

FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

Minutes of the Board Meeting

THURSDAY

SAN JOSÉ, CALIFORNIA

September 15, 2011

CALL TO ORDER

The Board of Administration of the Federated City Employees' Retirement System met on Thursday, September 15, 2011 at 8:32 a.m., in regular session at City Hall in the Wing Meeting Rooms 119-120, 200 East Santa Clara Street San José, California 95113.

PRESENT:

BOARD MEMBERS

Matt Loesch, Chair -Present
Ed Overton, Vice-Chair -Present
Arn Andrews -Present
Michael Armstrong -Present
Lara Druyan (Arrived 8:35 a.m.) -Present
Stuart Odell -Present
Martin Dirks -Present

BOARD MEDICAL DIRECTOR

Rajiv Das, M.D.

DIRECTOR RETIREMENT SERVICE

BOARD SECRETARY

Russell U. Crosby - Present

COUNCIL LIAISON

Pete Constant - Present (Arrived at 8:36. a.m.)

COUNSEL

Mollie Dent, Senior Deputy City Attorney -Present
Russ Richeda -Present

RETIREMENT SERVICES STAFF

PRESENT

Donna Busse, Deputy Director, COO
Carmen Racy-Choy, Deputy Director, CIO
Veronica Niebla
Ron Kumar
Toni Johnson
Tram Doan
Sonia Morales
Troy Gavin

ALSO PRESENT:

Tom Reilly
Valerie Osmond, ESD
Angel Avila, Retiree
Allison Suggs, OER
Tom Iannucci, Cortex Applied Research

CALL TO ORDER: 8:32 a.m.

• ORDERS OF THE DAY

Chair Loesch reported there were no orders of the day.

A motion was made to approve the Consent Calendar Items 1.1 through 1.9.

Approved. (M.S.C. – Overton/Dirks, 6-1-0, Druyan-absent)

1. CONSENT CALENDAR (Items 1.1 through 1.9)

1.1 Approval of Staff Recommendation to Approve for a Service-Connected Disability

Access the video or audio, the agenda and related reports for this meeting by visiting the Retirement Services website at <http://sjretirement.com/> or http://sanjose.granicus.com/ViewPublisher.php?view_id=44. If you have any questions, please contact the Retirement Services Department at (408) 794-1000.

- a. **Angel Avila**, Painter, Environmental Service Department. Request for a Service-Connected Disability Retirement, effective February 20, 2011; 4.12 years of service.

1.2 Approval of Service Retirements

- a. **James A. Bickford**, Senior Construction Inspector, Public Works Department, effective October 15, 2011; 30.01* years of service.
- b. **Robert J. Bowser**, Building Inspector, Planning, Building & Code Enforcement Department, effective October 1, 2011; 15.03* years of service.
- c. **Paul H. Braten**, Plant Operator II, Environmental Services Department, effective October 8, 2011; 27.55* years of service.
- d. **Kenneth L. Burnthorn**, Senior Plant Mechanic, Environmental Services Department, effective October 14, 2011; 30.05* years of service.
- e. **Bernadette M. Cava**, Analyst II, Planning, Building & Code Enforcement Department, effective November 12, 2011; 24.30* years of service. *(With reciprocity)*
- f. **Kathleen M. Forman**, Associate Engineer, Public Works Department, effective October 1, 2011; 13.57* years of service.
- g. **David J. Freitas**, Real Property Agent II, Office of Economic Development, effective October 15, 2011; 23.96* years of service.
- h. **Neal K. Hinau**, Plant Operator, Environmental Services Department, effective October 1, 2011; 21.24* years of service.
- i. **Scott P. Johnson**, Director, Finance Department, effective September 10, 2011; 10.84* years of service.
- j. **Paul A. Lowenstein**, Plant Operator, Environmental Services Department, effective October 29, 2011; 9.64* years of service.
- k. **Matilde S. Miranda**, Engineer II, Department of Transportation, effective October 29, 2011; 22.55* years of service.
- l. **Richard A. Ortiz**, Maintenance Supervisor, Parks, Recreation & Neighborhood Services, effective October 29, 2011; 30.01* years of service.
- m. **Moses Pardo Jr.**, Community Activity Worker, Parks, Recreation & Neighborhood Services, effective August 20, 2011; 18.16* years of service.
- n. **Thomas C. Reilly**, Plant Mechanic, Environmental Services Department, effective October 15, 2011; 30.01* years of service.

1.3 Approval of Deferred Vested Retirements

- a. **Todd M. Barreras**, Senior Maintenance Worker, Parks, Recreation & Neighborhood Services, effective August 23, 2011; 18.31* years of service. *(With reciprocity)*
- b. **Peggy A. Donatelli**, Program Manager, Parks, Recreation & Neighborhood Services, effective September 27, 2011; 15.09* years of service. *(With reciprocity)*
- c. **Guadalupe Quintero**, Custodian, Airport, effective August 5, 2011; 10.91* years of service.
- d. **Neil Stone**, Real Property Agent, City Manager's Office, effective October 21, 2011; 14.12* years of service. *(With reciprocity)*

- e. **Emmanuel R. Ungson**, Development Officer, Housing Department, effective August 10, 2011; 8.22* years of service.
- f. **Ricardo E. Wolf**, Air Conditioning Mechanic, Public Works Department, effective October 1, 2011; 29.13* years of service.

