

San José Retirement Boards

Joint Personnel Committee Charter

INTRODUCTION

- 1) San José City Charter § 810.1 grants the San José Retirement Boards (“Boards”) the sole joint authority over personnel issues as they relate to the hiring, firing and prescription of duties for the CEO and CIO positions for the Office of Retirement Services (“ORS”), who serve to assist the Boards in their day-to-day administration of the retirement plans for the Federated City Employees’ Retirement System (“Federated”) and the Police and Fire Department Retirement Plan (“PF”). The Federated and PF Boards are further jointly responsible for recommending to City Council the total compensation for the positions of CEO, CIO, and the professional investment staff.
- 2) San José City Charter § 810.1 further provides that the CEO or an officer holding an equivalent position in ORS, in turn, is responsible for appointing and prescribing the duties, suspension, discharge, promotion or demotion, or discipline of professional, clerical and technical employees of ORS.
- 3) San José Municipal Code §§ 3.28.140 and 3.36.350 respectively provide the Federated Board and the PF Board rulemaking authority in furtherance of the Boards’ independence in the administration of the retirement systems.
- 4) To assist the Boards in carrying out their personnel responsibilities as specified in San José City Charter § 810.1, the Boards have established a Joint Personnel Committee (“JPC”), to consist of three voting members of the Board of the Federated City Employees’ Retirement System (“Federated Board”), and three voting members of the Board of the Police and Fire Department Retirement Plan (“PF Board”).
- 5) In the case of each Board:
 - (a) Appointees to the JPC shall include the Chair of the Board, the Chair of the Investment Committee, and a third member to be appointed by the Board, unless otherwise designated by the Board under circumstances satisfactory to that Board.
 - (b) If the Chair of the Board is a participant in the Plan, the third appointee shall not be a participant; and if the Chair of the Board is not a participant, the third appointee shall be a participant.
- 6) For the purposes of this document, the City Council appointed as the non-voting, non-fiduciary member of the Board pursuant to SJMC § 2.08.170 shall (1) not be considered a trustee/member of the Board and (2) not participate in any such activities or conduct describe in this document.

COMMITTEE OPERATIONS

- 7) The JPC shall operate in accordance with all applicable legislation, City requirements, and board policy. These include but are not limited to the following:
- (a) The JPC shall annually elect from amongst its members, a JPC Chair (“Chair”) and JPC Vice-Chair (“Vice-Chair”). The JPC Chair and Vice-Chair shall be from different groups of committee members. One group is comprised of members appointed by the Federated Board. The other group is comprised of members appointed by the PF Board. Neither the Federated Board Chair nor the PF Board Chair shall occupy the position of JPC Chair.
 - (b) The terms of the Chair and Vice-Chair positions shall be one year, with a term limit of two consecutive terms. No individual may exceed said term limit without the affirmative vote of five (5) members of the JPC.
 - (c) When a new Chair is elected, the new Chair must be from the group that is not the incumbent’s group.
 - (d) The Chair shall preside at meetings of the JPC. In the absence of the Chair, the JPC Vice-Chair shall preside.
 - (e) The Chair and Vice-Chair shall jointly establish the agenda for JPC meetings.
 - (f) The Chair and Vice-Chair shall regularly report to their respective Board on the JPC’s activities.
 - (g) The presence of at least two committee members appointed by the Federated Board and at least two committee members appointed by the PF Board shall constitute a quorum.
 - (h) All actions of the JPC shall be by an affirmative vote of the majority of the members present, provided a quorum is present and at least two committee members from each Board voted in support of the motion.
 - (i) All actions of the JPC shall be approved by each Board to be effective, unless otherwise provided herein, or otherwise authorized by the Boards.
 - (j) The JPC shall meet semi-annually, or as deemed necessary by the JPC, or by mutual agreement of the Chair and Vice-Chair.
 - (k) The meetings of the JPC shall be noticed and held in accordance with the Ralph M. Brown Act (Gov’t. C. §§ 54950 *et seq.*) and City Sunshine Ordinances. Unless otherwise authorized by law, the meetings shall be open to the public.
 - (l) The JPC shall keep minutes of its meetings.

- (m) If the votes cast for and against a motion are equal in number, and a good faith effort to gather consensus fails to yield a majority vote during the same JPC meeting, or at a subsequent JPC meeting, the JPC shall refer the matter to a joint meeting of the full Boards for consideration, where a majority of each Board must vote in favor of the motion in order for the motion to be carried. In the case of an impasse by the two Boards, the motion fails and the status quo shall prevail.
- 8) The JPC shall establish other operational rules, procedures, calendars, and agendas, as necessary, provided they are consistent with the City Charter, Ordinances, and the policies of the Boards.

