



BOARD OF ADMINISTRATION

City Hall
Wing Committee Rooms
118-120
200 East Santa Clara
Street, San Jose, CA
95113

Meeting Agenda - Final-revised

Police and Fire Department Retirement Plan

Sean Kaldor, Chair
Sean Bill, Trustee
Damon Krytzer, Trustee
Drew Lanza, Trustee
James Mason, Trustee
Nick Muyo, Trustee
Bettina Rounds, Trustee
Richard Santos, Trustee
Vincent Sunzeri, Trustee

Pete Constant, Non-Voting Trustee

Harvey Leiderman, General and Fiduciary Counsel

Roberto L. Peña, Director of Retirement Services

Thursday, June 6, 2013

8:30 AM

CLOSED SESSION

CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.

I. CLOSED SESSION INVESTMENTS

- a.** CLOSED SESSION: Conference with Investment Consultant pursuant to Government Code section 54956.81 to consider purchase of particular pension fund investments (two investments).
- b.** CLOSED SESSION: PUBLIC EMPLOYEE APPOINTMENT AND EMPLOYMENT. GOVERNMENT CODE SECTION 54957(b)(1) - POSITION: CHIEF INVESTMENT OFFICER/ASSISTANT DIRECTOR OF RETIREMENT SERVICES.

OPEN SESSION

Open Session Agenda will be heard at 9:30 a.m. or soon thereafter

OPEN SESSION ITEMS WILL BE HEARD AT 9:15 A.M. OR SOON THEREAFTER
CLOSED SESSION

To request an accommodation or alternative format under the Americans with Disabilities Act for Board 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.

• **ORDERS OF THE DAY**

1. INVESTMENTS

- a. Presentation of the March 2013 Pension Trust performance report.
Attachments: [Presentation - March 2013 Q1 SJP&F IPA - Pension](#)
- b. Discussion and approval for the Secretary to negotiate and execute a contract amendment with the following vendors:
- American Realty Advisors
- Seix Investment Advisors
- RS Investments
- NEPC, LLC
Attachments: [Memo-Investment Contracts to expire 7-1-13](#)
- c. Discussion and action regarding Hedge Fund manager performance reporting.
Attachments: [Hedge Fund Performance Reporting](#)
- d. Discussion and action on defining the process of delegation of duties from the Board to the Investment Committee.
Attachments: [PF Investment Committee Charter](#)
- e. Discussion and action on the status of the proposed amendments to the contract with Albourne America, LLC.
Attachments: [Memo and proposed contract amend-Albourne](#)

2. NEW BUSINESS

- a. Discussion and action on the report of Plan Expenses for April 2013.
Attachments: [Memo-Plan Expenses for April 2013](#)
- b. Oral update from Councilmember Constant. Receive and file.
- c. Discussion and action regarding authorizing the Secretary work with the City Attorney's Office to negotiate and execute the Second Amendment to the agreement among the Board of Administration for the Police and Fire Department Retirement Plan, the City of San Jose, and Reed Smith LLP for legal services to increase the maximum compensation by \$250,000 for an amount not to exceed \$750,000.
Attachments: [Memo-ReedSmith 2nd Amend, dated052213](#)
- d. Discussion and action regarding Cortex Phase II Report and Recommendations.
Attachments: [Cortex Phase II Report & Recommendation](#)

- e. Discussion and action on report back from actuary Cheiron regarding Service Purchases Analysis.

Attachments: [Letter from Cheiron regarding Service Purchases Analysis](#)
[Service Credit Ltr from POA](#)

- f. Discussion and action regarding the City's request for recommendations on Police Tier 2 draft ordinances.

Attachments: [Memo-Draft Police Second Tier Ordinances](#)
[Ordinance-Police Tier 2](#)
[Memo-Approval of Ordinance to implement, dated 5-29-13](#)

3. **OLD BUSINESS CONTINUED-DEFERRED ITEMS**

None

4. **RETIREMENTS**

10:30 a.m. time-certain or soon thereafter

10:30 a.m. time-certain or soon thereafter

4.1 **Service Retirements**

- a. **Cynthia E. Cooke**, Police Sergeant, Police Department, effective June 22, 2013, 26.77* years of service.
- b. **Robert Lopez**, Police Sergeant, Police Department, effective August 3, 2013; 23.15* years of service.
- c. **Clifford Nakao**, Police Sergeant, Police Department, effective July 20, 2013; 27.19* years of service.
- d. **Michael Williams**, Police Officer, Police Department, effective July 6, 2013; 13.92* years of service.

4.2 **Change in Status to Service Connected Disability**

- a. **Eric Bygdnes**, Fire Engineer, Fire Department. Request for a Change of Status to a Service-Connected Disability Retirement, effective November 13, 2010; 26.21* years of service. (Recommended Approval)

4.3 **Early Retirement**

- a. **George R. Beattie**, Police Lieutenant, Police Department, effective June 22, 2013; 24.73* years of service.

