due diligence, rebalancing, reporting, and analysis is left to the Investment Committee and staff and is periodically reviewed by the whole board. At the core of our investment policies are two decisions: who selects the asset allocation and who implements it? Th selection is a long, winding road that starts with the board selecting a target risk (volatility), staff and consultants suggesting some asset allocations which would achieve that, then the Investment Committee whittles down and shapes the choices, and then the whole board scrutinizes, debates, and approves an asset allocation strategy. Implementation is generally left to the Investment Committee and staff. One of the straight of the Police and Fire system is the extent to which we've delegated to our Investment Committee and our staff which allows us to make decisions rapidly and prudently.

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

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

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

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

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

If yes, please provide details.

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

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

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 *