



BOARD OF ADMINISTRATION
CITY HALL
City Hall Wing Committee Rooms 118/119
200 East Santa Clara Street, San Jose, CA 95113

BOARD MEMBERS

Matt Loesch, Chair, Trustee
Ed Overton, Vice-Chair, Trustee
Pete Constant, Trustee
Ash Kalra, Trustee
Jeffrey Perkins, Trustee
Arn Andrews, Trustee
Vacant, Trustee

SECRETARY

RUSSELL U. CROSBY

WEDNESDAY

NOVEMBER 10, 2010

8:30 A.M.

AGENDA

ORDERS OF THE DAY

RETIREMENTS

1. **Disability Retirements - None**
2. **Disability Retirement for Re-Hearing - None**
3. **Change in Status**
 - a. **Ronald Ippolito**, Equipment Operator, Parks, Recreation and Neighborhood Services. Request for a change in status to a service-connected disability retirement effective March 20, 2010; 20.58 years of service.
 - b. **Sedera K. Olker**, Community Activity Worker, City Manager's Office. Request for a service-connected disability retirement effective June 26, 2010; 12.5 years of service.

CONSENT CALENDAR (Items 4 through 13)

4. **Request for approval of NonService-Connected Disability Retirements - None**
5. **Request for approval of Service Retirements**
 - a. **Ronald Cabral**, Building Inspector/Combo, Planning, Building & Code Enforcement, effective January 22, 2011; 25.16 years of service.

- b. **Anne Katashima**, Administrative Assistant, Police Department, effective November 27, 2010; 29.77 years of service.
- c. **Steven L. Rodriguez**, Senior Facility Repair Worker, General Services Department, effective January 22, 2010; 30.04 years of service.

6. **Deferred Vested**

- a. **Victor De La Cerda**, Maintenance Worker II, Department of Transportation, effective November 10, 2010; 26.63 years of service.
- b. **Jose M. Mendoza**, Custodian, Airport Department, effective October 4, 2010; 13.54 years of service.
- c. **Michael M. Salehi**, Associate Civil Engineer, Public Works Department, effective October 6, 2010; 5.69 years of service.
- d. **Lucio T. Torres**, Custodian, Airport Department, effective December 1, 2010; 12.98 years of service.

7. **Board Minutes**

- a. [Approval of Minutes of October 14, 2010.](#)
- b. [Disability Study Session of October 4, 2010.](#)
- c. [Tax Qualification Review – Joint Special Meeting held on October 20, 2010.](#)

8. **Return of Contributions**

- a. [Voluntary](#)
- b. [Involuntary](#)

9. **Investment Summary Report**

[Report on Investments as of September 30, 2010.](#)

10. **Approval of Monthly Expenditures**

[Report of Federated Retirement Plan expenses for September 2010](#)

11. **Investments**

[Adoption of Resolution Number 6701 acknowledging receipt of report on investments for the period September 1, 2010 through September 30, 2010.](#)

12. **Communication/Information**

[Benefits Review Forum Report for October 2010.](#)

13. **Approval of Travel Conference Attendance - None**

14. DEATH NOTIFICATIONS (Moment of Silence)

- a. **Frank T. Hernandez**, Retired Maintenance Worker II, retired 10/4/87, died 10/21/10. No survivorship benefits.
- b. **Carolyn F. Page**, Retired Secretary, retired 11/07/92, died 9/29/10. No survivorship benefits.
- c. **Henry J. Reynolds**, Retired Senior Custodian, retired 7/3/93, died 10/2/10. No survivorship benefits.
- d. **Cherie L. Skipworth**, Retired Senior Office Specialist, retired 1/10/09, died 10/25/10. Survivorship benefits to Marvin Skipworth, spouse.
- e. **Roy L. West**, Retired General Parks Supervisor, retired 8/2/75, died 10/8/10. Survivorship benefits to Ernestine West, spouse.

