

# FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

## Minutes of the Board Meeting

THURSDAY

SAN JOSÉ, CALIFORNIA

March 10, 2011

### CALL TO ORDER

The Board of Administration of the Federated City Employees' Retirement System met on Thursday, March 10, 2011, 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, Trustee	-Present
Ed Overton, Vice-Chair, Trustee	-Present
Arn Andrews, Trustee	-Present
Michael Armstrong, Trustee	-Present
Lara Druyan, Trustee	-Present
Stuart Odell, Trustee	-Present
Marty Dirks, Trustee	-Present

#### DIRECTOR RETIREMENT SERVICES

BOARD SECRETARY  
Russell U. Crosby -Present

#### COUNCIL LIAISON

Pete Constant - Present

### ALSO PRESENT:

Russ Richeda	-Conflicts Counsel
Mollie Dent	-City Attorney
Carmen Racy-Choy	-Staff
Ron Kumar	-Staff
Veronica Niebla	-Staff
Donna Busse	-Staff
Michael Moehle	-Staff
Mary Dariano	-Staff

Ali Amiry	-Staff
Tom Reilly	-ESD/OE3
Yolanda Cruz	-AFSCME MEF/CEO
Allison Suggs	-OER
Roger Pickler	-Staff
Sonia Morales	-Staff

### CALL TO ORDER

8:31 am.

### ORDERS OF THE DAY

Move item 1.2 (b) to 1.1 Request for Approval of Service Retirements.  
 Item 1.9(c) Attendance at the IMN Conference will be paid by the Federated System.  
 Item 1.9(a) - Deferred to April 21, 2011 agenda.  
 Waive Sunshine requirements on items 4.4 & 4.5.

Approve orders. (M.S.C. – Andrews/Overton, 7-0-0)

### City Clerk Swearing in of Newly Appointed Trustee

City Clerk Dennis Hawkins administered the oath to new Trustee Marty Dirks.

\*Estimated

**Commendations for Service to the Board**

Chair Matthew Loesch read the commendations for past Board Members: Pete Constant, Ash Kalra, and Jeff Perkins.

**1. CONSENT CALENDAR (Items 1.1 through 1.9) Approved. (M.S.C. Overton/Druyan, 7-0-0)****1.1 Request for Approval of Service Retirements**

- a. **Luis C. Arevalo**, Senior Construction Inspector, Public Works Department, effective March 19, 2011; 27.69\* years of service.
- b. **Joseph C. Au**, Sound & Light Technician, General Services Department, effective March 19, 2011; 18.36\* years of service.
- c. **Frehiwot F. Ayele**, Accountant I, Police Department, effective March 19, 2011; 24.87\* years of service.
- d. **Claire L. Boswell**, Environmental Inspector, Environmental Services Department, effective March 19, 2011; 17.30\* years of service.
- e. **Brad Brown**, Planner II, Planning, Building & Code Enforcement Department; effective April 30, 2011; 21.95\* years of service.
- f. **Thomas Brown Jr.**, Maintenance Worker I, Department of Transportation, effective March 5, 2011; 26.69\* years of service.
- g. **William R. Buffington**, Plant Mechanical Supervisor, Environmental Services Department, effective April 16, 2011; 30.03\* years of service.
- h. **Robert B. Burchfiel**, Senior Deputy Attorney, City Attorney's Office, effective March 19, 2011; 26.54\* years of service.
- i. **Bruce W. Chin**, Associate Civil Engineer, Airport Department, effective March 19, 2011; 27.32\* years of service.
- j. **Deriek G. Clemmons**, Supervising Building Inspector, Public Works Department, effective March 19, 2011; 23.16\* years of service.
- k. **Jerry S. Cui**, Air Conditioning Mechanic, Environmental Services Department, effective March 19, 2011; 22.15\* years of service.
- l. **Linda M. Depner**, Crime & Intelligence Analyst, Police Department, effective March 19, 2011; 26.64\* years of service.
- m. **German D. Fabella**, Engineer II, Public Works Department, effective March 19, 2011; 20.50\* years of service.
- n. **Daniel J. Finn**, Heavy Diesel Operator Mechanic, Environmental Services Department, effective March 19, 2011; 21.00\* years of service.
- o. **Carol J. Garcia**, Senior Supervisor, Administration, Library Department, effective March 19, 2011; 23.41\* years of service.
- p. **Robert E. Garcia**, Engineer Technician II, Public Works Department, effective March 19, 2011; 25.69\* years of service.
- q. **Marcy Gentry**, Principal Office Specialist, Planning, Building & Code Enforcement Department, effective March 31, 2011; 22.53\* years of service.
- r. **Jones Y. George**, Senior Accountant, Housing Department, effective March 19, 2011; 23.14\* years of service.
- s. **Linda Marie Guzman**, Office Specialist II, Police Department, effective May 10, 2011; 8.59\* years of service. (*SCD pending*)

