



CITY OF SAN JOSÉ, CALIFORNIA
DEPARTMENT OF RETIREMENT SERVICES



BOARD OF ADMINISTRATION

CITY HALL

City Hall Wing Committee Rooms 118/119
200 East Santa Clara Street, San Jose, CA 95113

BOARD MEMBERS

Matt Loesch, Chair
Lara Druyan, Vice-Chair
Arn Andrews, Trustee
Michael Armstrong, Trustee
Martin Dirks, Trustee
Stuart Odell, Trustee
Ed Overton, Trustee

NON-VOTING BOARD MEMBER

Pete Constant

ACTING DIRECTOR RETIREMENT SERVICES

Donna Busse

COUNSEL

Harvey L. Leiderman, General and Fiduciary
Counsel

THURSDAY **SEPTEMBER 20, 2012** **8:30 A.M.**

AMENDED AGENDA

• **ORDERS OF THE DAY**

1. **CONSENT CALENDAR** (Items 1.1 through 1.7)

1.1 **Approval of Service Retirements**

- a. **Russell U. Crosby**, Director, Retirement Services Department, effective September 6, 2012; 5.08* years of service.
- b. **Michael C. D’Arcy**, Plant Assistant Operations Manager, Environmental Services Department, effective September 29, 2012; 13.60* years of service.
- c. **Kenneth E. Derrell**, Senior Maintenance Worker, Department of Transportation, effective October 27, 2012; 25.39* years of service.
- d. **Brian Doyle**, Senior Deputy City Attorney, City Attorney’s Office, effective October 27, 2012; 22.00* years of service.
- e. **Alexander Ekster**, Principal Engineer, Environmental Services Department, effective September 15, 2012; 15.09* years of service.
- f. **Janis Gill**, Worker’s Compensation Claims Adjuster, Human Resources, effective October 27, 2012; 18.00* years of service.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call Sonia Morales (408) 794-1004 as soon as possible, but at least three business days before the meeting.

*Estimated

For questions, please contact Sonia Morales at (408) 794-1004.

- g. **Steve M. Gomes**, Maintenance Worker, Department of Transportation, effective October 27, 2012; 30.02* years of service.
- h. **Sherry L. Maxwell**, Warehouse Supervisor, Airport Department, effective October 13, 2012; 15.29* years of service.
- i. **Zaragoza P. Munoz**, Groundskeeper, Parks, Recreation & Neighborhood Services, effective October 13, 2012; 13.96* years of service.
- j. **Andrew J. Rodarte**, Heavy Equipment Operator, Department of Transportation, effective October 27, 2012; 30.04* years of service.
- k. **Dana M. Webster**, Parking & Traffic Control Officer, Department of Transportation, effective August 28, 2012; 12.83* years of service.

1.2 Approval of Deferred Vested Retirements

- a. **Jean Ogden-Schroeter**, Dispatcher, Public Works Department, effective October 30, 2012; 5.12* years of service.
- b. **Cameron R. Smith**, Division Manager, Police Department, effective October 21, 2012; 22.48* years of service. (*With reciprocity*)
- c. **Margaret Wagenet-Booher**, Community Coordinator, Parks, Recreation & Neighborhood Services Department, effective October 20, 2012; 20.03* years of service.

1.3 Rescission of Retirement Application

- a. Approval to rescind the application of **David T. Smith**, approved at the August 16, 2012 meeting for the effective date of September 1, 2012.

1.4 Approval of Board Minutes

- a. [Approval of Board Minutes of August 16, 2012.](#)
- b. [Approval of Special Meeting Board Minutes of July 26, 2012.](#)

1.5 Approval of Return of Contributions

- a. Voluntary
- b. Involuntary

1.6 Acceptance of Communication/Information Reports

- a. [Letter from Ice Miller regarding Favorable Determination Letter for San Jose Federated City Employees' Retirement System, dated August 21, 2012.](#)
- b. [Memo from Debra Figone, City Manager, regarding Acting Director of Retirement Services Appointment, dated August 28, 2012.](#)
- c. [Notice of 2012 Federated Retiree Election.](#)
- d. [Benefits Review Forum Report, August 2012.](#)
- e. [Educational Travel Reports:](#)
 - IFEBP, Portfolio Concepts and Management, Philadelphia, PA – May 21-24, 2012 – by Lara Druyan.

- IFEBP, Hedge Funds, Real Estate & Other Alternative Investments, San Francisco, CA – July 16-18, 2012 – by Lara Druyan.

1.7 Approval of Travel / Conference Attendance

- a. Pete Constant - IFEBP, TMP Advanced Leadership Summit, San Diego Convention Center, San Diego, CA – November 11, 2012.
- b. Marty Dirks - Albourne America Hedge Fund Client Conference, Chicago, IL – October 2-3, 2012

2. DEATH NOTIFICATIONS (Moment of Silence)

- 2.1 Manuel P. Ferrales**, Groundskeeper, retired 06-13-87, died 08-14-12. Survivorship benefits to Jenny V. Ferrales, spouse.
- 2.2 Dorothy A. Leigh**, Accountant II, retired 03-31-07, died 08-20-12. Survivorship benefits to Robert E. Leigh, spouse.
- 2.3 David A. Moore**, Facility Sound & Light Technician, retired 06-24-02, died 08-12-12. No survivorship benefits.
- 2.4 Joseph W. Robinson**, Senior Staff Analyst, retired 05-23-81, died 07-14-12. Survivorship benefits to Emily Robinson, spouse.
- 2.5 Robert Staudenmaier**, Chief Building Construction Inspector, retired 10-04-87, died 07-16-12. Survivorship benefits to Donna O. Staudenmaier, spouse.

3. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

3.1 CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a),

Mulholand, et al v. City of San Jose, et al, Santa Clara County Superior Court No. 1-12-CV-219748.

3.2 CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 45956.9(a) (4 CASES) (MEASURE B LITIGATION)

City of San Jose, Plaintiff v. San Jose Police Officers' Association, et al.; Defendants, United States District Court, Northern District of California (San Jose Division), No. C12-02904 LHK-PSG

Mukhar, et al v. City of San Jose, et al.
Santa Clara County Superior Court Case No. 1-12-CV-226574

Harris, et al v. City of San Jose, et al.
Santa Clara County Superior Court Case No. 1-12-CV-226570

AFSCME v. City of San Jose, et al.
Santa Clara County Superior Court Case No. 1-12-CV-227864

- 3.3 **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(c) – Deciding whether to initiate litigation (one case).

OPEN SESSION

- 3.4 Discussion and action on City Council Ordinance regarding Federated City Employees' Health Care Trust issues.
- a. [Discussion and action regarding how members receive refunds of 401\(h\) contribution amounts when a member terminates before retirement.](#)
- 3.5 [Discussion and action on Higher Class Pay Retirement Contribution Adjustment letter from Cheiron, dated August 13, 2012.](#)
- 3.6 [Discussion and action regarding Cheiron's Tier 2 Contribution Rate recommendations for Fiscal Year 2013.](#)
- 3.7 Update on Electronic Board packets.
- 3.8 [Discussion and appropriate action on Retirement Services organization and staffing.](#)

4. **NEW BUSINESS**

- 4.1 Investments
- a. **CLOSED SESSION**: Conference with Investment Consultant pursuant to Government Code Section 54956.81 to consider purchase of particular pension fund investments (three investments)

OPEN SESSION

- b. [Discussion and action on the draft San Jose Federated New Asset Allocation Newsletter.](#)
- 4.2 [Discussion and action on Federated Retirement Board committee structure, including consolidation and transition from ad hoc to formal where appropriate.](#)
- 4.3 [Discussion and action regarding memo from Debra Figone, City Manager, regarding Annual Required Contribution Projections and Prefunding Analysis, dated September 5, 2012.](#)
- 4.4 [Discussion and action on the Pension and OPEB valuation process and timeline.](#)
- 4.5 Discussion and action on System Expenses for [June 2012](#) and [July 2012](#).
- 4.6 [Discussion and action regarding revisions to Disability Retirement Hearing Procedure #220.2.](#)
- 4.7 [Discussion and action regarding request from City Administration to have the Board's Actuary attend a meeting with bargaining units and City representatives to provide an overview of the 2011 OPEB Valuation and answer questions.](#)

5. COMMITTEES/REPORTS/RECOMMENDATIONS

5.1 Policy Committee (Overton/Armstrong/Loesch) – None

5.2 Investment Committee (Druyan/Odell/Dirks)

Last Meeting: September 12, 2012 - Next Meeting: October 10, 2012

- a. [Minutes of August 8, 2012 meeting, Joint Federated and Police & Fire Investment Committee.](#)
- b. Update from Chair of Investment Committee.

5.3 Audit Committee (Armstrong/Andrews/Overton)

- Next Meeting: TBD

- a. Update from Chair of Audit Committee.

5.4 Ad Hoc Governance Committee (Loesch/Armstrong/Odell)

Last Meeting: August 31, 2012 - Next Meeting: TBD

- a. Update from Chair of Ad Hoc Governance Committee.
- b. [Discussion and action on Report Outline and Research Plan by Cortex.](#)

5.5 Ad Hoc Personnel Committee (Loesch/Druyan/Dirks)

Last Meeting: August 15, 2012 - Next Meeting: TBD

- a. Update from Chair of Ad Hoc Personnel Committee.
- b. Discussion and action regarding scope, composition and duties of the committee.
- c. [Discussion and action on City Council proposed ordinance to amend Chapters 3.28 of Title 3 of the San Jose Municipal Code, the 1975 Federated Employees Retirement Plan, and 3.36 of Title 3, the 1961 Police and Fire Department Retirement Plan, to add Sections 3.28.115 and 3.36.325, respectively, regarding the role of the Boards of Administration in personnel matters.](#)
- d. [Memo from the Chairs of the Federated and the Police & Fire Retirement Boards regarding Proposed Ordinance regarding Executive Personnel, Department of Retirement Services, dated September 6, 2012.](#)

6. EDUCATION & TRAINING

6.1 Educational Programs and Courses

- a. CalAPRS - Trustees' Round Table, Los Angeles Marriott Burbank Airport, LA – Friday, October 19, 2012.

6.2 Conferences and Seminars

- a. Meketa Investment Group's 2012 Investment Conference, Hilton San Diego Bayfront, San Diego, CA – November 10, 2012.

6.3 [Research Papers and Articles](#)

- **FUTURE AGENDA ITEMS**
- **PUBLIC/RETIREE 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. Our facility is equipped with assistive listening devices for the hearing impaired.