



**BOARD OF ADMINISTRATION
Department of Retirement Services**

CITY HALL WING COMMITTEE ROOMS 118/119

200 East Santa Clara St., San Jose, CA 95113

BOARD MEMBERS

David Bacigalupi, Chair
Conrad Taylor, Vice Chair
Rose Herrera, Trustee
Scott Johnson, Trustee
Sean Kaldor, Trustee
Sam Liccardo, Trustee
Vacant, Trustee

DIRECTOR

Russell U. Crosby

THURSDAY

DECEMBER 2, 2010

8:30 a.m.

AGENDA

ORDERS OF THE DAY

RETIREMENTS

1. Service

- a. **James E. Acker**, Fire Captain, Fire Department, effective December 12, 2010; 29.61 years of service. (With reciprocity)
- b. **Oscar D. Bazurto**, Fire Captain, Fire Department, effective December 25, 2010; 24.95 years of service. (With reciprocity) (SCD pending)
- c. **Eric Bygdnes**, Fire Engineer, Fire Department, effective November 13, 2010; 26.22 years of service. (With reciprocity) (SCD pending)
- d. **Rafael A. Campos, Jr.**, Fire Engineer, Fire Department, effective January 22, 2011; 29.52 years of service.
- e. **Joseph Carrillo**, Battalion Chief, Fire Department, effective January 22, 2011; 29.37 years of service.
- f. **Carlos Chaboya**, Firefighter, Fire Department, effective November 27, 2010; 29.49 years of service.
- g. **Randy A. Changco**, Police Officer, Police Department, effective January 22, 2011; 25.05 years of service.
- h. **Mark Dessert**, Fire Engineer, Fire Department, effective January 8, 2011; 26.45 years of service.
- i. **Paul A. Eden**, Fire Captain, Fire Department, effective December 12, 2010; 26.42 years of service. (With reciprocity)
- j. **Karen Gall**, Arson Investigator, Fire Department, effective January 8, 2011; 25.05 years of service.
- k. **Clifford Hubbard**, Battalion Chief, Fire Department, effective December 25, 2010; 27.54 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 Mary Dariano (408) 794-1004 as soon as possible, but at least three business days before the meeting.

- l. **Michael P. Mattocks**, Police Sergeant, Police Department, effective December 25, 2010; 25.36 years of service.
- m. **Stewart A. McGehee**, Battalion Chief, Fire Department, effective January 22, 2011; 29.69 years of service.
- n. **Gregory L. Morrill**, Police Officer, Police Department, effective January 8, 2011; 25.33 years of service.
- o. **Charles S. O'Conner**, Fire Engineer, Fire Department, effective January 22, 2011; 25.06 years of service. (With reciprocity)
- p. **Susan Salinger**, Battalion Chief, Fire Department, effective January 22, 2011, 22.5 years of service.
- q. **David B. Schaeffer**, Police Officer, Police Department, effective December 25, 2010; 25.55 years of service.
- r. **Dana B. Snapp**, Fire Captain, Fire Department, effective January 22, 2011; 25.07 years of service. (With reciprocity)
- s. **Aloysius Souza**, Fire Captain, Fire Department, effective January 22, 2011; 29.50 years of service.
- t. **Todd Spellman**, Fire Captain, Fire Department, effective December 25, 2010; 27.39 years of service. (SCD pending)
- u. **James C. Stunkel**, Battalion Chief, Fire Department, effective December 25, 2010; 29.15 years of service. (With reciprocity)
- v. **Michael J. Woodworth**, Fire Captain, Fire Department, effective January 22, 2011; 24.29 years of service.

2. **Service Connected Disability**

Mark J. Skeen, Fire Captain, Fire Department. Request for a Service-Connected Disability Retirement, effective May 13, 2009; 19.23 years of service. (*Continued from November 4, 2010 meeting*)

- a. Memo from Russ Richeda, dated November 22, 2010.
- b. Memo from Mollie Dent, dated November 22, 2010.

