

Memo

CEO Performance Evaluation Procedures for Current Evaluation Cycle-July 1, 2025-June 30, 2026

Date: April 6, 2026

To: San Jose Retirement Boards of Administration

From: Julie Becker, Partner, Aon Fiduciary Services Practice Leader
Benita Harper, Associate Partner, Aon Fiduciary Services Practice

cc: John Flynn, Chief Executive Officer

The Joint Personnel Committee (JPC) Charter provides that the JPC annually coordinates an evaluation of the CEO's performance, in accordance with the process described in the CEO Performance Evaluation Policy, including recommending the evaluation criteria and associated weights as well as approving any surveys or assessment tools. The JPC met on April 1, 2026, and approved the following procedures for the Evaluation Period July 1, 2025-June 30, 2026.

Overview of the Evaluation Framework

The CEO performance will be evaluated using two components with the following metrics and weights, similar to last year with some recommended updates:

Evaluation Framework

Table 1 - Organizational Outcomes (Total Weight in Overall Evaluation: 60%)			
Organizational Outcomes	Metrics	Sub-Weights %	Scoring Scale
Benefit Administration Cost-effectiveness	Administration Cost-per-Member	5%	60% weight is applied using the following scale: • Outstanding • Commendable • Satisfactory • Needs improvement
Member Service	Benefit Delivery: • Timeliness of monthly pension payment • Timeliness of pension notifications of payment	35%	

Table 1 - Organizational Outcomes (Total Weight in Overall Evaluation: 60%)			
Organizational Outcomes	Metrics	Sub-Weights %	Scoring Scale
Member Service	Timeliness of pension inceptions (normal, deferred vested, survivors and non-member DROs)	20%	
	Member Satisfaction: Group counselling session survey results		
	ORS Website visitor survey results		
	ORS Member Portal visitor survey results		
Total Sub-weight		60%	

Table 2 – Management Methods (Total Weight in Overall Evaluation: 40%)		
Management Methods	Metrics	Weights & Scoring Scale
Enterprise Risk Management	- Financial audit results - Internal audit results - Compliance report findings - Quality of management's responses to above	No sub-weights shall be established for each Metric. 40% weight is applied using the following scale: - Outstanding - Commendable - Satisfactory - Needs improvement
Human Resources Management	- Employee turnover rates - Code of conduct violations - Climate survey results	
Operations Management	- CEO monthly reports - Other	
Leadership/Management	- CEO Self-Assessment - Leadership/Management survey results - Other	

The following rating definitions are from the City's Management Performance Program:

Rating	Definition
Outstanding	Consistently exceeds all expectations for responsibilities, objectives, skills, abilities, and commitment required for position. <i>This rating should only be used when performance against the objective truly exceeded already high standards. It should be unusual for this rating to be applied to a large number of key elements, employees, or to be awarded continually.</i>
Commendable:	Achieves and frequently exceeds expectations for responsibilities and objectives. <i>This rating is for unusually effective staff members who perform above what is normally expected.</i>
Satisfactory;	Consistently met challenging performance expectations and produced expected results. <i>This rating describes a staff member whose overall performance meets the requirements of the position. Any minor areas where performance could be better counterbalanced by areas where performance is beyond expectations or the individual is new to the role and may need more time in the position to meet all requirements of the job.</i>
Needs Improvement:	Inconsistently meets or does not meet established expectations for responsibilities and objectives of the position. <i>This rating describes a staff member who has not kept pace with changing requirements, whose successes have only been occasional and/or whose performance has been deteriorating. This should be emphasized by clear feedback on where improvement is needed and a process, timeline, and goals for change, including the consequences of inaction.</i>

As per the framework in the Table below, the Boards rate the CEO on Organizational Outcomes and Management Methods. Using the ratings and the corresponding baseline award parameters, also set out in the table, the Boards shall exercise their discretion to determine:

- a. Individual Performance-based Compensation Adjustments (“IPCA”); and
- b. Any Additional Executive Leave to be awarded to the CEO.¹

The baseline award parameters set out in Table below are not intended to restrict the Boards’ ability to exercise their discretion to award higher or lower IPCA and Executive Leave reflecting relevant factors and circumstances such as the magnitude of the year’s out-performance or under-performance, the amounts awarded in prior years, peer practices, etc.

Table			
Organizational Outcomes Rating (60% Weight)	Management Methods Rating (40% Weight)	Baseline IPCA AWARD (%)	Baseline Additional Executive Leave (Days)
Outstanding	Outstanding	> 2.5%	5
Commendable	Commendable	2% or 2.5%	4 or 5
Satisfactory	Satisfactory	1%	3
Needs Improvement	Needs Improvement	0%	0

Evaluation Process for the Current Cycle:

- The Boards will receive a Background Report that consists of the following:
 - CEO self-assessment
 - Metrics

¹ IPCA and Additional Executive Leave are terms used in the City’s Management Performance Program.

- Results of the Boards and City Council Liaisons' ratings/comments on the CEO Management/Leadership Survey
- Staff Climate Survey Results
- Boards will review the Background Report in closed sessions and discuss preliminary performance conclusions.
- JPC designees will consolidate input, meet with the CEO, and present a final evaluation and performance award recommendation for the Boards consideration and approval.

