



BOARD OF ADMINISTRATION
Department of Retirement Services
CITY HALL WING COMMITTEE ROOMS 118/119
200 East Santa Clara St., San Jose, CA 95112

BOARD MEMBERS

David Bacigalupi, Chair
Conrad Taylor, Vice Chair
Sean Bill, Trustee
Sean Kaldor, Trustee
Damon Krytzer, Trustee
Drew Lanza, Trustee
Vincent Sunzeri, Trustee
Richard Santos, Trustee
Vacant, Trustee

DIRECTOR RETIREMENT SERVICE

BOARD SECRETARY
Russell U. Crosby

COUNCIL LIAISON

Pete Constant

THURSDAY

AUGUST 4, 2011

8:30 a.m.

AGENDA

• **ORDERS OF THE DAY**

CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: Citibank Office Plaza, 1900 Spring Road, Oakbrook IL 60521
Negotiator: Ed Schwartz, ORG Portfolio Management
Under negotiation: Price and terms of payment
Probable Value of Property: Exceeds \$1 million

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: Crescent VII, 8390 East Crescent Parkway, Greenwood Village, CO 80111
Negotiator: Ed Schwartz, ORG Portfolio Management
Under negotiation: Price and terms of payment
Probable Value of Property: Exceeds \$1 million

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: Deerwood Apartments, 5800 Woodway Drive, Houston TX, 77057
Negotiator: Ed Schwartz, ORG Portfolio Management
Under negotiation: Price and terms of payment
Probable Value of Property: Exceeds \$1 million

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OPEN SESSION

1. INVESTMENTS

- 1.1 Approval to transfer Citibank Office Plaza, Crescent VII, and Deerwood Apartments to American Realty's core commingled real estate fund and for the Secretary to negotiate and execute an agreement with American Realty Advisors for an estimated interest valued at \$54 million in American Realty's core commingled real estate fund.
- 1.2 [Discussion and direction regarding implementation of portfolio overlay services provided by Russell Implementation Services for a cost between \\$150,000 and \\$350,000.](#)
- 1.3 [Discussion and action regarding the restructure of the Plan's equity allocation including the revision of the Statement of Investment Policy to reflect the changes.](#)

2. NEW BUSINESS

- 2.1 Discussion and possible action regarding Board Governance consulting project with Cortex Applied Research. (*Time Certain 12:00 p.m. via telephone*)
- 2.2 Update on Legal Services Request for Proposals (RFP).
- 2.3 [Update on Electronic Board Packets.](#)
- 2.4 [Discussion and possible action regarding board member compensation.](#)
- 2.5 [Approval of Macias Gini & O'Connell's 2011 Audit Service Plan.](#)
- 2.6 Report on City's prefunding of required contributions for Fiscal Year 2011-12 and reconciliation for Fiscal Year 2010-11.

3. OLD/BUSINESS/CONTINUED-DEFERRED ITEMS

- 3.1 Update on status of Trustee replacement.
- 3.2 [Discussion regarding Retirement Services Department staffing. \(Continued from July 11, 2011 Special Meeting\)](#)
- 3.3 [Investment Strategy discussion. \(Deferred from July 11, 2011 Special Meeting\)](#)
 - a. [Review and comment on Investment Policy Statement.](#)
 - b. Review Asset Allocation Strategy / Targets. (See Investment Policy Statement)
 - c. Discussion of risk management.
 - d. Discussion of use of hedge funds across asset classes.
- 3.4 [Discussion regarding the recommendations from the Cortex Report of June 19, 2009. \(Continued from July 11, 2011 Special Meeting\)](#)
- 3.5 [Discussion of Quorum Rules. \(Continued from June 2, 2011\)](#)

3.6 Update on Payroll Audit, FLSA and overtime payment issues.

4. **RETIREMENTS – TIME CERTAIN AT 10:30 A.M.**

4.1 **Service**

- a. **Douglas R. Boales**, Police Officer, Police Department, effective June 25, 2011; 21.82* years of service.
- b. **Mario Hernandez**, Police Officer, Police Department, effective June 6, 2011; 25.00* years of service.
- c. **Relles R. Lopez**, Police Officer, Police Department, effective June 25, 2011; 21.13* years of service.
- d. **Manny Ramirez**, Police Sergeant, Police Department, effective September 3, 2011; 27.13* years of service.
- e. **Jose A. Rodriguez**, Police Officer, Police Department, effective September 3, 2011; 28.53* years of service.
- f. **Dennis G. Serles**, Police Officer, Police Department, effective September 17, 2011; 25.00* years of service.

4.2 **Service-Connected Disability**

- a. **David Dudolski**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective August 4, 2011; 15.57* years of service.
- b. **Stephen E. Greenlee**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective August 4, 2011; 16.79* years of service.
- c. **Steven Rivera**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective August 4, 2011; 16.43* years of service.

4.3 **Non-Service Connected Disability**

- a. **Daniel DeLong**, Fire Captain, Fire Department. Request for Non-Service-Connected Disability Retirement, effective June 25, 2011; 10.05* years of service.

4.4 **Change in Status**

- a. **John M. Hodges**, Fire Engineer, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective January 24, 2009; 27.75 years of service.
- b. **Ronald Pomerantz**, Fire Captain, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective June 27, 2009; 29.26 years of service.
- c. **Lawrence J. Silva**, Fire Captain, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective January 14, 2006; 33.07 years of service.
- d. **Cruz Tapia, Jr.**, Fire Engineer, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective January 10, 2009; 41.85 years of service.
- e. **Thomas M. Westrup**, Fire Captain, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective January 24, 2009; 29.5 years of service.

