

FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

Minutes of the Board Meeting

THURSDAY

SAN JOSÉ, CALIFORNIA

April 8, 2010

CALL TO ORDER

The Board of Administration of the Federated City Employees' Retirement System met at 8:30 a.m., on Thursday, March 11, 2010, in regular session at the Department of Retirement Services, 1737 N. First St., Suite 600 - San José, California 95112.

ROLL CALL

Present:

Matt Loesch

Chair/Trustee

David Busse

Vice Chair/Trustee

Ed Overton

Trustee

Pete Constant

Trustee

Ash Kalra

Trustee – arrived at 8:40 A.M.

Jeffrey Perkins

Trustee

Arn Andrews

Trustee

ALSO PRESENT:

Russell U. Crosby -Secretary/Director

Mike Moehle

-Staff

Mollie Dent -City Attorney

Donna Busse

-Staff

Russell Richeda -Conflicts Counsel

Steve Barnett

-PBCE

Lisa VonTress -Staff

Nick Emanuel

-Attorney

John McBride -Attorney

Raul Guerrero

-Airport

Bill Meyers

Sharon Erickson

-City Auditor

Robin Opheim -City Auditor's Office

Leanna Bieganski

-Airport

Allen DeMers -Human Resources

Gerry Chappuis

-MEF

Karin Carmichael -Staff

Amanda Ramos

-Staff

Toni Johnson -Staff

Allison Suggs

-OER

Ron Kumar -Staff

Veronica Niebla

-Staff

Rhonda Snyder -Staff

Linda Dittes

-AFSCME

REGULAR SESSION

Chair Loesch called the meeting to order at 8:33 a.m.

ORDERS OF THE DAY

Chair Loesch made the following changes to the agenda:

Item 15 to be heard first.

Under Death Notifications:

Item 11B Janice DeWitt was previously on February agenda.

Item 11C Sylvia Ellsworth was previously on November agenda.

Under Deferred Vested:

Item 3B Kathryn Jean Ford 15.38 years of service, not 15.

15. Discussion and possible action on the City Auditor's upcoming audit project.

(Trustee Karla arrives at 8:40 A.M.)

Ms. Erickson, City Auditor

RETIREMENTS –

1. Disability Retirements for Re- Hearing

- a. **William Meyers**, Associate Construction Inspector. Request for disability re-hearing; 4.23 years of service. Mr. Meyers was present and represented by Attorney Nicholas G. Emanuel.

MEDICAL REPORTS – DR'S NAME	DATED
JOHN E. MASSEY, M.D.	1/20/09 : 8/7/08 : 5/1/08 : 7/24/06
MALIHEH MASSIH, M.D.	6/22/07
TEAM CONFERENCE REPORT	6/15/07
RICHARD ABEND, D.C.	5/2/06 : 12/14/05 : 11/15/05 : 1/28/05 : 12/22/04
BILL WHITING, M.ED. – REHAB COUNSELOR	12/29/05
JOHN HOROWITZ, D.C.	10/18/05 : 2/23/05 : 2/22/05 : 2/2/05 : 10/18/04 : 8/2/04
LAWRENCE POREE, M., MPH, PHD.	8/15/05 : 5/31/05
MEGHAN THOMAS, M.D.	5/3/05 : 9/30/04
JACK FUNAMURA, M.D.	12/1/04 (MRI) : 12/104 (CT SCAN)
JOSEPH FRANKS, M.D.	10/11/04
EDWARD MENGES, M.D.	10/7/04
MATHEW TRAN, M.D.	6/22/04
HARJIT SEKHON, M.D.	12/9/03
ROSEMARIA GENNUSO, M.D.	11/13/03 : 8/20/03
JAMES J. KOHUT, M.D.	7/29/03
JANELLE RASI, M.D.	7/11/03
JOSH NOVIC, M.D.	4/18/03
MICHAEL COULSON, M.D.	2/27/03
WORKERS' COMPENSATION AWARD DOCUMENT. (MR. MEYERS REQUESTED THIS BE INCLUDED)	4/7/06
NICHOLAS G. EMANUEL, ATTY FOR APPLICANT –MEMORANDUM OF LPOINTS	7/8/09

MEDICAL REPORT FROM BOARD'S DIRECTOR	DATED
RAJIV DAS, M.D.	7/31/09 : 1/29/09 : 9/20/06 : 7/31/06 : 5/1/06 : 12/21/05

Additional medical reports were given to the board by Attorney Emanuel.

MEDICAL REPORT – DR'S NAME	DATED
John Horowitz, D.C.	March 12, 2004
Isys Solutions (Kris Donaldson, RN	March 31, 2004 (3 pages)
Lawrence Poree, M.D.	April 27, 2004 (2 pages), May 13, 2004, June 16, 2004, July 27, 2004

Ms. Dent stated that the board heard this claim in December and denied the it due to medical evidence not supporting a service connected disability. *Attorney Emanuel* stated that previous findings were contrary to evidence. *Ms. Dent* stated that to approve the claim your findings have to be: 1. There is evidence of disability; 2. It is service connected; and 3. Work restrictions prevent employee from working. *Dr. Das* stated that, in his opinion, this was not a work-related disability. (M.S.C. Overton/Busse) Application denied. 6-1-0 (Andrews - no).