4.4 **Deferred Vested**

- a. Melda L. Christmas, Police Officer, Police Department, effective July 1, 2013; 13.36* years of service. *(With reciprocity)*

5. DEATH NOTIFICATIONS

- a. Notification of the death of **Ernest Anderson**, Battalion Chief, retired January 8, 1992, died May 1, 2013, No survivorship benefits.
- b. Notification of the death of **Donald A. Dye**, Fire Captain, retired July 10, 1983, died May 13, 2013. No survivorship benefits.

6. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

6.1 Investment Committee (Sunzeri/Bill/Krytzer/Mason)

Last Meeting: May 8, 2013

Next Meeting: June 12, 2013

- a. Report from the Chair of the Investment Committee. Receive and file.

6.2 Audit Committee (Bill/Lanza/Muyo)

Last Meeting: March 21, 2013

Next Meeting: June 20, 2013

- a. Report from the Chair of the Audit Committee. Receive and file.

6.3 Governance Committee (Kaldor/Rounds/Santos/Sunzeri)

Last Meeting: May 2, 2013

Next Meeting: June 6, 2013

- a. Report from the Chair of the Governance Committee. Receive and file.
- b. Discussion and approval of the final drafts of the policies regarding the role of the Chair and Vice Chair and the Governance Committee.
Attachments: [D&A of the final drafts of policies regarding the role of the Chair, Vice Chair and](#)

6.4 Ad Hoc Disability Committee (Santos/Rounds)

Last Meeting: May 20, 2013

Next Meeting: June 17, 2013

- a. Report from the Chair of the Ad Hoc Disability Committee. Receive and file.
- b. Recommendation and action regarding streamlining disability process by focusing on one body part at a time.
Attachments: [Memo-Disability Process](#)

- c. Recommendation and action regarding the approval of payment for additional resources for the Board's Medical Director to assist in processing disability cases.

Attachments: [Memo-Additional Admin Support](#)

7. **CONSENT CALENDAR**

7.1 **Change of Retirement Application**

- a. Approval of change of retirement date of **Hector M. Vasquez**, Police Officer, Police Department; from April 27, 2013 to June 22, 2013.
- b. Approval of change of retirement date of **Paul Gillies**, Police Officer, Police Department; from May 25, 2013 to June 29, 2013.

7.2 **Approval Of Minutes**

- a. Monthly Board meeting held on May 2, 2013.

Attachments: [Board Minutes - 5-2-13 PF](#)

7.3 **Approval Of Travel for Conferences and Due Diligence**

- a. Damon Krytzer - FRA The Outsourced CIO Summit Conference, The Ritz-Carlton, Miami Beach, FL - June 24-25, 2013.
- b. Roberto Peña - CalAPRS Administrators Institute, Northern CA, location: TBD - September 25-27, 2013.
- c. Deborah Sattler - MGO Client Training, Direction Setting 2013, Alameda County Conference Center, Oakland, CA - June 25, 2013.
- d. Don McLaughlin - MGO Client Training, Direction Setting 2013, Alameda County Conference Center, Oakland, CA - June 25, 2013.
- e. Vincent Sunzeri - FRA The Outsourced CIO Summit Conference, The Ritz-Carlton, Miami Beach, FL - June 24-25, 2013.
- f. Ron Kumar - CalAPRS Investment Officers Roundtable, Burbank, CA - June 14, 2013.
- **Due Diligence:** Real Estate: New York, NY- June 11, 2013.

- g. Sean Bill - The Endowment Institute, Yale School of Management, New Haven, CT- July 14-19, 2013.

7.4 Return of Contributions

- a. Voluntary/Involuntary - NONE

7.5 Communication/Information

- a. The Cortex Report: Research Papers and Articles.
Attachments: [The Cortex Report-Research Papers & Articles](#)
- b. Investment Manager summary of Market Value and fees paid as of March 31, 2013.
Attachments: [Investment Manager Summary-Fees & Market Value](#)
- c. Education Travel Reports:
- CalAPRS Principles of Pension Management for Trustees at Stanford University, Palo Alto, CA - March 26-29, 2013 - by James Mason.
 - 2012 Public Safety Employee Pension/Benefits NCPERS, New Orleans, LA - October 7, 2012 - by James Mason.
- Attachments:** [Education Travel Reports](#)
- d. 2013 Rising Stars of Hedge Funds, by Institutional Investor magazine presents the June 11th Annual Hedge Fund Industry Awards, Thursday, June 27, 2013, Mandarin Oriental, NYC.
Attachments: [2013 Rising Stars](#)
- e. Disability workflow, tracking and stats.
Attachments: [Disability Workflow,tracking & stats-Final](#)
- f. Communication from Roberto regarding Heidi Poon's departure from Retirement Services.

7.6 Education and Training

- a. Financial Research Associates, The Outsourced CIO Summit, The Ritz-Carlton, South Beach, Miami, FL - June 24-25, 2013.
- b. 2013 Private Equity Exclusive, Trump International Hotel, Chicago, IL - July 22-23, 2013.

- c. CalAPRS Trustees Roundtable, Marriott Burbank Airport, Burbank, CA - June 14, 2013.

- **PROPOSED AGENDA ITEMS**
- **PUBLIC COMMENTS**

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.