



City of San Jose Federated City Employees'
Retirement System and the City of San Jose
Police & Fire Department Plan

Governance Consultant Presentation

March 14, 2025 / Scott A. Miller, JD, NAF, Senior Consultant / Jeff Mills, Vice President, ATC Practice Leader

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Agenda

1. Our Understanding of Your Needs
2. Segal's Team
3. Segal's Services
4. Questions
5. Client Stories

Our Understanding of Your Needs

- The Retirement Plans are administered by two separate Boards with distinctly different plan rules
- The Retirement Plans have existing governance policies and procedures
- The Boards are looking for a long-term partner to continue the good work that has already been done while also working with the Boards on suggestions for improvements and development of new and expanded governance projects

Segal's Team



Segal's Mission:

“We deliver trusted advice that improves lives.”



The Segal Advantage



Our teams help a wide range of industries. No matter who you are, we can assist you with:

Administration and
Technology Consulting
Benefit Audit Solutions
Compensation and Career
Strategies
Compliance

Health and Welfare Benefits
HR and Benefits Technology
Insurance
Organizational Effectiveness
Retirement Benefits

Benefits Communication
Communication Strategy
Personalized Benefit Statements
Surveys and Focus Groups
Website and Portal Design

Advisory Investment Solutions
Corporate Governance
and Proxy Voting
Defined Contribution Consulting
Discretionary Consulting

Not any solution—your solution. Personalized advice and help.

History — 80 Years of Innovation

Martin E. Segal founded the firm in New York		Designed Relative Value Schedules Our study of surgical benefit claims in California		Health and Financial Wellbeing Benefits <ul style="list-style-type: none"> HMO development Preferred Provider Organizations (PPOs) Creative use of pension surplus to finance business transactions 		Life Cycle Benefits Segal designed with various alternatives, to address a client's interest in providing "work-family" benefits to employees		Segal Pulse: Web-based version of the forecast modeling tool SHAPE (Segal's Health Analysis of Plan Experience): Health cost data mining technology Ref360: Web-based tool allowing sports leagues to track, monitor and assess officials' performance	
1930s	1940s	1950s	1960s	1970s	1980s	1990s	2000s	2010s	2020s
Competitive bidding The actual bidding of medical insurance contracts was introduced by Segal		Sabbaticals Segal was one of the first companies design a sabbatical program		Actuarial Asset Valuation: An actuarial valuation method The Life Cycle Pension Plan: New type of final average salary DB plan Securing non-qualified benefits: Risk insurance method to securing non-qualified benefits MediMACS: Physician reimbursement system		Work/Life Calculator Created Return on Investment (ROI) Calculator to provide clients with reliable data demonstrating the quantitative value of non-traditional benefits		Created Analytical Tools <ul style="list-style-type: none"> COVID-19 Medical Plan and STD Cost Impact models M&A Readiness self-assessments Workforce Planning model Employee segmentation tools Automated vendor RFP tool Onboarding solution Employee Benefits DEI	

Segal's Innovation Lab enhances and supports our culture of innovation. Through in-depth expertise, research, collaboration, and the use of content curation and AI tools, the Lab develops client-centered solutions.

Segal's Team



Scott A. Miller, JD, NAF

Senior Consultant

Administration and Technology Consulting

- Lead consultant on this project
- 27 years of public pension and benefits experience
- Consultant, Executive Director, Attorney

Segal's Team



Melanie Walker, JD

Senior Vice President

National Compliance Practice Leader

- Subject matter expert on public plan compliance
- 26 years of compliance experience

Segal's Team



Jeff Mills

Vice President & Practice Leader - Administration and Technology Consulting

- 23 years of public pension and benefits experience
- Prior experience with San Jose's Benefit Administration System implementation

Segal's Services



Broad Governance Services

- 1. Appropriate allocation of responsibilities**
- 2. Policies, procedures, and charters that reflect that allocation/delegation**
- 3. Prudent oversight and periodic re-evaluation – specifically including vendors**
- 4. Governance reporting**