\*Estimated

- t. **Carolyn E. Hamilton**, Senior Planner, Planning, Building & Code Enforcement Department, effective March 30, 2011; 27.60\* years of service. *(With reciprocity)*
- u. **Sandra M. Harder**, Librarian, Library Department, effective March 19, 2011; 26.32\* years of service.
- v. **Mike C. Iida**, Building Inspector, Planning, Building & Code Enforcement Department, effective March 19, 2011; 20.28\* years of service.
- w. **Tommy J. Irving**, Air Conditioning Mechanic, Airport Department, effective March 19, 2011; 16.36\* years of service.
- x. **Keith K. Kanemoto**, Associate Construction Inspector, Public Works Department, effective April 30, 2011; 30.04\* years of service.
- y. **Sandra Connor Ketchum**, Secretary, Planning, Building & Code Enforcement Department, effective March 31, 2011; 23.65\* years of service.
- z. **Ruth A. Kohan**, Librarian II, Library Department, effective March 20, 2011; 25.97\* years of service.
- aa. **Joseph A. McCarthy**, Senior Construction Inspector, Public Works Department, effective March 31, 2011; 21.31\* years of service.
- bb. **Robin A. Merriam**, Marketing Representative, Airport Department, effective March 19, 2011; 25.25\* years of service.
- cc. **Tom E. Miller**, Library Clerk, Library Department, effective March 19, 2011; 20.32\* years of service.
- dd. **Joseph J. Paskert**, Senior Maintenance Worker, Department of Transportation, effective March 19, 2011; 30.18\* years of service.
- ee. **Eric Rosenblum**, Division Manager, Environmental Services Department, effective March 31, 2011; 25.21\* years of service.
- ff. **Eric C. Shih**, Associate Engineer, Environmental Services Department, effective March 19, 2011; 25.32\* years of service.
- gg. **John E. Smith**, Mechanic, General Service Department, effective March 19, 2011; 21.74\* years of service.
- hh. **Connie M. Szeto**, Accounting Technician, Finance Department, effective March 19, 2011, 19.59\* years of service.
- ii. **Peter Tanuska**, Survey Field Supervisor, Public Works Department, effective March 31, 2011; 12.41\* years of service
- jj. **Joanne F. Terwilliger**, Principal Permit Specialist, Planning, Building & Code Enforcement Department, effective March 19, 2011; 13.75\* years of service.
- kk. **Sang A. Tsan**, Mechanic, General Services Department, effective March 19, 2011; 26.32\* years of service.
- ll. **Gloria R. Urban**, Office Specialist II, Housing Department, effective March 19, 2011; 19.73\* years of service.
- mm. **Mike Velasquez**, Senior Maintenance Worker, Parks, Recreation & Neighborhood Services, effective March 19, 2011; 22.64\* years of service.
- nn. **Vicky L. Way**, Principal Office Specialist, Police Department, effective March 19, 2011; 20.87\* years of service.
- oo. **Linda Wischart**, Staff Specialist, Police Department, effective March 5, 2011; 24.75\* years of service.
- pp. **John C. Ybarra**, Maintenance Worker II, Department of Transportation, effective March 19, 2011; 29.32\* years of service.

- qq. **James J. Yu**, Assistant Mechanic, Environmental Services Department, effective March 31, 2011; 19.89\* years of service.

**1.2 Deferred Vested**

- a. **Alison B. Landers**, Supervising Librarian, Library Department, effective March 1, 2011; 11.82\* years of service.
- b. **Josephina M. Mojica**, Senior Custodian, General Services Department, effective February 3, 2011; 24.96\* years of service.
- c. **Judy Lynn Salvano**, Landscape Architect, Public Works Department, effective April 7, 2011; 18.21\* years of service.

**1.3 Board Minutes**

- a. Approval of Board Minutes of February 10, 2011.
- b. Approval of Minutes for Special Meeting of February 4, 2011.

**1.4 Return of Contributions**

- a. Voluntary
- b. Involuntary

**1.5 Investment Summary Report**

Report on Investments as of January 31, 2011.

**1.6 Approval of Monthly Expenditures**

Report of Federated Retirement Plan Expenses for January 31, 2011.

**1.7 Investments**

Adoption of Resolution No. 6714 acknowledging receipt of report on investments for the period January 1, 2011 through January 31, 2011.

**1.8 Communication/Information**

- a. Email from Brad Imamura of February 9, 2011.
- b. Letter from Chairman of FCERS to Securities and Exchange Commission (SEC) regarding the rule relating to registration of municipal investment.

**1.9 Approval of Travel Conference Attendance**

- a. Ali Amiry -Deutsche Bank Hedge Fund Conference, Barcelona, Spain, May 4-6, 2011. *(Expenses paid by Deutsche Bank)*.  
- Milken Institute, Los Angeles, CA, May 1-4, 2011. *(Expenses paid by Milken Institute)*.  
**Deferred to April 21, 2011 Agenda**

- b. Mollie Dent - CalAPRS Attorney's Roundtable, Double Tree Hotel, San Jose, CA, 2050 Gateway Place, San Jose CA, January 21, 2011.
- c. Matt Loesch - CalAPRS, General Assembly, Monterey, CA, March 6-8, 2011.  
**(Cancellation)**
  - IMN 16<sup>th</sup> Annual Public Funds Summit, Hyatt Regency, Huntington Beach, CA, March 14-15, 2011. **Expenses paid by Federated City Employees Retirement System**

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

- 1. **Robert R. Hodges**, Retired Electrician, retired 03/22/2008, died 01/29/2011. Survivorship benefits to Diana K. Hodges, spouse.
- 2. **Sidney M. Lewon**, Retired Plant Attendant, retired 04/01/1979, died 01/19/2011. No Survivorship benefits.

