



CITY OF SAN JOSÉ, CALIFORNIA
DEPARTMENT OF RETIREMENT SERVICES



BOARD OF ADMINISTRATION

CITY HALL

City Hall Wing Committee Rooms 118-120
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 (*Excused absence*)
Ed Overton, Trustee

NON-VOTING BOARD MEMBER

Pete Constant

ACTING DIRECTOR RETIREMENT SERVICES

Donna Busse

COUNSEL

Jeffrey Rieger, General and Fiduciary Counsel

THURSDAY

DECEMBER 20, 2012

8:30 A.M.

AGENDA

MEETING WILL BEGIN AT 8:30 A.M. WITH CLOSED SESSION ITEMS 3.1, 3.2, 4.1a and 4.9

OPEN SESSION – 9:30 a.m.

• ORDERS OF THE DAY

1. CONSENT CALENDAR (Items 1.1 through 1.9)

1.1 Adoption of Resolution Denying the Application of a Service-Connected Disability

Adoption of [Resolution 6790](#) denying the application of **Matthew A. Chasuk** for a Service-Connected Disability.

1.2 Approval of Service Retirements

- a. **Michelle Hao-Nhu Do**, Analyst, Fire Department, effective December 1, 2012; 22.44* years of service.
- b. **Dennis D. Hawkins**, City Clerk, City Clerk's Office, effective December 15, 2012; 18.80* 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.

- c. **Jennifer G. Metzger-Schulz**, Recreation Program Specialist, Parks, Recreation & Neighborhood Services, effective January 19, 2013; 27.20* years of service.
- d. **Paula E. Scholpp**, Senior Crime & Intelligence Analyst, Police Department, effective January 19, 2013; 30.08* years of service.
- e. **Steven D. Shideler**, Public Safety Radio Dispatcher, Fire Department, effective November 8, 2012; 21.67* years of service.
- f. **Kathleen Sutherland**, Chief of Staff, City Council – District 10, effective January 1, 2013; 6.02* years of service.
- g. **Jerry R. Svindal**, Building Inspector, Planning, Building & Code Enforcement Department, effective January 19, 2013; 15.00* years of service.
- h. **Michael D. Witkovski**, Associate Civil Engineer, Department of Transportation, effective January 5, 2013; 23.78* years of service.

1.3 **Approval of Deferred Vested**

- a. **Yvonne M. Aboujudom**, Parking Officer, Department of Transportation, effective November 13, 2012; 9.49* years of service.
- b. **Mark E.D. Johnson**, Senior Custodian, Airport Department, effective January 21, 2013; 10.44* years of service.
- c. **David P. Kravitz**, Librarian II, Library Department, effective January 31, 2013; 14.92* years of service.
- d. **Jeronimo Longoria**, Groundswoker, Parks, Recreation & Neighborhood Services, effective January 2, 2013; 16.14* years of service.
- e. **Lizanin Rodriguez**, Office Specialist II, Airport Department, effective January 7, 2013; 13.62* years of service.

1.4 **Approval of Board Minutes**

- a. [Approval of Board Minutes of November 15, 2012.](#)

1.5 **Approval of Return of Contributions**

- a. Voluntary
- b. Involuntary

1.6 **Acceptance of Communication/Information Reports**

- a. [2013 Schedule of Meetings.](#)

1.7 **Approval of Travel / Conference Attendance**

- a. Arn Andrews - CalAPRS, Board Leadership Institute: Advanced Principles in Governance, A CalAPRS Education Partnership w/ UCLA Anderson School of Management - January 29-31, 2013.
- b. Matt Loesch - Charter Financial Analyst Program, Kaplan Schweser Workshops, Publications & Exam

- 1.8 [Approval of Lifetime Retirement Monthly Payment Option to be paid to Ann Pereira, ex-spouse of Plant Operator, Raymond Pereira, to be effective January 11, 2013 under Part 23, Section 3.28.2700 of the San Jose Municipal Code.](#)
- 1.9 [Report out of Closed Session regarding investments approved at the August 16, and September 20, 2012 Board meetings.](#)

2. **DEATH NOTIFICATIONS (Moment of Silence)**

- 2.1 **Carroll L. Ginne**, Senior Analyst, retired 04-11-02, died 10-19-12. No survivorship benefits.
- 2.2 **Shirley A. Thissen**, Office Specialist II, retired 07-01-03, died 11-03-12. No survivorship benefits.
- 2.3 **Kathleen "Christie" Vogel**, Senior Librarian, retired 07-06-91, died 10-21-12. No survivorship benefits.