1.4 Approval of Change of Retirement Date

- a. Approval of change of retirement date of Vincent L. Fung; from September 2, 2011 to September 3, 2011.

1.5 Approval of Board Minutes

Approval of Board Minutes of August 18, 2011.

1.6 Approval of Return of Contributions

- a. Voluntary
- b. Involuntary

1.7 Approval of Monthly Expenditures

Report of Federated Retirement Plan Expenses for June 30, 2011.

1.8 Acceptance of Communication/Information Reports

- a. Memo from Russ Richeda, Saltzman & Johnson regarding Legal Update-July 2011 CalPERS Position Paper "Vested Rights of CalPERS Members: Protecting the Pension Promises Made to Public Employees.", dated August 29, 2011.

1.9 Approval of Travel / Conference Attendance - None

2. DEATH NOTIFICATIONS (Moment of Silence) **Note and File**

- 2.1 **Odus J. Lynd**, Analyst II, retired 01/10/98, died 07/22/11. No survivorship benefits.
- 2.2 **Bett McGowan-Mirabella**, Senior Account Clerk, retired 04/15/00, died 07/17/11. Survivorship benefits to Frank P. Mirabella, spouse.
- 2.3 **Carol J. Schell**, Analyst II, retired 09/18/10, died 08/01/11. No survivorship benefits.

3. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

3.1 Staff presentation of the quarterly performance report as of June 30, 2011.

Chair Loesch stated to the Board that they will return to Item 3.1 when Ms. Racy-Choy arrives.

Trustee Druyan arrived at 8:35 a.m.

3.2 Update and discussion on Legal Services Request for Proposals (RFP).

Senior Deputy City Attorney Ms. Dent led the discussion on the Legal Services Request for Proposals.

A motion was made to Waive Sunshine to accept the summary of the RFP from legal counsel for Retirement Boards Item 3.2.

Approved. (M.S.C. – Andrews/Armstrong, 7-0-0)

A motion was made to approve the selection of two Federated Board Members, Chair Loesch and Trustee Armstrong, for the RFP Screening Panel Interviews

Approved: (M.S.C. – Loesch/Odell, 7-0-0)

3.3 Update on Electronic Board packets.

Deputy Director Donna Busse provided an update on the status of the Electronic Board packets. Ms. Busse noted that she has reviewed the draft Request for Information (RFI) and hopes to get it finalized in the next couple weeks.

3.4 Update on conflict counsel's memorandum concerning Trustee's role in an environment of discussions and negotiations on vested benefits.

Mr. Richeda stated due to the complexity concerning the Trustee's role, he requested more time from the Board to prepare a combined memorandum to both Retirement Boards to address similar questions asked by both the Police and Fire and the Federated Retirement Boards. He indicated the memo will be ready for the November meeting.

Item 3.1 was heard out of order after item 3.4.

3.1 Staff presentation of the quarterly performance report as of June 30, 2011.

Deputy Director Carmen Racy-Choy presented the quarterly performance report.

4. NEW BUSINESS

4.1 Discussion regarding establishment of Investment Committee.

Chair Loesch led the discussion regarding the establishment of an Investment Committee and solicited from the Board Members their views on re-activating a separate Investment Committee or continue the Ad Hoc Alternative/Investment Committee. Chair Loesch summarized the discussion and appointed Board Members Druyan (Chair), Odell, Dirks and Armstrong (Alternate) to the Investment Committee.

5. COMMITTEES/REPORTS/RECOMMENDATIONS

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

5.2 Ad Hoc Alternatives Investment Committee (Druyan/Odell /Dirks –alternate/Armstrong)
– Next Meetings: September 28, 2011.

Ad Hoc Alternatives Committee meeting summary of July 21, 2011. **Note and File**

5.3 Ad Hoc Governance Committee (Loesch/Armstrong/Odell – Alternate/Dirks

Next Meeting: September 15, 2011, Discussion with Cortex Applied Research.

5.4 Next Board meeting for Disabilities Hearings – November 17, 2011

6. EDUCATIONAL & TRAINING **Note and File**

6.1 CalAPRS' Trustees Round Table, Double Tree Hotel, 2050 Gateway Place, San Jose – October 14, 2011.

6.2 Educational Programs and Courses

6.3 Conferences and Seminars

6.4 Research Papers and Articles

• FUTURE AGENDA ITEMS - None

• PUBLIC/RETIREE COMMENTS

Chair Loesch acknowledged and commended Tom Reilly on his pending Retirement and his time with the City, and noted that he has been a great representative of the Operating Engineers and a great source to the Board. Chair Loesch wished him a happy retirement.

• ADJOURNMENT **9:45 A.M.**



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

ATTEST:



RUSSELL U. CROSBY
SECRETARY, BOARD OF ADMINISTRATION
DIRECTOR, RETIREMENT SERVICES