

Boards and Commissions Application

5d(4)

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.

Julian Ulrich Norbert
First Name

Vogel
Last Name

[REDACTED]
Email Address

[REDACTED]
Street Address

Suite or Apt

[REDACTED]
City

[REDACTED]
State

[REDACTED]
Postal Code

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](https://rovservices.sccgov.org/Home/IndexPost?selected=dt&electionId=133&distance=5&navtab=vc&asm=simple) *

☒ District 3

[REDACTED]
Primary Phone

[REDACTED]
Alternate Phone

Length of Residency

☒ 1-2 years

Which Boards would you like to apply for?

Federated City Employees' Retirement System: Submitted

Question applies to multiple boards

[REDACTED]
[REDACTED]

☒ [REDACTED] ☐ [REDACTED]

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

San Jose State University

Employer

Assistant Professor of Finance

Job Title

Current Employer Address

[REDACTED]

Current Employer of Spouse

California State University, Sacramento

Address of Current Employer of Spouse

[REDACTED]

Spouse's Job Title

Assistant Professor

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

[REDACTED]

Julian Ulrich Norbert Vogel

[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.

Bachelor of Science in Business Administration and Economics, University of Passau, October 2010 to July 2014; Master of Business Administration, Murray State University, August 2015 to August 2016; Master of Science in Business Administration, University of Regensburg, October 2014 to April 2017; Ph.D. in Business Administration - Finance, The University of Texas at El Paso, August 2017 to May 2021

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

Instructor, The University of Texas at El Paso, August 2017 to May 2021; Assistant Professor, San Jose State University, August 2021 to present

Languages Spoken

English, French, German, 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 want to become a member of the San Jose Pension Board of Trustees to serve my community, and take an active role in governing and managing the San Jose Pension System in accordance with applicable fiduciary standards, providing accurate, timely benefits and high-quality service to the System's members and beneficiaries, and collecting, investing, and expending system assets in a cost-effective manner.

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

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.

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

Reference 1 Address

Reference 1 Email address

Reference 1 Phone

Reference 2 Name

Reference 2 Address

Reference 2 Email address

Reference 2 Phone

Supplemental Questions

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.

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.

What is your understanding of the purpose of the Commission?

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

Anything else you would like us to know?

Through my work as a professor of finance at San José State University, I am intimately familiar with the financial system, as I regularly explain various aspects of it to students. Furthermore, in this role, I conduct research on financial topics such as asset pricing, institutional investment, financial intermediaries, information asymmetry, and ESG factors. On a corporate level, I have examined the impact of corporate governance, capital structure, and corporate payout policy, as well as the respective impacts on market valuation. Besides, as an employee of a California State University, I am already a public employee, and thus am both familiar with the additional requirements (e.g., with regards to gifts or ethics) and have proven that I can abide by these additional standards.

(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. *

☒ College or university professor (focus on fiduciary or trust law, quantitative background in financial theory or actuarial math)

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 hold four degrees, which focused on various aspects of the business environment. My Bachelor of Science in Business Administration and Economics, as well as my Master of Science in Business Administration focused on management, marketing, and innovation. My Master of Business Administration gave me a profound and holistic perspective on the interaction of various business disciplines. My Doctor of Philosophy in Business Administration was focused on finance, as well as, to a lesser degree, on accounting and economics. Thus, I am able to not only see different aspects of a company, but also consider externalities and consequences of different business decisions. In my professional expertise, I have interacted with many aspiring professionals, as well as with executives. Most recently, I have interviewed a number of active and retired CEOs and CFOs of S&P 500 companies, which allowed me even deeper insights into organizations. I am also currently on the way to becoming a CFA charterholder. One particular aspect that I personally enjoy about financial analysis, including asset pricing, investments, and portfolio management is identifying, collecting, and analyzing data from various sources to generate interesting insights. I am oftentimes to thus procure data in creative ways to aid decision-making and ultimately make better decisions.

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.

For my work as a professor of finance at San José State University, I regularly manage various budgets for research, compensation of teaching and research assistants, and instructional materials. These budgets also entail consideration of different policies, restrictions, and deadlines. Additionally, as the recipient of a number of grants, I am experienced with reporting requirements such as submitting budgets and compiling reports. My research is published in several peer-reviewed academic journals, which reach scholars and practitioners alike, and form the basis of various trading strategies an investment decision of public and private investment managers.

