



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

BOARD MEMBERS

Sean Kaldor, Chair
Richard Santos, Vice Chair
David Bacigalupi, Trustee (Via Teleconference)
75-5919 Ali'I Drive G-1
Kailua-Kona, HI 96740
Sean Bill, Trustee
Damon Krytzer, Trustee
Drew Lanza, Trustee
Elizabeth Rounds, Trustee
Vincent Sunzeri, Trustee
Conrad Taylor, Trustee

COUNCIL LIAISON

Pete Constant

DIRECTOR RETIREMENT SERVICES

BOARD SECRETARY

Russell U. Crosby

COUNSEL

Mollie Dent, Senior Deputy City Attorney
Russ Richeda, Counsel

THURSDAY

FEBRUARY 2, 2012

8:30 a.m.

AMENDED AGENDA

• **ORDERS OF THE DAY**

1. **INVESTMENTS**

1.1 Update on Investments from the CIO.

2. **NEW BUSINESS**

2.1 [Educational presentation by Cheiron on changes to GASB reporting requirements.](#)

2.2 Discussion and action regarding Retirement Board of Administration's fiduciary insurance coverage, terms and conditions.

3. **OLD/BUSINESS/CONTINUED-DEFERRED ITEMS**

3.1 Discussion and action on Cheiron's June 30, 2011 Pension Actuarial Valuation Report for the Police and Fire Department Retirement Plan regarding:

a. [The Plan's assumed discount rate for the 2012-2013 fiscal year:](#)

1. [Memo dated January 17, 2012 from Deputy City Manager, Alex Gurza regarding the discussions at the January 5, 2012 Board meeting.](#)

b. [Allocation methodology for valuation of administrative expenses.](#)

c. Allocation for valuation of reciprocity costs.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call Sonia Morales (408) 794-1004 as soon as possible, but at least three business days before the meeting.

- 3.2 [Discussion and action regarding Cheiron's Assumptions for the June 30, 2011 Other Post Employment Benefits Plan \(OPEB\) Actuarial Valuation.](#) *(Continued from January 2012 Board meeting)*
- 3.3 Update on the analysis of the Trustees' role in an environment of discussion and negotiation on vested benefits.
- 3.4 Discussion and action regarding Retirees' Association's request to raise dues deductions.
- 3.5 Update regarding Legal Services Request for Proposals (RFP).
- 3.6 [Discussion and action on letters to/from City Manager regarding staff salaries.](#)
- 3.7 Update on Cortex consulting project.
- 3.8 Update on Payroll Audit, FLSA and overtime payment issues. *(Deferred from January meeting)*
- 3.9 Discussion and action on revised Physicians Disability Determination Forms. *(Deferred from January meeting)*
- 3.10 Update on Board Retreat.

4. **RETIREMENTS**

4.1 **Service Retirement**

- a. **Gonzalo Chayrez**, Firefighter, Fire Department, effective January 21, 2012; 23.45* years of service.
- b. **Flanoy D. Garrett**, Fire Captain, Fire Department, effective March 31, 2012; 26.28* years of service.

4.2 **Early Service Retirement**

- a. **Teresa D. Reed**, Assistant Fire Chief, Fire Department, effective January 21, 2012; 24.71* years of service.

4.3 **Approval to Change of Retirement Date**

- a. Approval of change of retirement date of **David Cavallaro**, Deputy Chief of Police, Police Department; from December 10, 2011 to December 24, 2011 and 29.47* years of service.

4.4 **Approval to Rescind Retirement Application**

- a. Approval to rescind retirement application of **Gerald L. Durk**, approved at the December 1, 2011 meeting for the effective date of January 21, 2012.
- b. Approval to rescind retirement application of **Larry Esquivel**, approved at the December 1, 2011 meeting for the effective date of January 21, 2012.

5. DEATH NOTIFICATIONS

- 5.1 Notification of the death of **Carmelo Gonzales**, Fire Engineer, retired August 1, 1990, died January 1, 2012. Survivorship benefits to Olga Gonzales, spouse.
- 5.2 Notification of the death of **Matthew T. Vujevich**, Fire Engineer, retired February 15, 1993, died December 11, 2011. Survivorship benefits to La Donna Vujevich, spouse.

