



**BOARD OF ADMINISTRATION
Department of Retirement Services**

CITY HALL WING COMMITTEE ROOMS 118/119

200 East Santa Clara St., San Jose, CA 95113

BOARD MEMBERS

David Bacigalupi, Chair
Conrad Taylor, Vice Chair
Sean Bill, Trustee
Michael Flaherman, Trustee
Sean Kaldor, Trustee
Damon Krytzer, Trustee
Drew Lanza, Trustee
Vincent Sunzeri, Trustee
Richard Santos, Trustee

DIRECTOR RETIREMENT SERVICE

BOARD SECRETARY

Russell U. Crosby

COUNCIL LIAISON

Pete Constant

THURSDAY

JUNE 2, 2011

8:30 a.m.

AGENDA

• **ORDERS OF THE DAY**

1. **INVESTMENTS**

- 1.1 [Staff presentation of the quarterly performance report as of March 31, 2011.](#)
- 1.2 [Staff presentation on the Plan's fixed income structure.](#)
- 1.3 [Discussion and action on NEPC's recommendation regarding short-term investment of the alternative investment allocation.](#)

2. **NEW BUSINESS**

- 2.1 [Contributions Rates and Amounts for 2011-12](#)
 - a. [Adoption of Resolution 3703 setting new city and employee contribution rates and amounts for Police members to be effective June 26, 2011.](#)
 - b. [Adoption of Resolution 3704, setting new city and employee contribution rates and amounts for Fire members to be effective June 26, 2011.](#)
 - c. [Memo from Michael Moehle regarding Fiscal Year 2011-2012 Contributions, dated May 24, 2011.](#)
 - d. [Memo from Mollie Dent, Senior Deputy City Attorney regarding Setting Contribution Rates, dated May 25, 2011.](#)
- 2.2 [Discussion and action regarding Segal's June 30, 2010 GASB 43/45 Valuation Report.](#)
- 2.3 [Request to San Jose City Council to initiate amendment Ordinance to amend Section 3.36.080 of San Jose Municipal Code regarding Non-Assignment for purposes of Retiree Association Dues.](#)
- 2.4 Discussion and action on staffing and compensation issues.

- 2.5 [Discussion and action regarding recommendation from the Subcommittee on Disability Determination.](#)
- 2.6 [Discussion and recommendation to the San Jose City Council on Ordinance of the City of San Jose amending Title 3 of the San Jose Municipal Code to add new Chapters 3.54 and 3.56 and to amend Sections 3.36.575, 3.36.1925, 3.36.1930, 3.36.1950, 3.36.2030 and Section 3.36.2045 of Chapter 3.36 of Title 3 for the purpose of establishing two new trusts pursuant to Section 115 of the Internal Revenue Code related to retiree healthcare benefit funding and payment of retiree health care benefits.](#)
- 2.7 [Discussion and recommendation to the San Jose City Council on Ordinance amending Section 3.36.580 of the San Jose Municipal Code to suspend the distribution of funds from the Police and Fire Department Retirement Plan Supplemental Retiree Benefit Reserve during Fiscal Year 2011-12](#)

3. **OLD BUSINESS/CONTINUED-DEFERRED ITEMS**

- 3.1 [Discussion and action regarding Board Governance, including formation of an Audit Committee.](#) *(Deferred from May 5, 2011)*
- 3.2 [Discussion and action concerning legal analysis of the impact on current board members of Government Code Section 7513.95.](#)
- 3.3 [Discussion and action regarding the City's Revolving Door Ordinance \(SJMC Chapter 12.10 and Council Policy 0-15\).](#)
- 3.4 Discuss Quorum Rules. *(Deferred from May 5, 2011)*
- 3.5 [Discussion and action regarding Cortex Report.](#) *(Deferred from May 5, 2011)*
- 3.6 [Staff report on Payroll Audit, FSLA and overtime payment issues.](#) *(Deferred from May 5, 2011)*
- 3.7 Discussion and action regarding Board Retreat. *(Deferred from May 5, 2011)*
- 3.8 Discussion and action regarding Electronic Agendas. *(Deferred from May 5, 2011)*
- 3.9 [Discussion and action regarding Trustee fiduciary insurance non-recourse fees.](#) *(Deferred from May 5, 2011)*