3. **Non-Service Connected Disability**

Garvn P. Scott, Police Sergeant, Police Department. Request for a Non-Service Connected Disability Retirement, effective December 2, 2010; 24.90 years of service.

4. **Change in Status**

- a. **Jerry Buzzetta**, Battalion Chief, Fire Department. Request for a change in status to a Service-Connected Disability Retirement effective June 30, 2009; 25.00 years of service.
- b. **Randy Sekany**, Fire Captain, Fire Department. Request for a change in status to a Service-Connected Disability Retirement effective December 27, 2008; 28.36 years of service.

5. **Deferred Vested - None**

DEATH NOTIFICATIONS (Moment of Silence)

6. Notification of the death of **Dale O'Rourke**, Retired Fire Engineer, retired 1/27/96, died 10/16/10. No survivorship benefits.

7. Notification of the death of **LeRoy L. Widman**, Retired Police Officer, retired 4/4/98, died 11/14/10. Survivorship benefits to Karen Widman, spouse.

NEW BUSINESS

8. Approval of change of retirement date of **Cheryl Faltersack** from November 13, 2010 to December 25, 2010.
9. [Approval for the Secretary and City Attorney to negotiate and execute the First Amendment to the Agreement with Hanson Bridgett LLP, the Board's external investment counsel, to extend the term of the agreement to June 30, 2014 and increase the maximum compensation to an amount not-to-exceed of \\$250,000; and to increase 2010-11 budget by \\$70,000.](#)
10. [Approval for Secretary and City Attorney to negotiate and execute the First Amendment to the Agreement with Ice Miller LLP for tax legal consulting services increasing compensation by \\$25,000 for an amount not to exceed \\$60,000; and to increase 2010-11 budget by \\$25,000.](#)
- 10.5 Election of Board Chair and Vice Chair for Calendar Year 2011.

OLD BUSINESS/CONTINUED-DEFERRED ITEMS

11. Discussion and possible action regarding Supplemental Retirement Benefit Reserve (SRBR):
 - a. [Discussion and possible action on SRBR calculations from the Segal Company. \(Deferred from November 4, 2010 meeting\)](#)
 - b. [Adoption of Resolution No. 3683 declaring excess earnings as of June 30, 2010 for the purpose of transfer to Supplemental Retiree Benefit Reserve. \(Deferred from November 4, 2010 meeting\)](#)
 - c. [Discussion and possible action on City Council action regarding SRBR payments. \(Continued from November 4, 2010 meeting\)](#)
 - d. [Memo and Adopted Ordinance 28848 from Mollie Dent, dated November 23, 2010.](#)
 - e. [Memo to City Council from City Attorney, Rick Doyle, dated November 5, 2010.](#)
 - f. [Memo regarding issues of Board interpretation concerning SRBR from Russ Richeda, dated November 22, 2010.](#)
 - i. [Council Resolution #70822](#)
 - ii. [Police & Fire Retirement Plan – SJ Code 3.36.580 SRBR](#)
 - g. [Informational memo regarding SRBR payments compared to benefit amount from Donna Busse, dated November 23, 2010.](#)
12. Oral report regarding disability process. *(Continued from November 4, 2010 meeting)*
13. Discussion and action regarding Internal Revenue Code Tax Compliance Review by Ice Miller for the Police and Fire Department Retirement Plan. *(Continued from November 4, 2010)*
 - a. [Review and recommendation to City Council on ordinance amending Chapter 3.36 of Title 3 of the San Jose Municipal Code to incorporate provisions related to the primary purpose of the Police and Fire Department Retirement Plan, use of retirement plan assets, prohibited retirement plan transactions, pension benefit vesting, pension benefit and contribution limits, required benefit payments, permissive purchases of service credit, rollover of employee](#)

[contributions into other tax qualified plans and accounts, permissive retirement plan investment vehicles, qualified domestic relations orders and contributions, benefits, service credit for qualified military service, date of establishment of medical benefits account, and to make other technical amendments related to Internal Revenue Code provisions for qualified governmental retirement plans; and.](#)

- b. [Adoption of a Resolution 3685 authorizing submission of the following applications to the Internal Revenue Service, upon Council approval of an ordinance containing the required Plan tax compliance language:](#)
 - i. Application for a tax determination letter, with a payment by the Plan of the \$1,000 determination letter filing fee.
 - ii. Application to the Voluntary Compliance Program (VCP) for correction of failures to adopt timely amendments to the Retirement Plan as required under federal tax law and to define the establishment date of the Plan's IRC 401(h) account, with a payment by the Plan of the \$15,000 VCP fee.