*Estimated

4.5 Approval to Rescind Retirement Application

- a. Approval to rescind retirement application of **David Cavallaro**, Deputy Chief, Police Department; approved at the June 2, 2011 meeting.
- b. Approval to rescind retirement application of **Glenn E. Harper**, Police Lieutenant, Police Department; approved at the June 2, 2011 meeting.

4.6 Approval of Change/Correction of Retirement Date

- a. Approval of change of retirement date of Robert E. Sepulveda, Police Officer, Police Department; from June 30, 2011 to June 25, 2011.
- b. Approval of change of retirement date of Michael A. Pomeroy, Police Sergeant, Police Department; from June 30, 2011 to June 25, 2011.
- c. Approval of change of retirement date of Jean-Pierre Santos, Fire Captain, Fire Department; from June 25, 2011 to June 26, 2011.
- d. Approval of correction of retirement date of Raymond Shields, Police Sergeant, Police Department; from June 25, 2011 to July 25, 2011.

5. DEATH NOTIFICATIONS

- 5.1 Notification of the death of **Bruce B. DeMers**, Fire Engineer, retired 8/3/95, died 5/20/11. Survivorship benefits to Louella A. Demers, spouse.
- 5.2 Notification of the death of **John A. DiQuisto**, Fire Captain, retired 10/29/88, died 6/27/11. Survivorship benefits to Shirley A. DiQuisto, spouse.
- 5.3 Notification of the death of **Robert A. Robertson**, Firefighter, retired 6/13/78, died 5/13/11. No survivorship benefits.
- 5.4 Notification of the death of **Ronald T. Williams**, Police Sergeant, retired 11/14/78, died 5/3/11. No survivorship benefits.

6. AD HOC COMMITTEE REPORTS/RECOMMENDATIONS

- 6.1 Update on Ad Hoc Committee for Disability Determination Process.
- 6.2 Update on other Ad Hoc Committees: Equities, Fixed Income, Alternatives and Department Structure.

7. CONSENT CALENDAR (Items 7.1 through 7.7)

7.1 Approval of Minutes

- a. [Monthly Board meeting held on June 2, 2011.](#)
- b. [Special Board Meeting held on July 11, 2011.](#)

7.2 Approval of Travel/Conference Attendance

- a. Pete Constant - IFEBP, Trustees Masters Program, New Orleans, LA – October 29-30, 2011.

- IFEBP, 57th Annual Employee Benefits Conference, New Orleans, LA – October 30-November 2, 2011.
- b. Rajiv Das
 - Western Occupational Health Conference, Las Vegas, NV – September 5-10, 2011.

7.3 Reconciliation of Travel/Conference Attendance

- a. Ali Amiry
 - Hedge Fund Conference & Due Diligence, Chicago, IL – October 3, 2010.
- b. Sean Bill
 - Pension Bridge Conference, San Francisco, CA – April 12-13, 2011.
- c. Michael Moehle
 - Conference of Consulting Actuaries, Rancho Mirage, CA – October 24-26, 2010.
- d. Rajiv Das
 - Comprehensive Pain Board Review, University of Wisconsin, Madison, WI – July 25-30, 2010.
 - Western Occupational Medicine Conference, Marriott Hotel, Newport Beach, CA – September 29, 2010 thru October 2, 2010.
 - American Occupational Health Conference, Grand Hyatt, Washington, DC – March 25-29, 2011.

7.4 Approval of Monthly Expenses

- a. [Plan Expenses for May 2011.](#)
- b. [Plan Expenses for June 2011.](#)

7.5 Return of Contributions

- a. Voluntary
- b. Involuntary

7.6 Communication/Information

- a. GASB New Pension Standards.
 - 1. [GASB Press Release and plain language supplement on New Pension standards as of July 2011.](#)
 - 2. [Review of accounting update regarding GASB proposed changes to accounting rules under statement 25, 27, 43 and 45.](#)
- b. [Benefits Review Forum held on June 2011.](#)
- c. [Memo from Russ Richeda, Saltzman & Johnson regarding Legal Update \(Kern County Employees' Retirement Association v. Wilshire Associates, Inc.\), dated July 26, 2011.](#)
- d. [Memo from Russ Richeda, Saltzman & Johnson regarding Legal Update, dated July 27, 2011.](#)

7.7 Approval of Lifetime Reduced Retirement Monthly Payment Option

- a. **Pamela Rae Huseman**, ex-spouse of Fire Captain David Huseman, to be effective July 1, 2011 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

8. EDUCATIONS & TRAINING

8.1 Notification of CalAPRS' Trustees Round Table

- a. Trustees Roundtable, Double Tree Hotel, 2050 Gateway Place, San Jose – October 14, 2011.

8.2 Notification of IFEBP Training

- a. CAPP – Employee Pensions – **Part I**, Ernest Morial Convention Center, New Orleans, LA, Saturday, October 29-30, 2011.
- b. CAPP – Employee Pensions – **Part II**, Metro Meetings Center, Boston, MA, Thursday, June 21-22, 2012.
- c. CAPP – Employee Health – **Part I**, Ernest Morial Convention Center, New Orleans, LA, Saturday, October 29-30, 2011.
- d. CAPP – Employee Health – **Part II**, Metro Meetings Center, Boston, MA, Thursday, June 21-22, 2012.

• **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.