



BOARD OF ADMINISTRATION
Department of Retirement Services
City Hall Wing Committee Rooms 118/119
200 East Santa Clara St., San Jose, CA 95113

BOARD MEMBERS

David Bacigalupi, Chair
(will attend via teleconference)
75-5919 Ali'i Dr. G-1, Kailua-Kona, HI 96740

Conrad Taylor, Vice Chair
Rose Herrera, Trustee
Scott Johnson, Trustee
Sean Kaldor, Trustee
Sam Liccardo, Trustee
Vacant, Trustee

DIRECTOR

Russell U. Crosby

THURSDAY

NOVEMBER 4, 2010

8:30 AM

AGENDA

ORDERS OF THE DAY

RETIREMENTS

1. Service

- a. **Alan Anderson**, Battalion Chief, Fire Department, effective January 22, 2011; 25.05 years of service.
- b. **Michael A. Bauer**, Fire Engineer, Fire Department, effective January 23, 2011; 26.53 years of service. (with reciprocity)
- c. **David Churchill**, Battalion Chief, Fire Department, effective January 22, 2011; 24.30 years of service.
- d. **Mark D. Efigenio**, Police Officer, Police Department, effective January 22, 2011; 25.44 years of service. (with reciprocity)
- e. **Antoinette Igno**, Fire Captain, Fire Department, effective December 11, 2010; 20.29 years of service, pending change in status to Service Connected Disability (SCD). (with reciprocity)
- f. **Larry T. McGrady**, Police Lieutenant, Police Department, effective January 22, 2011; 25.44 years of service. (with reciprocity)
- g. **Arthur Mitchell**, Fire Captain, Fire Department, effective January 22, 2011; 25.06 years of service, pending change in status to Service Connected Disability (SCD).
- h. **Cynthia M. Perez**, Police Officer, Police Department, effective January 30, 2011; 22.71 years of service, pending change in status to Service Connected Disability (SCD).
- i. **James B. Wyatt, Jr.**, Battalion Chief, Fire Department, effective January 22, 2011; 25.02 years of service.

2. Service Connected Disability

Mark J. Skeen, Fire Captain, Fire Department, effective May 13, 2009; 19.23 years of service.

3. **Change in Status**

None

4. **Deferred Vested**

Dean E. Ackemann, Police Sergeant, Police Department, effective November 30, 2010;
25.20 years of service.

DEATH NOTIFICATIONS (Moment of Silence)

5. **David T. Brickell**, Retired Police Sergeant, died September 15, 2010. Survivorship benefits to Mary Ann Brickell, spouse.
6. **Joseph S. Cancilla**, Retired Fire Engineer, died October 13, 2010. No survivorship benefits.

NEW BUSINESS

7. [Approval of retirement date change for Cheryl Faltersack from October 30, 2010 to November 13, 2010.](#)
8. [Adoption of Resolution No. 3682 denying change in status from service retirement to Service Connected Disability \(SCD\) retirement application of John P. Quayle.](#)
9. [Approval of retirement date change for John P. Como from November 27, 2010 to December 25, 2010.](#)
10. Discussion regarding disability process and Board training.
11. Discussion and possible action regarding Supplemental Retirement Benefit Reserve (SRBR):
- a. Discussion and possible action on [SRBR calculations from the Segal Company.](#)
 - b. [Adoption of Resolution No. 3683 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.](#)
12. Discussion and action regarding Internal Revenue Code Tax Compliance Review by Ice Miller for the Police and Fire Department Retirement Plan.
- a. [Review and recommendation to City Council on ordinance amending Chapter 3.36 of Title 3 of the San Jose Municipal Code to incorporate provisions related to the primary purpose of the Police and Fire Department Retirement Plan, 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 \$15,000 VCP fee.
- 13. [Discussion and possible action regarding Auditor's report "Pension Sustainability: Rising Pension Costs Threaten the City's Ability to Maintain Service Levels – Alternatives for a Sustainable Future."](#)
- 14. [Discussion and action regarding the draft Police and Fire Department Retirement Plan's Comprehensive Annual Financial Report \(CAFR\) for the fiscal year ended June 30, 2010.](#)
- 15. [Discussion and action regarding Segal's economic assumptions for the valuation for the period ending June 30, 2010.](#)
- 16. Discussion and action regarding Segal's non-economic assumptions for the valuation for the period ending June 30, 2010.
- 17. [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 06-30-2010-RK dated June 30th 2010 for an amount not to exceed \\$400,000.00 \(cost split 50/50 with San Jose Federated City Employees' Retirement System\).](#)

OLD BUSINESS/CONTINUED-DEFERRED ITEMS

- 18. [Approval to discontinue Exit Health Physicals and provide communication regarding the use of the current health plans for similar services as Exit Health Physicals.](#)
- 19. [Approval of the Segal Company's Actuarial Valuation and Review of Other Postemployment Benefits \(OPEB\) as of June 30, 2009, in accordance with GASB Statements No. 43 and No. 45 for financial reporting purposes.](#)

STANDING COMMITTEE REPORTS/RECOMMENDATIONS

- 20. Investment Committee (Bacigalupi/Johnson/Taylor/Alternate: Kaldor) – next meeting December 16, 2010.
- 21. Committee of the Whole – next meeting December 16, 2010.
- 22. Real Estate Committee (Bacigalupi/Taylor/Kaldor/Alternate: Herrera) – next meeting December 16, 2010.

CONSENT CALENDAR (Items # 23 through 32)

23. Approval of Minutes

- a. Monthly [Board meeting held on October 7, 2010](#)
- b. [Tax Qualification Review – Joint Special Meeting held on October 20, 2010.](#)

24. Approval of Travel/Conference Attendance

- a. Ali Amiry Manager Due Diligence:
 - November 8, 2010 - Chicago, IL
 - November 9, 2010 - New York, NY
 - November 10, 2010 - Atlanta, GA
 - November 11, 2010 - St. Petersburg, FL
 - November 12, 2010 - Boston, MA
 - November 12-19, 2010 - London, UK
 - December 4-6, 2010 - Dallas, TX

- b. Heidi Poon Manager Due Diligence:
 - November 8, 2010 - Chicago, IL
 - November 9, 2010 - New York, NY
 - November 10, 2010 - Atlanta, GA
 - November 11, 2010 - St. Petersburg, FL
 - November 12, 2010 - Boston, MA
 - November 12-19, 2010 - London, UK

- c. Karin Carmichael National Pension Education Association 30th Annual Conference:
 - October 16, 2010 through October 19, 2010

25. Approval of Monthly Expenses

[Plan Expenses from September 2010.](#)

26. Pending Action

[Pending Action Summary List as of November 2010.](#)

27. Benefits Review Forum

None

28. Return of Contributions

- a. Voluntary
- b. Involuntary

29. Investments

[Adoption of Resolution No. 3684 for the period of September 1, 2010 through September 30, 2010.](#)

30. Communication/Information

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

EDUCATION & TRAINING

31. 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.
- c. Principles of Pension Management, Stanford Law School, Crown Quadrangle, 559 Nathan Abbott Way, Stanford, CA 94305-8610, March 22-25, 2011.

32. 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 – 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.

33. 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.](#)

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.