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 San José Pension Board of Trustees consists of seven members, two of which are city employees and directly elected, one retiree representative, and three public members from the municipal community that are otherwise unrelated to the city administration. These outside members are selected based on their investment expertise, and are approved by the City Council. Hence, the City Council has approving influence over the public board members, the city administration has three seats directly on the board, and plan participants and beneficiaries are represented by one board member. The term “retirement services staff” can refer to the members of the board of trustees, since they are considered staff and are technically working at the service of the retirees, even though they are compensated by the city. Staff working for the board, supporting them in fulfilling their duties is hired by the board of trustees directly, and could also be considered “retirement services staff”. The relationships between the pension board of trustees and various bargaining units are predominantly indirect, with the most salient intersection being representation considerations. Some participants and beneficiaries might be represented by a bargaining unit and thus are entitled to benefits different from those participants and beneficiaries not represented by a bargaining unit.

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?

Based on Section 17 of Article XVI of the Constitution of the State of California, the purpose of the retirement board is, above all else, providing benefits to participants and beneficiaries. To this end, the San José Pension Board of Trustees administers and manages the funds while fulfilling its fiduciary duty. The board thus collects, invests, and spends assets to generate positive returns.

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?

The funds that are invested by the retirement boards are public funds, since they are derived from county funds and thus ultimately from tax payments. This assessment is also supported by §31451 of Article 1 of the California County Employees Retirement Law, which states that “a PUBLIC OBLIGATION to county and district employees who become incapacitated by age or long service in public employment and its accompanying physical disabilities” (emphasis added) exists to provide them with compensation.

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

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

Unfortunately, the provided link leads to a page that is not found. Additionally, searching for the report directly by name did also not produce the desired result. Thus, I was not able to read the report. While I was not able to read the report, the title leads me to believe that the report addresses the problem of a decreasing number of contributors, who contribute a decreasing amount to the pension fund, while at the same time being faced with an increased demand for payouts to pension recipients, both in number and in value. This problem is faced by many pension funds across the US. While no systemic liquidity problems exist in the short term, the changing demographic of the US workforce does pose a problem for sustainability of pension funds. While not directly under the control of pension plans, this problem is only exacerbated by decreasing pension savings rates of workers. The issues raised are highly relevant and directly applicable to the work I would do as a Retirement Board Member, as bridging this funding gap is ultimately the responsibility of the Retirement Board Member. In isolation, this shortage of funds could be interpreted as an argument in favor of investing in investments with an elevated risk profile. However, that is not possible for pension funds, as they rightfully are subject to more stringent policies requiring them to show a larger degree of conservatism in their investment as comparable private investment funds.

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

I am closely following the business press, for example through articles in the Wall Street Journal, the Financial Times, or CNN Business. Beyond observing day-to-day developments in the micro- and macroeconomic environment, I am also continuously engaged in professional development activities. For example, besides having earned a Ph.D. in Business Administration with a concentration in Finance, I am currently on the way to becoming a CFA charterholder.

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?

As demonstrated by a plethora of research, value-based investing in companies with strong environmental, social, and governance (ESG) factors has reliably led to portfolios outperforming the overall market, as well as several other, more specialized portfolios. In my personal research, I have also demonstrated that companies in which executives feel more like owners of the company – irrespective of their actual ownership stake – are associated with less fraudulent behavior and thus less downward risk. As the recipient of a number of state grants, I am familiar with the additional risk management requirements, and have successfully followed related policies and procedures for the past six years.

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.

Generally, higher returns are associated with higher risks. Given the additional limitations and special fiduciary duties of the pension board as the manager of public funds, preference is given to lower-risk investment opportunities. Since equity markets are on average currently on a downward trajectory, equity investments have to be selected very carefully. Investments attractive to institutional investors such as pension funds are fixed income investments and certain types of derivatives. While fixed income investments generally face a downward risk, they are secured by strong debtholder-protecting legislation and drastic implications in case of missed coupon payments. Derivatives such as options provide measures to eliminate downward risk entirely, but due to their relatively large costs, as well as potentially large volatility, might not be the most appropriate investment opportunity for public funds. Based on this general outline, the largest portion of the pension fund's portfolio should be in fixed income, with significantly smaller investments in equities and potentially derivatives. Equity investments should be carefully selected based on their impact on the Sharpe ratio of the portfolio, and significant portion of equity investments should be in indices and exchange-traded funds.