14. Discussion and action regarding Segal's economic assumptions for the valuation for the period ending June 30, 2010.

- a. [Review of Segal's Economic Actuarial Assumptions for the June 30, 2010 Actuarial Valuation.](#)
- b. [Review of Segal's Analysis of Estimated Employer and Employee Contribution Rates for the Pension Plan for June 30, 2010 Under Different Investment Return Assumptions; Overview of 2009/2010 Actuarial Experience. \(Will include Item 15\)](#)

15. Discussion and action regarding Segal's non-economic assumptions for the valuation for the period ending June 30, 2010. (*Addressed with Item 14b*)

16. Audit Report

- a. Acceptance of Independent Accountant's Report on Applying Pension Data Evaluation Agreed-Upon Procedures.
- b. Acceptance of Macias Gini & O'Connell's Audit Report to the Police & Fire Retirement's Board of Administration for the fiscal year ended 30 June 2010
- c. Acceptance of Macias Gini & O'Connell's Auditing Standards Opinion for the year ended 30 June 2010.

STANDING COMMITTEE REPORTS/RECOMMENDATIONS

17. Investment Committee (Bacigalupi/Johnson/Taylor/Alternate: Kaldor) – next meeting December 16, 2010.

18. Committee of the Whole – next meeting December 16, 2010.

[Presentation of the Performance Monitoring Report for the quarter ending September 30, 2010 by NEPC, LLC.](#)

19. Real Estate Committee (Bacigalupi/Taylor/Kaldor/Alternate: Herrera) – next meeting December 16, 2010.

CONSENT CALENDAR (Items # 20 through 30)

20. Approval of Minutes

Monthly Board meeting held on November 4, 2010.

21. Approval of Travel/Conference Attendance - None

22. Approval of Monthly Expenses

Plan Expenses from October 2010.

23. Pending Action

Pending Action Summary List as of December 2010.

24. Benefits Review Forum

Summary of meeting held on October 26, 2010.

25. Return of Contributions

- a. Voluntary
- b. Involuntary

26. Investments

Adoption of Resolution 3687 for the period of October 1, 2010 through October 31, 2010.

27. Communication/Information

- a. Report on Investments as of October 30, 2010.
- b. 2011 Schedule of Meetings.
- c. Board Member Educational Travel Report.
 - Hedge Funds and Alternative Investments – By Conrad Taylor
 - UC Berkeley. Pensions Fund Management & Investments – By Conrad Taylor
 - Modern Investment Theory & Practice – By Sean Kaldor
 - Hedge Funds, Real Estate & Other Alternative Investments – By Sean Kaldor

EDUCATION & TRAINING

28. Notification of CalAPRS' Trustees Round Table

- a. Trustees' Round Table, Double Tree Hotel, 2050 Gateway Place, San Jose, CA. January 28, 2011.
- b. General Assembly, Monterey, CA – March 3, 2011 thru March 8, 2011.
- c. Principles of Pension Management, Stanford Law School, Crown Quadrangle, 559 Nathan Abbott Way, Stanford, CA 94305-8610, March 22-25, 2011.

29. Notification of IFEBP Training

- a. Investments Institute, Las Vegas, NV – 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, Hilton, San Francisco, CA – Monday, June 13, 2011 thru June 15, 2011.

30. Board Members State Mandated Training

AB 1234 State Mandated Ethics Training; San Jose City Hall – December 9, 2010, Wing 119-120, 6:00 p.m. to 8:30 p.m.

PROPOSED AGENDA ITEMS

PUBLIC 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.