- b. **Raul Guerrero**, Parking & Traffic Control Officer. Request for disability re-hearing; 10.24 years of service. Continued until May board meeting at Attorney's request so *Dr. Das* can go over new information. (M.S.C. Constant/Karla) Deferred to May. Approved 7-0-0.

CONSENT CALENDAR (Items 2 thru 9)

(M.S.C. Constant/Busse) Motion to approve 7-0-0.

2. Request for approval of Service Retirements

- a. **Terre C. Abrigo**, Custodian, General Services, effective March 31, 2010; 16.30 years of service.
- b. **Eileen Aparicio**, Legal Administrative Assistant, City Attorney's Office, effective March 31, 2010; 22.87 years of service.
- c. **Leslie Brady**, Communications Services Operator, Airside Operations, effective March 31, 2010; 10.41 years of service.
- d. **Christina M. Ewing**, Analyst II, Police Department, effective March 31, 2010; 25.75 years of service.
- e. **Beatrice Gil**, Custodian, General Services, effective March 31, 2010; 23.88 years of service.
- f. **Rosa Guzman**, Administrative Assistant, General Services, effective April 8, 2010; 30.00 years of service.
- g. **Judith E. Harsany**, Senior Office Specialist, Police Department, effective April 3, 2010; 15.01 years of service.
- h. **Bich-Nga Le Hong**, Accountant I, Police Department, effective March 31, 2010; 29.21 years of service.
- i. **J. Wayne Hoskins**, Principal Engineering Technician, Public Works, effective March 31, 2010; 34.93 years of service.
- j. **Ronald B. Ippolito**, Equipment Operator, Parks, Recreation and Neighborhood Services, effective March 20, 2010; 20.58 years of service.
- k. **Terrence Eugene Keeley**, Supervisor of Trades, Airport, effective March 20, 2010; 30.10 years of service.
- l. **Tony Majors**, Plant Mechanic, Environmental Services, effective March 31, 2010; 15.66 years of service.
- m. **Diana Medrano**, Crime & Intelligence Analyst, Police Department, effective March 20, 2010; 24.71 years of service.
- n. **Peter Neumiller**, Senior Maintenance Worker, Department of Transportation, effective March 20, 2010; 24.78 years of service.
- o. **Rafael A. Romero, Jr.**, Principal Accountant, Environmental Services, effective March 29, 2010; 20.77 years of service.
- p. **Fredrick Sabour**, Senior Engineer, Public Works, effective March 31, 2010; 29.16 years of service.
- q. **Dennis Tam**, Associate Civil Engineer, Public Works, effective March 20, 2010; 29.74 years of service.
- r. **Vinod K. Vashisht**, Groundswoker, Parks, Recreation and Neighborhood Services, effective March 20, 2010; 23.70 years of service.
- s. **Jerry T. Yoshida**, Planner II, Planning, Building, Code Enforcement, effective March 27, 2010; 24.93 years of service.

3. Deferred Vested

- a. **Carol Marie Foley**, Park Ranger, Parks, Recreation and Neighborhood Services, effective April 23, 2010; 5.41 years of service.
- b. **Kathryn Jean Ford**, Administrative Assistant, Parks, Recreation and Neighborhood Services, effective April 20, 2010; 15.xx years of service.
- c. **Gregory W. Johnson**, Maintenance Worker, Department of Transportation, effective March 18, 2010; 8.53 years of service.
- d. **Carol Searle**, Engineering Technician II, effective March 3, 2010; 7.52 years of service.

4. Change of Effective Date

Approval to change the effective date of the service retirement application of Joe Mosley from March 20, 2010 to March 31, 2010

5. Board Minutes

- a. Approval of Regular Meeting Minutes of March 11, 2010.

6. Return of Contributions

- a. Voluntary
- b. Involuntary

7. Investment Summary Report

Report of Federated Investments for February 2010.

8. Approval of Monthly Expenditures

Report of Federated Retirement Plan expenses for February 2010.

9. Investments

- a. Adoption of Resolution No. 6560 acknowledging receipt of report on investments for the period February 1 thru 31, 2010.

10. Approval of Travel Conference Attendance

- a. May Cheung, Travel to Ontario, CA to attend the CALAPRS Info Technology Round Table meeting, April 9, 2010.
- b. Ryan Jusko, Travel to Phoenix, AZ to attend New England Pension Consultant's Major Client Strategy Conference, March 29/30, 2010.
- c. Veronica Niebla, Travel to Ontario, CA to attend the CALAPRS Accountants Round Table meeting, April 9, 2010.
- d. Matt Loesch, Travel to Boston, MA to attend the Meketa Investment Conference, May 5/6/7, 2009.
- e. Carmen Racy-Choy, Travel to San Francisco, to speak at the Pension Bridge Annual conference, April 6/7/8, 2010.
(M.S.C. Andrews/Constant) Motion Approved 7-0-0.