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?

There are many factors that speak in favor of investing in alternative investments. Alternative investments generate on average higher returns than traditional investments, such as equities or fixed income assets. Additionally, alternative investments might offer avenues to invest in bearish traditional market environments, or otherwise unfavorable macroeconomic conditions. Especially in the San Francisco Bay area, and in the Silicon Valley, a plethora of alternative investment opportunities could be identified. However, alternative investments usually also come with less liquidity, increasing the risk that a time mismatch between cash flows will occur. Some alternative investments are traded only on call markets, taking the liquidity risk ad extremum. Furthermore, alternative investments come with less oversight from regulators, since they are often traded brokered markets. Thus, investors have to first identify as knowledgeable and sophisticated enough to be able to adequately determine the risk associated with alternative investments. While it is sensible to assume that a board composed of financial experts would be able to determine the risks associated with alternative investments to a sufficient degree, pension plans boards manage public funds. These public funds are invested for (on average) non-sophisticated investors. Thus, the investors whose funds are invested lack the necessary resources to adequately assess the risks associated with alternative investments. Investing in alternative investments despite knowing that the investor base that provided and provides the funds for the pension plan cannot control the board managing the funds would be not in line with the value of being a good steward at best, and highly unethical at worst. Thus, pension plans like those in San José should not invest in alternative investments such as private equity, commodities, infrastructure or separate account real estate.

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

The main tasks of an investment manager are twofold. First, especially in the case of managing public funds, investment managers have to be good stewards of the funds they manage, and at the very least ensure that they engage in value-preserving activities. This constitutes the lowest bar of evaluating an investment manager. Additionally, an investment manager should be able to generate value for its clients. Thus, any value increase of the portfolio the investment manager manages has to be related to skill of the investment manager and not luck. Considering that inflation and long(er)-term interest rates dictate a minimum value to be generated, these two tasks are partially overlapping. To show that positive returns and added value are based on an investment manager's skill, the manager has to show that they are able to reliably outperform certain market indices as well as performance benchmarks. If the performance of the investment manager falls short of reliably generating more value than market indices and performance benchmarks, the employment of the investment manager should be critically evaluated. If the investment manager fails to preserve the value of the funds in the portfolio, after consideration of inflation and long(er)-term interest rates, the manager should be terminated. Another reason for terminating the manager is if the manager does not act in line with the values of the fund they are supposed to manage. Due manager diligence should be conducted through regularly review in relatively short increments, such as quarterly or monthly. This ongoing review should monitor the development of the investment portfolio, the conduct of the investment manager, and overall development in the macroeconomic environment. At the same time, these reviews should take up as little time of the manager as possible, in order to not infringe on the main duty, managing the portfolio. In longer increments, for example in yearly intervals, a thorough audit of the investment portfolio should be conducted, that goes beyond, but is based on observations from the ongoing review.

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.

Generally, a pension plan's statement of investment policies should include the investment option evaluation guidelines, and a definition of the roles and responsibilities of the different actors on behalf of the pension plan. Trustees manage and administer the fund, including the investment of its assets to generate a positive return, and provide the benefits to the participants and beneficiaries. Staff works for the board of trustees and supports the board in fulfilling these roles. Consultants, such as members from the public with related expertise advise and guide the decisions of the board in investment. Additionally, since these outside board members are not affiliated with the city other than their membership in the board of trustees, they also have a auditory and controlling role. Investment managers also provide their expertise as part of the board, while custodians ensure conformity with applicable laws and regulations. Generally, the board is organized in different subcommittees. For example, the San Jose Pension Board of Trustees also forms an investment committee, an audit committee, a governance committee, and a joint personnel committee. These subcommittees take over specific roles of the board of trustees. Asset allocation and portfolio structure decisions (including rebalancing) are made after appropriate analyses are conducted, and typically fall in the realm of the investment committee, which also prepares a preliminary report. Manager selection is generally performed by the governance and/or joint personnel committee. Due diligence is ensured by the audit committee. This task also entails confirming the true and fair view of the preliminary report. Hence, the audit committee also fulfills reporting and analysis duties, which lead to the final report that is provided to the public.

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 *