6. COMMITTEE MINUTES, REPORTS AND RECOMMENDATIONS

- 6.1 Investment Committee – **Next Meeting: February 29, 2012**
 - a. [Minutes of November 30, 2011.](#)
 - b. Report from the Chair of the Investment Committee.
- 6.2 Ad Hoc Committee for Disability Determination Process – **Next Meeting: TBD**
- 6.3 Ad Hoc Governance Committee – **Next meeting: February 16, 2012, tentatively.**
 - a. [Minutes of October 20, 2011.](#)
 - b. Report from the Chair of the Ad Hoc Governance Committee.

7. CONSENT CALENDAR (Items 7.1 through 7.7)

7.1 Approval of Minor Agreements

- a. [Authorize the Secretary to execute an Addendum to the PensionGold Software Maintenance and Support Agreement among The Boards of Administration for the Police and Fire Department Retirement Plan, The Federated City Employees' Retirement System, and Levi, Ray & Shoup Inc. \(LRS\) to enable LRS to act as an agent of the Department of Retirement Services \(DRS\).](#)
- b. [Authorize the Secretary to execute an Addendum to the Internet World Wide Web Design, Hosting and Domain Name Registration Agreement between The Board of Administration for the Police and Fire Department Retirement Plan and Levi, Ray & Shoup Inc. \(LRS\) agreeing to the terms and conditions of the LRS agreement with Microsoft regarding the use of Microsoft software.](#)

7.2 Approval of Minutes

- a. [Monthly Board meeting held on January 5, 2012.](#)

7.3 Approval of Travel/Conference Attendance

- a. Andrew Lanza - CalAPRS, Principles of Pension Management for Trustees at Stanford Law School, Palo Alto, CA – March 27-30, 2012.
- b. Vincent Sunzeri - CalAPRS, Principles of Pension Management for Trustees at Stanford Law School, Palo Alto, CA – March 27-30, 2012.
 - NEPC 2012 Public Funds Workshop, Phoenix, AZ – January 30-31, 2012

- c. Bettina Rounds
 - CalAPRS, Principles of Pension Management for Trustees at Stanford Law School, Palo Alto, CA – March 27-30, 2012.
 - IFEBP, Wharton School, University of Pennsylvania, Portfolio Concepts & Management, Philadelphia, PA – May 21-24, 2012.
 - IFEBP, Wharton School, Hedge Funds, Real Estate and Other Alternative Investments, San Francisco, CA – July 16-18, 2012.
- d. Richard Santos
 - CalAPRS, General Assembly, Westin Mission Hills Resort & Spa, Rancho Mirage, CA – March 3-6, 2012.
 - IFEBP, Wharton School, Hedge Funds, Real Estate and Other Alternative Investments, San Francisco, CA – July 16-18, 2012.
- e. Conrad Taylor
 - IFEBP, Wharton School, Hedge Funds, Real Estate and Other Alternative Investments, San Francisco, CA – July 16-18, 2012.
 - Rock Center for Corporate Governance, Fiduciary College, Stanford University, Palo Alto, CA – July 23-25, 2012.
- f. Maria Loera
 - CalAPRS, Benefits Round Table, San Jose, CA – February 3, 2012.
- g. Jesselle Holcomb
 - CalAPRS, Benefits Round Table, San Jose, CA – February 3, 2012.

7.4 Approval of Monthly Expenses

- a. [Plan Expenses for December 2011.](#)

7.5 Return of Contributions

- a. Voluntary
- b. Involuntary

7.6 Communication/Information - None

7.7 Pending Projects

8. EDUCATION & TRAINING

8.1 Educational Programs and Courses

8.2 Conferences and Seminars

8.3 Research Papers and Articles

8.4 CalAPRS' Training

- a. Trustees Round Table, Double Tree Hotel, 2050 Gateway Place, San Jose – February 3, 2012.
- b. General Assembly, Westin Mission Hills Resort & Spa, Rancho Mirage, CA – March 3-6, 2012.

• PROPOSED AGENDA ITEMS

Authorize actuary to perform cost study on agreed upon benefits regarding Purchase of Leave of Absence service for Fire members.

- **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.