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)

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

San Jose Retired Employees Association v. City of San Jose.
Santa Clara County Superior Court Case No. 1-12-CV-233660

OPEN SESSION

- 3.3 Update on Pension Administration System RFP.
- 3.4 [Update 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 PENSION FUND INVESTMENTS (THREE INVESTMENTS).

OPEN SESSION

- b. [Discussion and approval of modifications to the Federated City Employees' Retirement System's Investment Policy Statement.](#)
- c. [Authorization for the Secretary and the City Attorney to negotiate and execute the Second Amendment to the agreement with Hanson Bridgett LLP to increase the compensation for the remaining term of the agreement to end June 30, 2014 by \\$250,000, for a total contract amount not to exceed \\$500,000.](#)
- d. [Presentation of the Pension Trust Flash Performance Report as of November 2012.](#)
- e. [Presentation of the Pension Trust Private Markets Report as of June 2012.](#)
- f. [Presentation of the Pension Third Quarter Performance Report as of September 2012.](#)
- g. Oral update on the portfolio transition.
- 4.2 Discussion and action on Cheiron's final Pension Valuation.
- a. [Cheiron's Pension Valuation Presentation.](#)
- b. [Cheiron's Pension Valuation as of June 30, 2012.](#)
- c. Discussion and action on Ordinance 29174 regarding Supplemental Retiree Benefit Reserve (SRBR):
- i. [Letter from Michael R. Seville, IFPTE Local 21 Acting Senior Representative, regarding SRBR, dated December 7, 2012.](#)
- ii. [Ordinance 29174.](#)
- 4.3 [Discussion and action on Cheiron's preliminary OPEB Valuation.](#)
- 4.4 [Discussion and action on System Expenses for October 2012.](#)
- 4.5 [Approval of the City of San Jose Federated City Employees' Retirement System's 2012 Comprehensive Annual Financial Report \(CAFR\) and acceptance of the audited financial statements for fiscal years ended June 30, 2012 and 2011.](#)
- 4.6 [Communication to the Board of Administration of the City of San Jose Federated City Employees' Retirement System from Macias Gini and O'Connell \(MGO\), the Plans external auditor:](#)
- a. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- b. Required Communications.
- c. Management Comments and Recommendations.

4.7 Election of Chair.

4.8 Election of Vice Chair.

4.9 **CLOSED SESSION**: PUBLIC EMPLOYEE APPOINTMENT AND EMPLOYMENT. GOVERNMENT CODE 54957(b). POSITION: DIRECTOR OF RETIREMENT SERVICES.

OPEN SESSION

5. **COMMITTEES/REPORTS/RECOMMENDATIONS**

5.1. **Investment Committee (Druyan/Odell/Andrews)**

Last Meeting: December 12, 2012 - Next Meeting: January 16, 2012

- a. [Minutes of October 10, 2012 meeting, Joint Federated and Police & Fire Investment Committee.](#)
- b. Update from Chair of the Investment Committee.
- c. [Report on discount rate.](#)

5.2. **Audit Committee (Armstrong/Andrews/Overton)**

Last Meeting: November 26, 2012 - Next Meeting: TBD

- a. Update from Chair of Audit Committee.

5.3. **Governance Committee (Loesch/Armstrong/Odell)**

Last Meeting: August 31, 2012 - Next Meeting: December 21, 2012

- a. Update from Chair of Governance Committee.

5.4. **Ad Hoc Personnel Committee (Loesch/Druyan/Dirks)**

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

- a. Update from Chair of Ad Hoc Personnel Committee.

6. **EDUCATION & TRAINING**

6.1 **Educational Programs and Courses**

- a. Board Leadership Institute, Advanced Principles in Governance, A CalAPRS Education Partnership with UCLA Anderson School of Management, Los Angeles, CA – January 29-31, 2012.
- b. CalAPRS – Trustees Round Table, Doubletree Hotel, San Jose, CA – February 8, 2013.
- c. CalAPRS 2013 General Assembly, InterContinental San Francisco, San Francisco, CA – March 2-5, 2013.

6.2 **Conferences and Seminars**

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.