



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

Jeffrey Rieger, General and Fiduciary Counsel

THURSDAY

May 16, 2013

8:30 A.M.

AMENDED 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. OR SOON THEREAFTER**

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 (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 – 9:30 A.M. time-certain or soon thereafter **Regular Agenda**

• **ORDERS OF THE DAY**

1. **DISABILITY RETIREMENTS**

1.1 **Application for a Service-Connected Disability**

- a. **Cynthia Kverno**, Senior Engineering Technician, Environmental Services Department. Request for a Service-Connected Disability Retirement, effective May 28, 2011; 19.48* years of service. (No recommendation)

2. **CONSENT CALENDAR (Items 2.1 through 2.9)**

2.1 **Approval of Staff Recommendation to Grant Non-Service-Connected Disability**

- a. **Douglas Riccobono**, Building Inspector Combo, Planning, Building and Code Enforcement Department. Request for a Non-Service-Connected Disability Retirement, effective May 29, 2012; 21.89* years of service. (Recommended approval)

2.2 **Approval of Service Retirements**

- a. **Thomas E. Conte**, Equipment Maintenance Supervisor, Public Works Department, effective June 22, 2013; 29.64* years of service.
- b. **Matthew Farrell**, Program Manager, Department of Transportation, effective June 22, 2013; 6.22* years of service. (*With reciprocity*)

- c. **Theresa A. Hayes**, Marketing & Communications Manager, Environmental Services Department, effective June 8, 2013; 15.03* years of service.
- d. **Cynthia M. Jaszka**, Legislative Secretary, City Clerk's Office; effective June 22, 2013; 15.20* years of service.
- e. **Julita T. Luty**, Nurse Practitioner, Human Resources Department; effective April 13, 2013; 5.8* years of service.
- f. **Deborah Mendez** Secretary, Parks, Recreational & Neighborhood Services Department; effective June 22, 2013; 27.44* years of service.
- g. **Manuel Sifuentes Jr.**, Survey Field Supervisor, Public Works Department; effective May 11, 2013; 30.10* years of service.

2.3 **Approval of Deferred Vested**

- a. **Geoffrey A. Cady**, Administrative Officer, Fire Department, effective March 6, 2013; 8.24* years of service. (*With reciprocity*)
- b. **Richard Desmond**, Deputy Director, Library Department, effective June 10, 2013; 28.74* years of service.

2.4 **Rescission of Retirement Application**

- a. [Approval to rescind the application of **Ralph Villafuerte**, approved at the February 21, 2013 meeting for the effective date of April 27, 2013.](#)

2.5 **Approval of Board Minutes**

- a. [Approval of Board Minutes of April 18, 2013.](#)

2.6 **Approval of Return of Contributions**

- a. Voluntary
- b. Involuntary

2.7 **Acceptance of Communication/Information Reports**

- a. [Pension & Investments Article: "Go big" in alternatives, conference attendees urged", Published April 23, 2013.](#)
- b. [March 2013 performance flash report for Pension Trust.](#)
- c. [Letter from Association of Legal Professionals \(ALP\), regarding ALP's Response to City's Retiree Healthcare Modified Proposal, dated May 6, 2013.](#)
- d. [Educational Travel Reports:](#)
 - Pension Bridge, San Francisco, CA, April 16-17, 2013 – by Trustee Lara Druyan.
 - Commonfund Forum, Hollywood, CA, March 9-11, 2013 – by Trustee Lara Druyan
 - CalAPRS Trustees Roundtable, Doubletree Hotel, San Jose, CA, February 8, 2013 – by Trustees: Dirks, Loesch and Armstrong.