**3. OLD BUSINESS-DEFERRED/CONTINUED ITEMS - None**

**4. NEW BUSINESS**

- 1. Staff presentation on the System's Equity and Fixed Income Investment Structure.

Deputy Director Carmen Racy-Choy stated that staff will present information about the status of the investments and their structure to the Board during the first meetings of 2011 in order to familiarize the new Board members with the System, and then she presented a review of the System's Asset Allocation Structure, emphasizing equity structure.

- 2. Staff presentation on investment performance for quarter ending December 31, 2010.

Ali Amiry, Investment Officer, presented the investment performance report.

- 3. Presentation by Senior Deputy City Attorney Mollie Dent regarding:

- a. Brown Act, San Jose Sunshine, and Public Records Act.
- b. Disability determination process.

Senior Deputy City Attorney Mollie Dent discussed requirements contained in California Brown Act and City of San Jose Sunshine rules that apply to the Board members. She also discussed the disability determination process.

Chair Loesch explained to the Board that a Disability Determination Process "Ad Hoc" committee had been formed, has held two meetings, and will be making recommendations to the Board to improve the process.

- 4. Approval of Department of Retirement Services' Administrative Budget Proposal for Fiscal Year 2011-2012.

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

5. Discussion and action on City's request to allow Ice Miller LLP to work for the City on establishment for an Other Post Employment Benefit (OPEB) Trust.

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

6. Approval to rescind retirement of **Mary S. Pascoe**, approved at the February 10, 2011 meeting.

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

7. Approval of request from Michele Rundle, ex-spouse of Loren Rundle, active Senior Architect, for Monthly Payment Option, effective February 1, 2011 under Chapter 3.28, Part 23 of the San Jose Municipal Code.

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

8. Discussion and action regarding setting the April Board meeting as a Special Board meeting on April 21 and direction to staff to revise the Board Resolution #3116 to reflect the regular meeting date of the third Thursday of the month and other updates as maybe necessary and to agendize the revised resolution for the April meeting.

A motion was made to hold the April meeting on April 21, 2011 as a Special meeting instead of April 14, 2011, the regular meeting date, and draft a resolution to move the regular meetings to the 3<sup>rd</sup> Thursday of every month. Approved. (M.S.C. – Overton/Odell, 7-0-0)

**5. COMMITTEES / REPORTS / RECOMMENDATIONS : Note and File**

- a. Policy Committee (Overton/Armstrong/Loesch – alternate/Andrews) – None
- b. Ad Hoc Disability Determination Process Committee (Loesh, Andrews, Overton, and alternate Armstrong)– Next Meeting: March 16, 2011 at 10:30 a.m.

**6. EDUCATION AND TRAINING**

**1. Notification of CalAPRS' Training: Note and File**

- a. Principles for Trustees, Stanford Law School, Palo Alto, CA – March 22-25, 2011.

**2. Notification of IFEBP Training: Note and File**

- a. Investments Institute, Las Vegas, NV – Monday, April 11, 2011 thru April 13, 2011.
- b. Portfolio Concepts and Management, Philadelphia, PA – Monday, May 23, 2011 thru Thursday, May 26, 2011.
- c. Trustees and Administrators Institutes – New Trustees, The Mirage, Las Vegas, NV – Monday, June 13, 2011 thru June 15, 2011.
- d. Certificate of Achievement in Public Plan Policy (CAPPP) – Employee Pensions – **Part I**, The University of Chicago, Gleacher Center, Chicago, IL - Tuesday, June 14-15, 2011.

- e. CAPPP – Employee Health – **Part I**, The University of Chicago, Gleacher Center, Chicago, IL – Tuesday, June 14-15, 2011.
- f. CAPPP – Employee Pensions – **Part II**, The University of Chicago, Gleacher Center, Chicago, IL – Thursday, June 16-17, 2011.
- g. CAPPP – Employee Health – **Part II**, The University of Chicago, Gleacher Center, Chicago, IL - Thursday, June 16-17, 2011.

**3. Notification of SACRS Training: Note and File**

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

**FUTURE AGENDA ITEMS**

Civil Service Rules  
Hiring Process and impact of bumping  
Pension Protection Act – CA  
Board resolution on Fed Meetings moving to 3<sup>rd</sup> Thursday  
Earlier notification of Classes and Training

**PUBLIC/RETIREE COMMENTS**

none

**ADJOURNMENT**

11:40 a.m.



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

**ATTEST:**



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