DUTIES AND RESPONSIBILITIES

Hiring of CEO and CIO Positions

- 9) The JPC shall:
 - (a) Coordinate employment searches for the position of CEO, and recommend candidate finalist(s) for the Boards to interview and subject to Boards' respective approval for final selection;
 - (b) Work with the CEO to coordinate searches for the position of CIO and make recommendations to the Boards;
 - (c) Appoint any consultants or advisors to be retained in connection with the recruitment or evaluation of the CEO and CIO, or with compensation or related matters; and
 - (d) Review CEO and/or CIO candidates in closed session for recommendation of candidate finalist(s) for the Boards to interview and respectively approve for final selection.
- 10) Once the JPC has recommended a candidate finalist(s) for the CEO and/or CIO position to the Boards, the Boards shall do the following during a joint meeting of the two Boards, with the meeting to be concluded in one calendar day:
 - (a) In closed session, jointly: (1) interview the candidate finalist(s), and (2) deliberate regarding the candidacy(ies) of the finalist(s).
 - (b) Following joint interview and deliberation conducted in closed session as stated in Paragraph 10(a) above, each Board shall go into separate rooms to conduct their respective and separate Board votes in closed session.
 - (c) Following each Board's separate vote in closed session regarding the candidacy of the finalist(s), the two Boards shall reconvene at the joint meeting in closed session to report their votes.

- (i) If the two Boards do not agree on the selection of the candidate finalist for the CEO and/or CIO position, then the two Boards shall vote together in closed session by roll call vote, and the candidate receiving two-third (2/3) of the vote of those Board members present shall be the selected candidate.
 - (ii) If the two Boards continue to not reach agreement on the selection of the candidate finalist, then the Boards shall repeat the process set forth in Paragraph 10(a) through 10(c) until the Boards reach agreement on a selected candidate.
- 11) Once the Boards have selected a candidate, the Boards shall designate and instruct a labor negotiator(s) to negotiate a contract with the selected candidate.
- 12) Once the terms of a final contract have been reached by the labor negotiator(s) and the selected candidate, then each Board shall vote publicly to approve the candidate and the final contract at their respective regular public Board meetings.

Performance Evaluation

- 13) The JPC shall:
 - (a) Recommend to the Boards a CEO Performance Evaluation Policy and any amendments thereto.
 - (b) Recommend to the Boards a CIO Performance Evaluation Policy and any amendments thereto.
 - (c) On an annual basis, coordinate an evaluation of the CEO's performance, in accordance with the process described in the CEO Performance Evaluation Policy. Key responsibilities of the JPC related to this process include, but are not limited to, the following:
 - (i) Recommending the evaluation criteria and associated weights to be used in evaluating the CEO's performance to the Boards for approval.
 - (ii) Approving any surveys or other assessment tools to be used in evaluating the CEO's performance.

Note that the CEO will regularly evaluate the performance of the CIO with input from each Board.

Compensation

- 14) The JPC shall:
 - (a) Regularly review compensation of equivalent positions in United States Public Pension Plans for the positions of CEO, CIO, and investment professional staff, in accordance with City Charter § 810.1(e).

- (b) Recommend to the Boards the overall compensation structure for the positions of CEO, CIO, and the investment professional staff. The overall compensation structure shall include a description of the base salary structure, and incentive and/or bonus compensation structure, if applicable.
- (c) Recommend to the Boards each year the total compensation, including base salary and incentive and/or bonus compensation, for the CEO and CIO, and the investment professional staff.
- (d) In the circumstance where the Federated Board and Police and Fire Board do not agree on the CEO, CIO, and/or investment professional staff compensation:
 - (i) If the final performance evaluations from the two Boards are within one rating level of one another, then the compensation recommendations from the two Boards shall be combined and then averaged to become the final total compensation recommendation to provide to City Council.
 - (ii) If the final performance evaluations from the two Boards are not within one rating level of one another, then the matter is referred to the JPC as follows:
 - (1) If the JPC votes in favor of an action, it will recommend the action to the Boards for final approval.
 - (2) ~~If the JPC does not vote in favor of an action, it will report the stalemate to the Boards to take further action.~~
 - a. ~~Each Board will again vote on the matter at its next regular meeting.~~
 - i. ~~If the action is approved by both Boards, then the action is confirmed.~~
 - ii. ~~If the action is not approved by both Boards, then the matter will be referred back to the JPC to repeat the process stated in paragraph 13(d) above.~~
- (e) Recommend to the Boards a Compensation Disclosure Policy regarding public disclosure of staff compensation and related matters.

