



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
Ed Overton, Trustee

NON-VOTING BOARD MEMBER

Pete Constant

DIRECTOR RETIREMENT SERVICES

Roberto L. Peña

COUNSEL

Harvey Leiderman, General and Fiduciary Counsel

THURSDAY

March 21, 2013

8:30 A.M.

AGENDA

**CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.,
FOLLOWED BY OPEN SESSION REGULAR BOARD AGENDA AT 9:30 A.M.**

CLOSED SESSIONS

Closed Session Agenda

I. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

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.

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

II. NEW BUSINESS

Investments

- A. CLOSED SESSION: CONFERENCE WITH INVESTMENT CONSULTANT PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER PURCHASE OF PARTICULAR PENSION FUND INVESTMENTS (THREE INVESTMENTS).**

OPEN SESSION – 9:30 A.M. **Regular Agenda**

- **ORDERS OF THE DAY**

1. CONSENT CALENDAR (Items 1.1 through 1.8)

1.1 Approval of Service Retirements

- a. James Briscoe, Recreation Leader, Parks, Recreation and Neighborhood Services Department, effective March 15, 2013; 08.50* years of service.**
- b. Joe Y. Cheng, Supervising Application Analyst, Planning, Building and Code Enforcement Department, effective April 27, 2013; 15.08* years of service.**
- c. Michael C. Enderby, Senior Planner, Planning, Building and Code Enforcement Department, effective April 27, 2013; 28.57* years of service.**
- d. Rodney Fong, Permit Specialist, Planning, Building and Code Enforcement Department, effective March 30, 2013; 20.69* years of service.**
- e. Jody M. Grizzle, Dispatcher, Department of Transportation, effective April 13, 2013; 19.69* years of service.**
- f. Andrew Kim, Police Data Specialist II, Police Department, effective April 24, 2013; 27.81* years of service.**
- g. Hubert Lee Lykins, Groundworker, Parks, Recreation and Neighborhood Services Department, effective March 30, 2013; 15.32* years of service.**
- h. Judith A. Power, Legal Analyst II, City Attorney's Office, effective March 16, 2013; 15.24* years of service.**
- i. Nancy (Rother) Schuster, Senior Account Clerk, Airport Department, effective March 30, 2013; 13.38* years of service.**

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- j. **Eileen J. Soto**, Administrative Assistant, City Manager's Office, effective April 27, 2013; 36.00* years of service.
- k. **Jennifer Joy Standing-Elk**, Office Specialist II, Department of Transportation, effective March 16, 2013; 22.01* years of service.
- l. **Frances Evelyn Velez-Rosario**, Parks Manager, Parks, Recreation and Neighborhood Services Department, effective March 30, 2013; 21.51* years of service.
- m. **Juan Jose Villarreal**, Electrician, Department of Transportation, effective March 30, 2013; 26.72* years of service.

1.2 **Approval of Deferred Vested**

- a. **Cheryl Lyn Hahs**, Library Assistant, Library Department, effective April 29, 2013; 27.31* years of service.
- b. **Jaime B. Salandanan**, Supervising Application Analyst, Police Department, effective April 11, 2013; 21.42* years of service.

1.3 **Approval of Board Minutes**

- a. [Approval of Board Minutes of February 21, 2013.](#)

1.4 **Approval of Return of Contributions**

- a. Voluntary
- b. Involuntary

1.5 **Acceptance of Communication/Information Reports**

- a. [Benefits Review Forum Report, February 2013.](#)
- b. [2013 Schedule Meetings - Revised](#)
- c. [Pension and Investments Alternatives Digest Article: Duetsche Bank: Two-thirds of pension funds increasing hedge fund allocations, Issue date: February 26, 2013.](#)
- d. [Pension and Investments Article: New headache looms for private equity, hedge fund firms, Published March 4, 2013.](#)
- e. [Pension and Investments Article: Credit Suisse survey: Investor hedge fund interest to grow in 2013, Published March 7, 2013](#)
- f. [Educational Travel Reports:](#)
 - [CALAPRS Trustee Roundtable, San Jose, CA – February 8, 2013 – by Trustee Michael Armstrong.](#)

1.6 **Approval of Travel / Conference Attendance**

- a. [Staff](#)
 - 1. Director, Roberto Peña - SACRS Spring Conference 2013, Napa Valley Marriott Hotel - May 14-17, 2013.

