



BOARD OF ADMINISTRATION

City Hall
Wing Rooms 118-120
200 East Santa Clara
Street,
San Jose, CA 95113

Meeting Minutes - Final Joint - Personnel Committee

Tuesday, August 6, 2019

10:00 AM

Office of Retirement Services
1737 N. First Street, Suite 580, Board
Room
San Jose, CA 95112

CALL TO ORDER AND ROLL CALL

Present 4 - Matt Loesch, Nick Muyo, Vincent Sunzeri, and Anurag Chandra

Absent 1 - Ghia Griarte

The Joint Personnel Committee met on Tuesday, August 6, 2019 at the Office of Retirement Services, 1737 N. First Street, 5th Floor Board Room, San Jose, CA. The meeting was called to order at 10:04 a.m. by Trustee Sunzeri.

Staff Present: Roberto Peña, Linda Alexander, Michelle San Miguel

Also Present: Tom Iannucci, Cortex Applied Research, via teleconference

AGENDA

OPEN SESSION

1. Approval of the 2-20-2019 Joint Personnel Committee meeting minutes.

A motion was made to approve the Minutes of the February 20, 2019 Joint Personnel Committee meeting.

Approved. (M.S.C. Loesch/Chandra 4-0-0)

OLD BUSINESS

2. Discussion and action on Annual Performance Evaluation process and performance metrics for the CEO and CIO positions.

Chair Sunzeri introduced the topic for discussion and stated that this item would also satisfy the recent Civil Grand Jury Report's Recommendation 4b. CEO Peña agreed with Chair Sunzeri and expanded on the recommendation and reminded the Committee that the deadline to complete and publicize the changes made to the CEO/CIO Performance evaluation process is December 31, 2019. The committee agreed to meet monthly until the recommendation is satisfied. Tom Iannucci, via teleconference, went over his memo regarding the framework for the changes to the current CEO/CIO Performance evaluation process and answered questions from the Committee. Mr. Iannucci stated that an effective evaluation process for the CEO/CIO should include two components: Performance Measurement and Performance Management. Performance Measurement involves determining whether agreed-upon performance outcomes were achieved, while Performance Management is more subjective and involves providing feedback to the CEO/CIO on factors that are expected to drive or lead to the desired performance outcomes. Mr. Iannucci also suggested that it may be helpful to evaluate the CEO and CIO on some of the same components (but weighted differently) as doing so can create an alignment of interests between the two positions and should promote unity between the two positions for the common benefit of the organization. Mr. Iannucci spoke to Table 1 in his memo, and suggested that the Performance Measurement components for the CEO position be made up of: Investment Performance, Member Service Quality, Benefit Administration Cost-Effectiveness and Operations/Compliance. The suggested Performance Management component would be made up of: Human Resource Management, Stakeholder Relations, Personal Management Style, Enterprise Risk Management, and Ethics. It was noted that the Performance Management components would not be given weight on the Annual Performance Evaluations as they are more subjective components. Chair Vince asked Mr. Iannucci where the component for 'Strategic Planning' was on the suggested framework. Mr. Iannucci stated that there was no component for strategic planning but it could easily fall into the Performance Measurement section. The committee agreed to add strategic planning to the evaluation process. Mr. Iannucci went over Table 4 in his memo regarding the CIO Performance Evaluation Process. He suggested the following factors should be considered for the CIO's Performance Measurement Component: Investment Performance, Member Service Quality, Investment Cost-Effectiveness and Investment Policy Compliance. For the Performance Management component, the following factors were suggested to the Committee: Human Resource Management, Stakeholder Relations, Personal Management Style, Investment Operations Risk Management and Ethics. The committee discussed Mr. Iannucci's proposed framework for overhauling the CEO/CIO Performance Evaluations. The Committee asked Mr. Iannucci to research how other systems of a similar size evaluate their CEO/CIO's and bring that information back to the next Committee meeting and/or incorporate those metrics into the proposed evaluations.

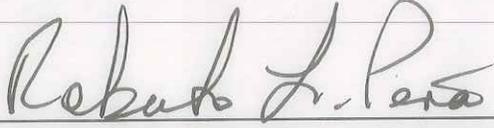
Direction: Mr. Iannucci to provide a 1st Draft of what the new evaluations would look like. The Committee also requested that Mr. Iannucci research the CEO/CIO charter for roles and responsibilities to update accordingly and keep track of the changes made to the Charter/s.

PROPOSED AGENDA ITEMS

Adjournment

The meeting adjourned at 11:21 a.m.

Minutes Recorded, Prepared and Respectfully submitted by,



Roberto L. Peña, CEO, Office of Retirement Services