



## BOARD OF ADMINISTRATION

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

### Meeting Minutes - Final-revised

#### Police and Fire Governance Committee

*Bettina Rounds, Chair*  
*Sean Kaldor, Trustee*  
*Richard Santos, Trustee*  
*Vincent Sunzeri, Trustee*

*Harvey Leiderman, General and Fiduciary Counsel*

*Roberto L. Peña, Director of Retirement Services*

*Tom Iannucci, participant (Cortex Applied Research)*

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Thursday, November 7, 2013

12:30 PM

City Hall Wing Rooms 118-120

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Access the video or audio, the agenda and related reports for this meeting by visiting the Retirement Services website at <http://sjretirement.com/> or [http://sanjose.granicus.com/ViewPublisher.php?view\\_id=44](http://sanjose.granicus.com/ViewPublisher.php?view_id=44). If you have any questions, please contact the Retirement Services Department at (408) 794-1000.

#### CALL TO ORDER

The Board of Administration of the Police and Fire Governance Committee met on Thursday, November 7, 2013 at City Hall Wing Rooms 118/120, 200 East Santa Clara Street, San Jose, California 95113. The meeting was called to order by the Chair of the Governance Committee, Trustee Rounds at 2:33 P.M.

Present 4 - Sean Kaldor, Bettina Rounds, Richard Santos, and Vincent Sunzeri

Retirement Staff Present: Roberto L. Peña; Donna Busse; Sonia Morales; Linda Alexander.

Also Present: Harvey Leiderman General and Fiduciary Counsel; Tom Iannucci (via teleconference), Cortex Applied Research.

#### Police and Fire Agenda

1. Approval of Minutes of October 3, 2013 Police & Fire Department Plan Governance Committee.  
  
A motion was made to approve the Minutes of October 3, 2013 Police & Fire Governance Committee.  
Approved. (M.S.C. Kaldor/Sunzeri, 4-0-0).
2. Discussion and action on Governance Committee priorities and work plan.

Item 2 was heard together with Items 4a, 4b, & 4c.

This item was opened with a lengthy discussion led by Trustee Santos. It was a consensus to add this item on the next Police and Fire Board agenda as an action item per the following:

The role of the Retirement Board regarding Legislative changes  
Counsel Leiderman work with Tom Iannucci of Cortex Research regarding laws in California

Item 4b was heard in item 2 regarding the non-voting Board member. It was noted to have Staff come back with a memo for the Board to approve. Item 4c was also heard in Item 2 regarding the external review every 5 years. Harvey led the discussion and answered questions from the Board. He stated that there is not an internal compliance officer. Tom Iannucci stated that it is instituted by stakeholders and the Board can take on some of it themselves. A suggestion was made to have Staff work with Tom Iannucci on a list of types of audits and possibly go to the Audit Committee. Tom Iannucci made the following points:

1. The Audit benefits Stakeholders
2. It should be done every 5 years for different audiences, Board could do one on their behalf
3. This will not replace internal Audit function
4. Scope out what is meant by fiduciary audit

After a lengthy discussion, a motion was made to refer this item to the Audit/Risk Committee.

Approved. (M.S.C. Rounds/Kaldor, 4-0-0).

Trustee Sunzeri brought up a point that the Audit Committee creates committees and stakeholders want to know what autonomy means and there will be no need to create a Personnel Committee.

Another motion was made to not create a Personnel committee charter.

Approved. (M.S.C. Sunzeri/Kaldor 4-0-0).

3. Discussion and action to review the Police & Fire Travel Policy and Education Policy to identify and resolve conflicts and to synchronize with the Federated City Employees' Retirement System.

A motion was made to support the changes of the Police & Fire Travel Policy and Education Policy to identify and resolve conflicts and to synchronize with the Federated City Employees' Retirement System by keeping the Policy and add the same resolution as Federated City Employees Retirement System.

Approved. (M.S.C. Santos/Sunzeri, 4-0-0).

### Future Agenda Items

Items that continue to be deferred will be placed on future Governance Committee agenda for discussion and action:

4. Discussion and action on Cortex Phase II Report and Recommendations

referred from the Police & Fire Retirement Board:

- a. Role of the Retirement Boards regarding legislative changes affecting the nature or cost of the benefits provided by the Retirement System.
- b. Position of the non-voting board member and stakeholder.
- c. External independent review of the fiduciary and management practices every 5 years, Committee to prioritize reviews.

**This item was heard with Item 2. Items 4a, 4b and 4c will be put on next month's agenda as an action item.**

5. Discussion and action on Board Operations Policy.

**There was no discussion on this item.**

6. Discussion and action on Communication Policy.

**Mr. Iannucci will revise the Communication Policy Plan. Mr. Pena and the CIO will be the spokesperson for the Plan and take it to the Board.**

**Adjournment**

The meeting adjourned at 3:22 P.M.



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ROBERTO L. PEÑA  
DIRECTOR, RETIREMENT SERVICES