

# **POLICE AND FIRE RETIREMENT PLAN**

## **Revised Summary of Real Estate Committee Special Meeting**

**MONDAY**

**SAN JOSE, CALIFORNIA**

**AUGUST 11, 2008**

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**PRESENT:**

**Police and Fire Board**

**Ken Heredia**

**Bret Muncy**

**Scott Johnson**

**NOT PRESENT:**

**Mark Skeen - excused**

**Also Present:**

**Russell U. Crosby -Secretary/Director**

**Ron Kumar -Staff**

**Cristin James -Staff**

## **MEETING SUMMARY**

### **RECOMMENDATIONS**

None

### **ITEMS**

#### **1. CLOSED SESSION – Conference with Real Property Negotiator for Deerwood Apartments Pursuant to Government Code Section – 54956.8**

Vice-Chair Heredia reported out of closed session that the Director of Retirement Services has been authorized to negotiate and execute a letter of intent concerning the sale of Deerwood Apartments.

#### **2. Discussion and Action on the Real Estate Property Insurance.**

The Secretary stated that Staff has been investigating issues with the insurance coverage of the Plan's properties since February 2008. Issues include properties that are under-insured while other properties are over-insured. Insurance coverage was provided by both firms in a "pooled" format that could cause undue risk to the Plan. Both Real Estate managers were uncooperative in providing documentation over the last 6 months.

The Secretary explained that counsel for the Plan, Russ Richeda and Mollie Dent, met with him on August 7, 2008 to discuss the issues regarding the property insurances. Counsel advised that the Secretary is authorized to take actions necessary to protect the Plan assets.

With the assistance of an insurance broker, Staff solicited proposals for insurance coverage on all of the Plan's Real Estate properties.

Member Muncy asked if having Staff manage the property insurance going forward would increase staff time dramatically.

The Secretary assured the Committee that managing the property insurance in our office would only increase Staff time a modest amount but it would be worth the extra time for the risk reduction to the Plan. All policies have been scheduled to renew at the same time of the year for efficiency with a one-year duration for the best price break.

The Committee approved directing the Secretary to assume control of the Plan's Real Estate property insurance.

Motion/second/approved. (3-0) (Johnson/Heredia/Muncy – Skeen absent)

**Approved:**

  
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**RUSSELL U. CROSBY, SECRETARY**  
**BOARD OF ADMINISTRATION**