11. DEATH NOTIFICATIONS (Moment of Silence) Note & File

The Chair stated there would be a moment of silence for the death notifications

- a. **Jesus P. Cervantez**, Retired Equipment Mechanic; retired 10/4/87, died 2/3/10. No survivorship benefits.
- b. **Patricia E. Gibbons**, Retired Information Systems Analyst; retired 1/14/06, died 3/12/10. Survivorship benefits to Carla Satra, domestic partner.
- c. **Ja Lih Lee**, Retired Senior Librarian; retired 2/12/96, died 12/01/09. No survivorship benefits.
- d. **George E. McKissick**, Retired Senior Civil Engineer; retired 11/7/92, died 2/3/10. No survivorship benefits.
- e. **Madeline V. Mestice**, Retired Executive Secretary; retired 1/6/79, died 2/25/10. No survivorship benefits.
- f. **Peter P. Roti**, Retired Gardner; retired 1/3/81, died 2/28/10. No survivorship benefits.
- g. **J. Lindsey Wolf**, Retired Program Manager II; retired 3/22/08, died 3/6/10. Survivorship benefits to Greta M.M. Muller, domestic partner.
- h. **Ralph Zuniga**, Street Sweep Operator; retired 1/4/69, died 2/27/10. No survivorship benefits.

OLD BUSINESS/DEFERRED-CONTINUED ITEMS

12. **Travel Audit compliance update.** Ms. Niebla stated that Audit Committee met on March 30, 2010, made revisions to policy for Board approval.
13. **Discussion and possible action on update of selection of outside counsel for tax qualification review of the System.** Ms. Dent stated that the RFP solicited 6 responses. Out of the six, Ice Miller LLP was ranked number one by the committee due to their experience with government plans and tax related work, however they are not registered in California at this time. Mr. Richeda stated there could be issues getting them hired. Ms. Dent stated that if Ice Miller cannot be hired, they will look at the second ranked proposer.
14. **Discussion and possible action on Board's agreement to move monthly meetings to City Hall.** Secretary Crosby stated that the City Council voted to have retirement boards meet at City Hall, with intent to start May 6, 2009 with the Police and Fire Board meeting. Trustee Constant stated that the meeting locations and times have a higher priority than the Planning Commission. Trustee Karla stated that staff has dates and reservations in place and the Retirement Board will have a committed room. Ron Kumar, staff, stated that there will be onsite training for the Granicus system at a cost of approximately \$2,000.00 and a laptop will be required. Mr. Kumar was instructed to send an e-mail to Trustees Constant and Karla relaying his findings during his conversations with the Communications Department. (M.S.C. Loesch/Busse) Approved the move Federated Retirement Board to City Hall on a trial basis. Motion to approve 7-0-0.

NEW BUSINESS

15. Discussion and possible action on the City Auditor's upcoming audit project. – Moved to first item on agenda.
16. Adoption of Resolution No. 6561 setting new rates of contribution to be effective June 27, 2010. (M.S.C. Constant/Busse) Motion to approve 7-0-0.

STANDING COMMITTEES / REPORTS / RECOMMENDATIONS

Committee for Investments (Perkins/Loesch/Andrews–alternate/Busse) – last meeting: March 30, 2010

17. Approval of Investment Committee Meeting Minutes of February 25, 2010. (M.S.C. Constant/Andrews) Motion approved 7-0-0.
18. Approval to hire Woodmont Real Estate Services and for the Secretary to negotiate and execute the agreement. (M.S.C. Constant/Andrews) Motion approved 7-0-0.
19. Approval to terminate MIG Realty Advisors as the Plan's real estate asset manager. (M.S.C. Constant/Andrews) Motion approved 7-0-0.
20. Approval of the modifications to the Plan's Statement of Investment Policy to update the policy targets and to include policy language regarding the alternative asset classes. (M.S.C. Constant/Perkins) Motion Approved, with direction to staff to correct the Table of Contents, 7-0-0.

Committee of the Whole (Full Board) – next meeting: 27 May 2010

21. Approval of the Committee of the Whole Meeting minutes of February 25, 2010. (M.S.C. Constant/Busse) Motion to approve 7-0-0.

Policy Committee (Busse/Overton/Constant – alternate/Loesch) – last meeting: March 26, 2010

COMMUNICATION/INFORMATION – Note & File

22. Benefits Review Forum Report for March 2010.
23. Report of IIR's 18th Annual Public Fund Boards forum by Trustee Constant.

EDUCATION AND TRAINING

FUTURE AGENDA ITEMS –
PUBLIC/RETIREE COMMENTS - None

ADJOURNMENT

There being no further business, **Chair Loesch** adjourned the meeting at 11:27 A.M..

MATTHEW LOESCH, P.E., CHAIR
BOARD OF ADMINISTRATION

ATTEST:

RUSSELL U. CROSBY, DIRECTOR
BOARD OF ADMINISTRATION