1.7 Approval of Change In Retirement Date

- a. Approval of change in retirement date for **Ralph Villafuerte**; from March 16, 2013 to April 27, 2013.
- b. Approval of change in retirement date for **German R. Leon**; from March 16, 2013 to March 30, 2013.

1.8 Report out of Closed Session regarding investments approved at the October 18, 2012 and December 20, 2012 Board meeting.

2 DEATH NOTIFICATIONS (Moment of Silence)

- 2.1 **Margaret P. Auld**, Secretary, retired 01-26-85, died 01-16-13. No Survivorship Benefits.
- 2.2 **Howard E. Fleming**, Electrical Maintenance Superintendent, retired 03-29-80, died 02-02-13. Survivorship benefits to Dorothy Fleming, spouse.
- 2.3 **Ellen C. Hudson**, Community Services Operator, retired 08-29-92, died 02-07-13. No Survivorship benefits.
- 2.4 **Ray Navarrete**, Maintenance Worker I, retired 12-31-03, died 01-17-13. Survivorship benefits to Yolanda Navarrete, spouse.

3 OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- 3.1 [Discussion on the L.R. Wechsler response to the follow-up questions regarding the new Pension Administration System.](#)
- 3.2 [Discussion and action on Cheiron's implicit subsidy for medical premiums study.](#)
- 3.3 [Educational Presentation by Reed Smith: Discussion on fiduciary liability insurance.](#) Receive and file.

4 NEW BUSINESS

4.1 Investments

- a. [Presentation of the Pension Trust Quarterly Performance Report as of December 2012.](#)
- b. [Presentation of the Private Market Report as of September 30, 2012.](#)
- c. [Presentation of the Pension Trust Flash Performance Report as of February 2013.](#)
- d. [Discussion on the Annual Investment Manager Fee review for the Pension Trust.](#)
- e. [Discussion and action regarding adoption of Resolution 6792 revising the Investment Policy Statement.](#)
- f. [Approval for the Secretary to negotiate and execute the Second Amendment to the agreement with Russell Investments to extend the term of the agreement to June 30, 2016, no changes to compensation.](#)

4.2 Update from Ice Miller on IRS Work for the Federated City Employee's Retirement System Board.

- a. [Timeline for Federal Law Compliance](#)

- b. [Discussion and action regarding second submission to the IRS for a determination letter and compliance statement for an amount not to exceed \\$15,000.](#)

4.3 [Discussion and action on System Expenses for January 2013.](#)

4.4 [Discussion and Action on the Federated City Employees' Retirement System Administrative Budget Proposal for Fiscal Year 2013-2014.](#)

- 4.5 Discussion and action regarding the request from City Administration to allow the Board's actuary to work with the City to review bond documents as it pertains to the Retirement System, costs to be paid by the City. (*Deferred from February 2013 Board meeting.*)

5 **COMMITTEES/REPORTS/RECOMMENDATIONS**

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

Last Meeting: March 13, 2013 - Next Meeting: April 10, 2013

- a. Update from Chair of the Investment Committee.
- b. [Minutes of February 13, 2013, Joint Federated and Police & Fire Investment Committee meeting.](#) Receive and file.

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

Last Meeting: February 21, 2013 - Next Meeting: March 21, 2013

- a. Update from Chair of Audit Committee
- b. [Minutes of the November 26, 2012 Federated Audit Committee.](#) Receive and File.
- c. [Discussion and action regarding the recommendation to exercise the one year contract extension for Macias, Gini, and O'Connell, external Auditors.](#)

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

Last Meeting: December 21, 2012 - Next Meeting: April 4, 2013

- a. Update from Chair of Governance Committee.

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

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

5.5 **Ad Hoc Policy and Procedures Committee (Loesch/Overton)**

- a. Update from Chair of Ad Hoc Policy and Procedures Committee.

6 **EDUCATION & TRAINING**

6.1 [Educational Programs and Courses](#)

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.