Discipline ~~and termination of~~ CEO and CIO Positions

- 15) The JPC may recommend ~~that~~ the Boards ~~consider taking disciplinary action against for the discipline and/or termination~~ of the CEO and/or the CIO of ORS. The JPC shall do the following before making a recommendation to the Boards:
 - (a) Consider the matter in closed session and take action by an affirmative vote of the majority of the members present (provided a quorum is present) and at least two

committee members from each Board voted in support of the ~~to~~ recommendation to the Boards for consideration of disciplinary action ~~and/or termination~~ of CEO and/or CIO of ORS.

- 16) If the JPC recommends that ~~the~~ Boards consider taking disciplinary action against the CEO and/or CIO, ~~then each Board shall separately consider the matter in closed session.~~
- (a) ~~In the circumstance that the Boards do not agree on the discipline of the CEO and/or CIO, then each Board shall vote again at its next regular meeting in closed session.~~
 - (i) ~~If the action was approved by both Boards, then the action is confirmed.~~
 - (ii) ~~If the action is not approved by both Boards, then the action fails.~~

Termination of CEO and CIO Positions

- 17) ~~The JPC shall consider whether to recommend the termination of the current CEO and/or CIO to the Boards for their respective approval, and shall do so in closed session.~~
- 18) ~~If the JPC recommends that the Boards consider the termination of the current CEO and/or CIO, the Boards shall do the following during a joint meeting of the two Boards, with the meeting to be concluded in one calendar day:~~
- (a) ~~In closed session, jointly discuss and deliberate the possible termination of the current CEO and/or CIO.~~
 - (b) ~~Following joint deliberation conducted in closed session as stated in Paragraph 18(a) above, each Board shall go into separate rooms to conduct their respective and separate Board votes in closed session.~~
 - (c) ~~Following each Board's separate vote in closed session regarding the possible termination of the current CEO and/or CIO, the two Boards shall reconvene in closed session at the joint meeting to report their votes.~~
 - (i) ~~If the two Boards do not agree on the termination of the current CEO and/or CIO, then the two Boards shall vote together in closed session by roll call vote.~~
 - (1) ~~If the termination action receives two-third (2/3) vote of those Board members present, the action becomes final.~~
 - (2) ~~If the termination action does not receive two-third (2/3) vote of those Board members present, the action fails.~~

Benefits

- 19) The JPC shall:
- (a) Review from time to time the Boards' strategy for providing retirement and health benefits to staff who serve in unclassified positions within ORS, and who are

therefore not automatically enrolled as members of the City's employee retirement and health benefits plans (i.e., the CEO, CIO, and professional investment staff) and advise the Boards accordingly.

*Other **Personnel Related** Disagreements Between Boards*

- 20) In the circumstance that both Boards do not agree on personnel matters where the two Boards exercise joint authority, then the following shall occur:
- (a) The JPC shall consider the matter and make a recommendation to the Boards to resolve the dispute.
 - (b) If the Boards continue to not reach resolution after recommendation from the JPC, then the Boards shall refer the matter back to the JPC to continue the process set forth Paragraph 20(a) and 20(b) until the Boards reach resolution.

Other

- 21) The JPC shall:
- (a) Periodically review and discuss succession planning and related risks with the CEO and CIO, and advise the Boards as appropriate;
 - (b) Recommend to the Boards any additional Board-level personnel or compensation-related policies that may be required, and any amendments thereto;
 - (c) Perform any other duties that are assigned to it by either of the Boards; and
 - (d) Regularly report to the Boards on its activities through its Chair and Vice-Chair.

REVIEW & HISTORY

- 22) The Boards shall review this charter at least every five years.
- 23) The Boards adopted this charter on:
August 4, 2016 – Police & Fire Retirement Board
August 18, 2016 – Federated Retirement Board
- 24) Amended by the Federated Retirement Board: December 21, 2017; March 18, 2021, November 16, 2023, and _____, 2024.
- 25) Amended by the Police & Fire Retirement Board: January 4, 2018; April 1, 2021, December 7, 2023, and _____, 2024.