4. **RETIREMENTS – TIME CERTAIN AT 10:30 A.M.**

4.1 **Service**

- a. **Scott A. Castruita**, Police Sergeant, Police Department, effective August 6, 2011; 27.17* years of service.
- b. **David Cavallaro**, Deputy Chief, Police Department, effective June 25, 2011; 29.01* years of service.
- c. **Kevin Clark**, Police Officer, Police Department, effective June 25, 2011; 25.01* years of service. *(With reciprocity)*
- d. **Thomas Correa**, Police Officer, Police Department, effective June 25, 2011; 26.67* years of service. *(With reciprocity)*
- e. **Alan G. Gerbino**, Fire Engineer, Fire Department, effective May 28, 2011; 26.80* years of service. *(SCD-pending)*

- f. **Glenn Harper**, Police Lieutenant, Police Department, effective June 30, 2011; 26.22* years of service.
- g. **Mitchell C. Kim**, Firefighter, Fire Department, effective June 25, 2011; 21.32* years of service
- h. **Gary L. Kirby**, Police Captain, Police Department, effective June 25, 2011; 25.50* years of service.
- i. **Oscar J. Martinez, Jr**, Fire Captain, Fire Department, effective June 30, 2011; 27.00* years of service. (*SCD-pending*)
- j. **Stewart A. McGehee**, Battalion Chief, Fire Department, effective June 25, 2011; 30.12* years of service.
- k. **Bret A. Muncy**, Police Sergeant, Police Department, effective June 11, 2011; 26.17* years of service.
- l. **Michael A. Pomeroy**, Police Sergeant, Police Department, effective June 30, 2011; 27.64* years of service.
- m. **Jean-Pierre Santos**, Fire Captain, Fire Department, effective June 25, 2011; 28.07* years of service.
- n. **Edward J. Scanlon**, Fire Captain, Fire Department, effective June 26, 2011; 30.11* years of service.
- o. **Robert E. Sepulveda**, Police Officer, Police Department, effective June 30, 2011; 25.77* years of service. (*With reciprocity*) (*SCD-pending*)
- p. **Raymond J. Shields**, Police Sergeant, Police Department, effective June 25, 2011; 26.25* years of service.

4.2 **Service-Connected Disability**

- a. **Wayne M. Farquhar**, Police Lieutenant, Police Department. Request for a Service-Connected Disability Retirement, effective June 2, 2011; 24.36* years of service. (*Deferred from May 5, 2011*)
- b. **Mark A. Freitas**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective June 2, 2011; 21.78* years of service.

4.3 **Change in Status**

- a. **Charles C. Carter**, Fire Engineer, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective September 6, 2008; 40.11 years of service.

4.4 **Deferred Vested**

- a. **David P. Paulides**, Police Officer, Police Department, effective May 30, 2011; 16.50 years of service.

5. **DEATH NOTIFICATIONS**

- 5.1 Notification of the death of **Loren B. Gray**, Fire Engineer, retired 04/01/73, died 05/03/11. No survivorship benefits.
- 5.2 Notification of the death of **William C. Murray**, Battalion Chief, retired 03/10/85 died 04/30/11. No survivorship benefits.

STANDING COMMITTEE REPORTS/RECOMMENDATIONS - None

6. CONSENT CALENDAR (Items #6.1 through 6.6)

6.1 [Adoption of Resolution No. 3702 denying change in status from a Service Retirement to a Service-Connected Disability \(SCD\) Retirement application for Michael Hahn.](#)

6.2 Approval of Minutes

a. [Monthly Board meeting held on May 5, 2011.](#)

6.3 Approval of Travel/Conference Attendance

- a. Sean Bill - Skybridge Alternatives Conference –SALT, Bellagio, Las Vegas – May 11-13, 2011
- IMN 16th Annual Public Funds Summit, Hyatt Regency, Huntington Beach, CA – March 14-15, 2011 (Monday, March 14th only)
- b. Barbara Hayman - Technology Review, San Mateo, CA - May 18, 2011.
- c. Heidi Poon - Clean & Green Investment Forum, The Hotel Nikko, San Francisco, CA – June 6-7, 2011.