2.8 [Report out of Closed Session regarding investments approved at the September 20, 2012, January 17, 2013 and February 21, 2013 Board meetings.](#)

2.9 Approval of Travel / Conference Attendance

a. Trustees:

1. Marty Dirks
 - CalAPRS Trustees Roundtable, Burbank, CA - June 14, 2013.
 - SACRS Spring Conference 2013, Napa Valley Marriott Hotel – May 14-17, 2013 - CANCELLED

b. Staff:

1. Roberto L. Peña
 - CalAPRS Administrators' Roundtable, Marriott Burbank Airport, Burbank, CA – June 21, 2013.
2. Daryn Miller
 - Due Diligence – Investment Manager: New York, NY – May 13, 2013.
 - Annual NEPC Client Conference, Boston Convention Center, Boston, MA – May 14-15, 2013.

3 DEATH NOTIFICATIONS (Moment of Silence)

- 3.1 William D. Benevich**, Senior Building Inspector, retired 11-13-76, died 03-23-13. No Survivorship benefits.
- 3.2 Neal E. Bohnet**, Environmental Specialist, retired 01-06-91, died 03-15-13. Survivorship benefits to Ruth E. Bohnet, spouse.
- 3.3 Lester T. Dion**, Plant Equipment Supervisor, retired 03-17-79, died 03-14-13. No survivorship benefits.
- 3.4 John E. Eastus**, Deputy City Manager, retired 09-01-84, died 03-07-13. Survivorship benefits to Sherry L. Eastus, spouse.
- 3.5 George Gardin**, Public Works General Supervisor, retired 01-06-79, died 03-24-13. Survivorship benefits to Henrietta Gardin, spouse.
- 3.6 Paul W. Ramos**, Maintenance Worker II, active employee, died 02-14-13.

4 OLD BUSINESS-DEFERRED/CONTINUED ITEMS - None

5 NEW BUSINESS

5.1 Investments

- a. [Discussion and action to include the CIO project in the scope of services of the current Cortex Applied Research's governance contract.](#)
- b. [Discussion and action regarding the adoption of the Real Estate operating guidelines as Appendix C of the Investment Policy Statement.](#)
- c. [Discussion and action regarding the approval for the Secretary to negotiate and execute the second amendment with RS Investments.](#)
- d. [Discussion and action regarding Hedge Fund manager performance reporting.](#)

5.2 Discussion and action on [System Expenses for March 2013.](#)

5.3 [Discussion and action regarding Cortex Phase II Report & Recommendations.](#)

5.4 [Contribution Rates and Amounts for 2013-2014.](#)

- a. Discussion and action regarding [Resolution 7421](#) setting new city and employee Pension and OPEB contribution rates and amounts for 2013-2014 for Federated members in Tier 1 to be effective June 23, 2013.
- b. Discussion and action regarding [Resolution 7422](#) setting new city and employee Pension and OPEB contribution rates and amounts for 2013-2014 for Federated members in Tier 2 to be effective June 23, 2013.

5.5 [Discussion and action regarding authorizing the Secretary to work with the City Attorney's Office to negotiate and execute the Second Amendment to the Agreement Among the Board of Administration for the Federated City Employees' Retirement System, 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.](#)

5.6 [Discussion and action on adoption of a Portable Electronic Device Policy.](#)

6 COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Druvan/Odell/Andrews)

Last Meeting: May 8, 2013 - Next Meeting: June 12, 2013

- a. Update from Chair of the Investment Committee.
- b. [Minutes of April 10, 2013, Joint Federated and Police & Fire Investment Committee meeting.](#) Receive and file.

6.2 Audit Committee (Armstrong/Andrews/Overton)

Last Meeting: May 16, 2013 - Next Meeting: August 1, 2013

- a. Update from Chair of Audit Committee

6.3 Governance Committee (Loesch/Armstrong/Odell)

Last Meeting: May 2, 2013 - Next Meeting: June 6, 2013 – Joint meeting

- a. Update from Chair of Governance Committee.

6.4 Ad Hoc Personnel Committee (Loesch/Druvan/Dirks)

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

6.5 Ad Hoc Policy and Procedures Committee (Overton/Loesch)

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

7 EDUCATION & TRAINING

7.1 [Educational Programs and Courses](#)

7.2 [Conferences and Seminars](#)

7.3 [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.