

# FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

## Minutes of the Board Meeting

**THURSDAY**

**SAN JOSÉ, CALIFORNIA**

**February 8, 2007**

### CALL TO ORDER

The Board of Administration of the Federated City Employees' Retirement System met at 8:34 a.m., on Thursday, February 8, 2007, in regular session at the Department of Retirement Services, 1737 N. First St., Suite 600 - San José, California.

### ROLL CALL

#### Present:

**DAVID BUSSE**

**Bill Thomas**

**Tim Callahan**

**Mike Yoshimoto**

**Jeffrey Perkins**

**Forrest Williams**

**Pete Constant**

**CHAIR, Civil Service Representative**

**Vice Chair, Retiree Representative**

**Employee Representative**

**Employee Representative**

**Public Member**

**City Council Representative**

**City Council Representative**

### ALSO PRESENT:

**Edward F. Overton** -Secretary / Director

Susan Devencenzi -City Attorney

Tamasha Johnson -Staff

Debbi Warkentin -Staff

Susan Perreira -Staff

Doug Riccobond -ABMEI

Donna Busse -Staff

Judy Powell - "

Udaya Rajbhandari - "

**Tom Webster** -Staff

Russ Richeda -Outside Attorney

Karin Carmichael -Staff

Charles Gebhardt -IBEW

Tom Reilly -ESD

Mike Pribula -Staff

Roger Pickler - "

Amanda Ramos - "

Ron Kumar - "

## REGULAR SESSION

The Chair called the meeting to order at 8:34 a.m.

### RETIREMENTS

#### Disability retirements for hearing

**Albert K. Davis**, Custodian, Airport Department. Request for change in status from service retirement to Service-Connected Disability Retirement effective August 12, 2006, 9.19 years of service.

The Chair deferred this item until the Boards' doctor arrives.

### CONSENT CALENDAR (Items 1 thru 7)

Chair Busse pulled Items 2b, d, j, l, 7c, d, e and f for discussion.

(M.S.C. Williams/Perkins) to approve Consent Calendar. Motion carried 7-0-0.

**Dorothy Kay Atchison, Analyst II, Human Resources Department; effective February 24, 2007, 6.79 years of service.**

Member Callahan wanted to acknowledge Mrs. Atchison for her dedication.

(M.S.C. Yoshimoto/Callahan) to approve. Motion carried 7-0-0.

---

**Jack J. Dyke, Principal Construction Inspector, Public Works Department;** effective January 6, 2007, 15.41 years of service.

**Member Yoshimoto** wanted to congratulate Mr. Dyke for responsiveness to the community.

(M.S.C. Callahan/Yoshimoto) to approve. Motion carried 7-0-0.

**Deborah A. Powell, Analyst II, Human Resources Department;** effective March 10, 2007, 21.39 years of service.

**The Board** recognized Mrs. Powell for her years of excellent service with the City and congratulated her.

(M.S.C. Callahan/Yoshimoto) to approve. Motion carried 7-0-0.

**William R. Speed, Principal Construction Inspector, Public Works Department;** effective February 10, 2007, 17.68 years of service.

**Member Yoshimoto** said that Mr. Speed was an excellent worker and thanked him.

(M.S.C. Yoshimoto/Callahan) to approve. Motion carried 7-0-0.

### **Russ Richeda's memo on Federal Case Law Update.**

**Vice-Chair Thomas** asked if Mr. Richeda would expand on this item and the other memo's he provided.

*Mr. Richeda* stated that he just wants to talk about the Federal Case Law Update. There is an Oregon case in the 9<sup>th</sup> Circuit US Supreme Court right now which basically says that you as public employees do not have the vested right to your retirement under the Federal Constitution. He would be surprised if that was to happen, but it is just something to monitor.

*This item is note and file.*

### **DEATH NOTIFICATIONS** (Moment of Silence)

**The Chair** stated there would be a moment of silence for the death notifications.

### **(Out of Order)**

### **RETIREMENTS**

#### **Disability retirements for hearing**

**Albert K. Davis**, Custodian, Airport Department. Request for change in status from service retirement to Service-Connected Disability Retirement effective August 12, 2006, 9.19 years of service.

The Secretary stated that staff is recommending the request be denied, as he would not show up at the Disability Committee, he is not present today and has indicated that he will not show up to any meetings.

M.S.C. Williams/Yoshimoto) to deny request. Motion carried 7-0-0.

### **(Back on Agenda)**

### **NEW BUSINESS**

**Approval of request by Maria del Carmen M. Salazar to change retirement** effective date of service retirement scheduled to be effective January 27, 2007 to February 10, 2007; approved at the January 11, 2007 Board meeting.

---

(M.S.C. Callahan/Thomas) to approve. Motion carried 7-0-0.

**Approval of "Monthly Payment Option" to be paid to Carmen Rodriguez, ex-spouse of Juan Rodriguez, Senior Maintenance Worker; effective January 1, 2007.**

(M.S.C. Thomas/Yoshimoto) to approve. Motion carried 7-0-0.

## **OLD BUSINESS - None**

## **STANDING COMMITTEES / REPORTS / RECOMMENDATIONS**

**Investment (Committee of the Whole) – Next meeting on 2/22/2007.**

**Real Estate Committee – Next meeting on 6/13/07; ad hoc scheduled as needed.**

**Committee for Investments – Next meeting on 2/22/2007.**

**Policy Committee – Last meeting on 1/9/07; ad hoc scheduled as needed.**

**Chair Busse** stated that they will be meeting again on 2/13/07 at 1:30 pm and will have a final GASB 43/45 report for the Board for possibly the March meeting.

**Benefits Review Forum (BRF) oral update.** (Thomas)

**Member Thomas** said that they are having discussions regarding legislation coming from Sacramento/D.C. with this upcoming election, so their advisors and consultants are looking closely at those items. The next meeting will be in room W-262, at 9 am.

## **Director's oral update on Plan.**

The Secretary stated that as of 1/31/07 the accounting assets were at \$1.8 billion. The money is currently managed by 16 different investment advisors and over a range of capital markets as approved in the Boards policy, only two of them are experiencing difficulty. Their difficulty is not an absolute difficulty but a relative one, in other words the way they compare to the market and other managers they are not doing as well as we expect but they still have good returns. The funds are slightly over in equities, and under in Fixed Income, and about a third of the way funded in the Private Equity allocation. We will be having a capital call from Pantheon next week, which will move us closer to our private equity target. We don't think the drifts from policy are material at this time, or will have a material effect on the Funds performance, but we will continue to monitor that. There are no material operations to report. The issuance of 1099's for the tax year has been completed.

## **EDUCATION AND TRAINING**

## **PUBLIC/RETIREE COMMENTS**

## **FUTURE AGENDA ITEMS**

## **ADJOURNMENT**

There being no further business, at 9:05 a.m., **Chair Busse** adjourned the meeting.

---

**DAVID BUSSE, CHAIRPERSON**  
**BOARD OF ADMINISTRATION**

**ATTEST:**

---

**EDWARD F. OVERTON, DIRECTOR**  
**BOARD OF ADMINISTRATION**