6.4 Approval of Monthly Expenses

a. [Plan Expenses for April 2011.](#)

6.5 Return of Contributions

- a. Voluntary
b. Involuntary

6.6 Communication/Information

- a. [Memo to Mayor and City Council from Councilmember Donald Rocha, regarding “Retirement Reform”, dated May 20, 2011.](#)
- b. [Information memo to Mayor and City Council from Retirement Services regarding the Annual Required Contributions for the Police and Fire Department Retirement Plan, dated April 19, 2011. \(Deferred from May 5, 2011\)](#)
- [Memo from Susan Devencenzi, Sr. Deputy City Attorney regarding Allocation of Contribution Rates between City and Members, dated September 17, 1997.](#)
 - [Allocation of Actuarial Surplus to Contributions by Conflicts Counsel Russ Richeda and Drew James of William M. Mercer, Inc., Board Retreat Presentation dated September 11, 1998.](#)
 - [Memo from Russ Richeda regarding Allocation of Actuarial Surplus to Contribution Rates, dated February 19, 1998.](#)
 - [Memo from Russ Richeda regarding Issues Concerning Retirement Contribution Rates, Allocation of Retirement Contribution Rates and Allocation of “Actuarial Excess”, and related issues, dated October 30, 1997.](#)

*Estimated

- c. [Memo from Debra Figone, City Manager entitled Lump Sum Payment of Employer Retirement Contributions and Establishment of the Prepayment Amount for Fiscal Year 2011-2012, dated April 18, 2011. \(Deferred from May 5, 2011\)](#)
- d. [Letter to Mayor and City Council from David Bacigalupi, Chair, Board of Administration of the Police & Fire Department Retirement Plan regarding SRBR, dated April 19, 2011. \(Deferred from May 5, 2011\)](#)
- e. [Benefits Review Forum held on April 2011.](#)
- f. [Benefits Review Forum held on May 2011.](#)
- g. [Report form Congressional Budget Office \(CBO\) regarding “The Underfunding of State and Local Pension Plans”, dated May 2011.](#)
- h. [The 2011 Pension Bridge Annual Educational Travel Report – by Sean Bill.](#)

7. **EDUCATION & TRAINING**

7.1 **Notification of CalAPRS’ Trustees Round Table**

- a. Trustees Round Table, DoubleTree Hotel, 2050 Gateway Place, San Jose, - October 14, 2011.

7.2 **Notification of IFEBP Training**

- a. International Investing and Emerging Markets, Wharton West, San Francisco, CA, Monday, July 25, 2011 through Wednesday, July 27, 2011.
- b. CAPPP – Employee Pensions – **Part I**, Ernest Morial Convention Center, New Orleans, LA, Saturday, October 29-30, 2011.
- c. CAPPP – Employee Pensions – **Part II**, Metro Meetings Center, Boston, MA, Thursday, June 21-22, 2012.
- d. CAPPP – Employee Health – **Part I**, Ernest Morial Convention Center, New Orleans, LA, Saturday, October 29-30, 2011.
- e. CAPPP – Employee Health – **Part II**, Metro Meetings Center, Boston, MA, Thursday, June 21-22, 2012.

7.3 **Notification of SACRS Training**

- a. State Association of County Retirement System (SACRS), Public Pension Investment Management Program, UC Berkeley, Monday, July 11-13, 2011.

- **PROPOSED AGENDA ITEMS**

- **PUBLIC COMMENTS**

- **ADJOURNMENT**

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Department of Retirement Services, 1737 N. First Street, Suite 580, San José CA 95112 at the same time that the public records are distributed or made available to the legislative body.

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