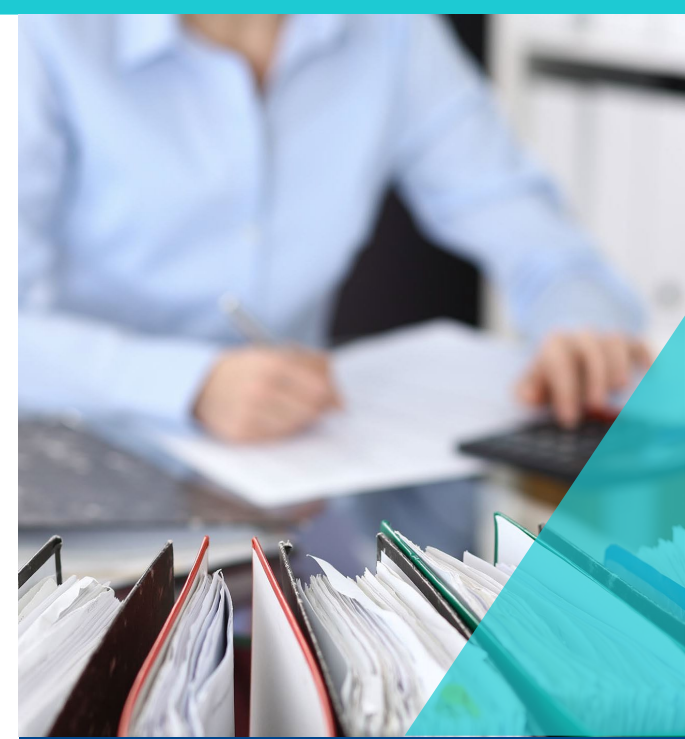


Strategic Planning

- 1. Review current strategic plan and identify progress made**
- 2. Interview individual Board members, Plan managers, and working groups within the Plans**
 - a) SWOT Analysis**
 - b) Environmental Scan**
- 3. Aggregate information and present to Boards**
- 4. Establish goals for the next five years and how progress is identified**

Board Policy Manual Support

- 1. A Board's policy manual is the written statement of how the Board intends to fulfill its fiduciary duties.**
- 2. Regular review of those policies is important to keep up with updated fiduciary best practices.**
- 3. Your Segal team has decades of experience reviewing and drafting policies, procedures, and charters.**



Board Education

- 1. “A good heart but an empty head” is not a defense to a fiduciary duty violation. The Duty of Prudence demands that you be educated.**
- 2. Your Segal team has been to nearly every trustee educational conference offered in the United States.**
- 3. Further, your Segal team members are experts in fiduciary responsibility and would be happy to provide whatever educational presentations you would request.**
- 4. Importantly, Board orientation programs help new members start off on the right foot**

Board Self-Assessments

- 1. Send all Board members a survey.**
- 2. Document those responses for presentation to the Boards.**
- 3. Board discussion on things that are going well and things that could use some work.**





Questions?

Client Stories



City of Warwick Retirement Plans

- 2024 Pension Administration Study – included a review of Warwick’s governance framework, organizational structure, operations, governance documents and use of technology
- Key Findings:

Additional Roles/Positions Warranted

Consider Transitioning Sole Trustees to a Board Structure

Establish a Pension Unit Within the Personnel Department

Modify Police and Fire Investment Responsibility

Implement Annual Fiduciary Training

Leverage Munis Pension Administration Module



**Best
Practice**

Teachers' Retirement System of Illinois

- Demonstrates the “Segal Advantage” you see on slide 6
 - Segal’s Retirement Practice provides actuarial consulting services
 - Segal’s Compliance Practice is TRS’ compliance and governance consultant
 - Periodic fiduciary training
 - Regular legislative, regulatory and litigation updates
 - Segal’s Administration and Technology Consulting Practice is engaged with TRS for a major technology initiative