OLD BUSINESS/DEFERRED-CONTINUED ITEMS

15. [Consideration and action on the application for a re-hearing of Shirleen Lilly, Staff Technician, Environmental Services. \(Service-Connected Disability request; 12.13 years of service\). Deferred from October 14, 2010 meeting.](#)
16. [Discussion and action regarding Lowest Cost Plan:](#)
 - a. [Memos from Conflicts Counsel Russell Richeda.](#)
 - b. [Memos from City Attorney's Office.](#)
 - c. [Memo from Office of Employee Relations.](#)
 - d. [Minutes from relevant Board meetings.](#)
17. Discussion and action regarding next step for Disability Determinations.
18. [Discussion and action on response to Auditor's report "Pension Sustainability: Rising Pension Costs Threaten the City's Ability to Maintain Service Levels – Alternatives for a Sustainable Future."](#)

NEW BUSINESS

19. [Discussion and action regarding the draft Federated City Employees' Retirement System's Comprehensive Annual Financial Report \(CAFR\) for the fiscal year ended June 30, 2010.](#)
20. Discussion and action regarding Cheiron's economic assumptions for the valuation for the period ending June 30, 2010.
 - a. [Summary of Cheiron's June 30, 2010 Valuation.](#)
 - b. [Staff memo regarding economic assumptions for June 30, 2010 Valuation.](#)
21. Discussion and action regarding Cheiron's non-economic assumptions for the valuation for the period ending June 30, 2010.
22. Discussion and action regarding Internal Revenue Code Tax Compliance Review by Ice Miller for the Federated City Employees' Retirement System.
 - a. [Review and recommendation to City Council on ordinance amending Chapter 3.28 of Title 3 of the San Jose Municipal Code to incorporate provisions related to the primary purpose of the Federated City](#)

Employees' Retirement System, 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 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 \$20,000 VCP fee.
23. Discussion and possible action regarding Supplemental Retirement Benefit Reserve (SRBR):
- a. Discussion and possible action on SRBR calculations from the Cheiron Company.
 - b. Adoption of Resolution No. 6702 declaring excess earnings as of June 30, 2010 for the purpose of transfer to Supplemental Retiree Benefit Reserve.
 - c. Discussion and possible action on City Council action regarding SRBR payments.
24. Approval for the Secretary to negotiate and execute an agreement with L.R. Wechsler, Ltd. for Consulting Services for Procurement of a Pension Administration System Phases I-IV as outlined in the Request for Proposal dated June 30, 2010 for an amount not to exceed \$400,000.00 (cost split 50/50 with San Jose Police and Fire Department Retirement Plan).

STANDING COMMITTEES / REPORTS / RECOMMENDATIONS

25. **Committee for Investments (Perkins/Loesch/Andrews-alternate/Vacant) – Next meeting December 15, 2010**
- a. Presentation of the Performance Monitoring Report for the quarter ending September 30, 2010 by Meketa Investment Group.
 - b. Approval of actions taken at the November 8, 2010:
 - i. Approval of the conversion of the ownership of the Milpitas Warehouse to a title holding company;
 - ii. Approval for the Secretary to negotiate and execute an agreement with American Realty Advisors as the System's Real Estate Advisor.
26. **Policy Committee (Vacant/Overton/Constant – alternate/Loesch) - None**

EDUCATION AND TRAINING

27. 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.

Notification of IFEBP Training

- a. 56th U.S. Annual Employees Benefits Conference, Honolulu, HI – Sunday, November 14, 2010 thru Wednesday, November 17, 2010.
- b. Investments Institute, Las Vegas, NV – Monday, April 11, 2011 thru April 13, 2011.
- c. Portfolio Concepts and Management, Philadelphia, PA – Monday, May 23, 2011 thru Thursday, May 26, 2011.
- d. Trustees and Administrators Institutes – New Trustees, Hilton, San Francisco, CA – Monday, June 13, 2011 thru June 15, 2011.
- e. Certificate of Achievement in Public Plan Policy (CAPPP) – Employee Pensions – Part 1, Hilton San Francisco, CA - Monday, June 13-14, 2011.
- f. CAPPP – Employee Health – Part 1, Hilton San Francisco, CA – Monday, June 13-14, 2011.
- g. CAPPP – Employee Pensions – Part II, Hilton San Francisco, CA – Wednesday, June 15-16, 2011.
- h. CAPPP – Employee Health – Part II, Hilton San Francisco, CA - Wednesday, June 15-16, 2011.

28. 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.](#)

FUTURE AGENDA ITEMS

PUBLIC/RETIREE COMMENTS – Comments from the Public

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.