



BOARD OF ADMINISTRATION

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

Meeting Agenda - Final-revised

Police and Fire Department Retirement Plan

*Sean Kaldor, Chair Sean
Bill, Trustee Damon
Krytzer, Trustee Drew
Lanza, Trustee James
Mason, Trustee Nick
Muyo, Trustee Bettina
Rounds, Trustee Richard
Santos, Trustee
Vincent Sunzeri, Trustee*

Pete Constant, Non-Voting Trustee

Harvey Leiderman, General and Fiduciary Counsel

Roberto L. Peña, Director of Retirement Services

Thursday, August 1, 2013

8:30 AM

CLOSED SESSION

CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.

I. CLOSED SESSION OLD BUSINESS/CONTINUED-DEFERRED ITEMS

- a. CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL - LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) (2 CASES)(MEASURE B LITIGATION)
- b. CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL - LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(c) TO CONSIDER WHETHER OR NOT TO COMMENCE LITIGATION, (ONE CASE)

OPEN SESSION - 9:00 A.M. TIME-CERTAIN OR SOON THEREAFTER

To request an accommodation or alternative format under the Americans with Disabilities Act for Board 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.

- **ORDERS OF THE DAY**

- INVESTMENTS**

- a. Presentation of the First Quarter 2013 Equity Transaction Cost Analysis from Abel Noser.
Attachments: [Equity Transaction Cost Analysis 1Q2013](#)
- b. Discussion and action on authorizing the Secretary to negotiate and execute an agreement with Abel Noser for an annual amount not to exceed \$12,000.00.
Attachments: [Memo to hire Abel Noser.](#)
- c. Presentation of the Fourth Quarter 2012 Private Markets Report.
Attachments: [2012 Q4 SJP&F Private Equity Performance Summary](#)

2. NEW BUSINESS

- a. Discussion and action on the report of the Plan Expenses for May 2013.
Attachments: [Monthly Expenses - May 2013](#)
- b. Discussion and action on Board Agenda order.
- c. Discussion and action regarding the annual off-site- meeting and agenda topics.
- d. Discussion and action regarding the January 2, 2014 Board meeting date.
- e. Oral update from the Director of Retirement Services, Roberto L. Peña.
Attachments: [ORG Chart for CAFR ~07 17 13](#)

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS

- a. Discussion and action regarding Police Tier 2 Ordinance #29266, including adoption of Contribution Rates for 2013-2014.
Attachments: [ReedSmith Ltr 7-17-13 - Re Ordinance Relating to Tier 2-Police](#)
[Memo-Approval of Ordinance to implement, dated 5-29-13](#)
[Cover memo from Alex Gurza, re Second Tier Ordinance 05-30-13](#)
[Ordinance-Police Tier 2](#)
[Police Tier 2 Implementation Date Memo](#)
[Police Tier 2 Contribution Rates Memo](#)
[Memo 7-24-13 -Police Tier 2 Implementation Plan](#)
[Memo by Alex G 7-8-13 - Police Tier 2 Implmentation Date](#)
[Police Tier 2 grid](#)
- b. Discussion and action on staff analysis and recommendations regarding the Cortex Phase II Report.
Attachments: [Memo - Staff Analysis on Cortex report Recomendations, 7-19-13](#)

4. RETIREMENTS

10:30 a.m. time-certain or soon thereafter

4.1 Service Retirements

- a. **Gilbert Gutierrez**, Fire Captain, Fire Department, effective August 17, 2013; 25.09* years of service.
- b. **Antonio Magallon**, Fire Captain, Fire Department, effective September 1, 2013; 25.08* years of service. (With reciprocity)
- c. **Raymond Van de Star**, Fire Captain, Fire Department, effective July 27, 2013; 25.09* years of service.
- d. **Gustavo Vega**, Police Officer, Police Department, effective July 29, 2013; 23.48* years of service.

4.2 Change in Status to Service Connected Disability

- a. **Thomas H. Afflixio**, Battalion Chief, Fire Department. Request for a Change of Status to a Service-Connected Disability Retirement, effective November 1, 2008; 29.27* years of service. (Recommended Approval)
- b. **James T. Werkema**, Police Lieutenant, Police Department. Request for a Change of Status to a Service-Connected Disability Retirement, effective June 11, 2011; 25.07* years of service. (Recommended Approval)

5. DEATH NOTIFICATIONS

- a. Notification of the death of **James V. Caines**, Fire Engineer, retired April 3, 1991, died June 27, 2013. Survivorship benefits to Joan Caines, Spouse.
- b. Notification of the death of **Estiel L. Garringer**, Police Sergeant, retired March 1, 1974, died May 24, 2013. Survivorship benefits to La Verne Garringer, Spouse.
- c. Notification of the death of **Edward E. Gurley**, Fire Engineer, retired May 6, 1987, died May 26, 2013. Survivorship benefits to Lucette Gurley, Spouse.
- d. Notification of the death of **Thomas W. Johnson**, Police Captain, retired June 5, 1993, died June 4, 2013. Survivorship benefits to Francine Johnson, Spouse.
- e. Notification of the death of **Robert P. Nelson**, Firefighter, retired May 21, 1976, died May 31, 2013. Survivorship benefits to Joyce Nelson, Spouse.

6. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

6.1 Investment Committee (Sunzeri/Bill/Krytzer/Mason)

Last Meeting: June 12, 2013 Next Meeting: August 28, 2013

- a. Report from the Chair of the Investment Committee. Receive and file.
- b. Minutes of May 8, 2013, Joint Federated and Police & Fire Investment Committee meeting. Receive and file.
Attachments: [Minutes of May 8, 2013, Joint Investment Committee Minutes](#)
- c. Minutes of April 10, 2013, Joint Federated and Police & Fire Investment Committee meeting. Receive and file.
Attachments: [Minutes of April 10, 2013, Joint Investment Committees-Federated and Police &](#)

6.2 Audit Committee (Bill/Lanza/Muyo)

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

- a. Report from the Chair of the Audit Committee. Receive and file.

6.3 Governance Committee (Kaldor/Rounds/Santos/Sunzeri)

Last Meeting: June 6, 2013 Next Meeting: September 5, 2013

- a. Report from the Chair of the Governance Committee. Receive and file.
Attachments: [Cover Memo - New and revised Governance Policies](#)
- b. Discussion and approval of the revised Chair and Vice-Chair Election Charter.
Attachments: [Policy on Election of Board Officers](#)
- c. Discussion and action on the Educational Policy.
Attachments: [Board Education Policy](#)
- d. Discussion and action on the Code of Conduct Policy.
Attachments: [Code of Conduct](#)
- e. Discussion and action on Committee's recommendation of approval regarding the Personnel Review Policy.
Attachments: [Personnel Review Policy - Evaluating Director and CIO](#)

6.4 Ad Hoc Disability Committee (Santos/Rounds)

Last Meeting: July 15, 2013 Next Meeting: August 20, 2013

- a. Report from the Chair of the Ad Hoc Disability Committee. Receive and file.

- b. Discussion and action on recommendation to create a standing Disability Committee.

Attachments: [Memo 8-1-13 - Disability Committee](#)

6.5 Ad Hoc Cortex Response Committee (Lanza/Bill/Mason/Sunzeri)

- a. Report from the Chair of the Ad Hoc Cortex Response Committee. Receive and file.

7. CONSENT CALENDAR

7.1 Change of Retirement Application

- a. Approval of change of retirement date of **Ricardo Fontanilla**, Police Officer, Police Department, from August 31, 2013 to July 20, 2013.

Attachments: [Change of Retirement Date-Fontanilla](#)

- b. Approval of change of retirement date of **Paul Gillies**, Police Officer, Police Department; from June 29, 2013 to August 3, 2013.

Attachments: [Change of Retirement Date-Gillies](#)

7.2 Approval Of Minutes

- a. Monthly Board meeting held on June 6, 2013.

Attachments: [Board Minutes- PF 6-6-13](#)

7.3 Approval Of Travel for Conferences and Due Diligence

- a. James Mason - The Pension Bridge, 2013 Private Equity Exclusive, Trump International Hotel, Chicago, IL - July 22-23, 2013.

- b. Pete Constant - 2013 Retirement Research Consortium Annual Meeting, "Retirement Security in Changing Times", National Press Club, Washington, DC - August 1-2, 2013.

Attachments: [PETE CONSTANT MEMO.2013-07-19 Retirement Research Consortium Washi](#)

- c. Linda Alexander - CalAPRS Administrative Assistant Roundtable, LA Marriott Burbank Airport, CA - October 18, 2013.

- d. Daryn Miller - Delivering Alpha Conference, New York City, NY - July 17, 2013.

Due Diligence: Investment Managers (Arrowgrass and Kepos), New York City, NY - July 18, 2013.

- e. Deborah Sattler - Government Finance Officers Association (GFOA), Pension and OPEB Class, Sacramento, CA - September 10, 2013.

7.4 Return of Contributions

- a. Voluntary / Involuntary
Attachments: [Return of Contributions](#)

7.5 Communication/Information

- a. Asset Allocation Newsletter by NEPC LLC to Police and Fire members, dated June 11, 2013.
Attachments: [Asset Allocation Newsletter](#)
- b. Contribution Rate Letter, Tier 1 - Police
Attachments: [P&F Contribution Rate Ltr eff 6.23.13 ~ Police members](#)
- c. Contribution Rate Letter, Tier 1 - Fire.
Attachments: [P&F Contribution Rate Ltr eff 6.23.13 ~ Fire members](#)
- d. Memo from Debra Figone, City Manager regarding receipt of the Cortex Governance Report, dated July 11, 2013.
Attachments: [Memo from Debra Figone, RE Cortex Governance Report](#)
- e. May 2013 Performance Flash Report for the Pension Trust.
Attachments: [2013 Pension Flash Report](#)
- f. The Cortex Report: Research Papers and Articles.
Attachments: [The Cortex Report - Research Papers & Articles](#)
- g. Institutional Investor Article, dated July 5, 2013, "Skewed Marketer/CIO Ratios Set Tone at First Ever OCIO Summit".
Attachments: [Institutional Investor Article](#)
- h. Pensions & Investments, Article: Public pension fund governance: alignment of responsibility with authority, dated August 1, 2012.
Attachments: [Article from Pensions & Investments](#)

7.6 Education and Training

- a. IFEBP - 59th Annual Employee Benefits Conference, Las Vegas, NV - October 20-23, 2013.
- b. CalAPRS, Trustees Roundtable, Doubletree Hotel, San Jose, CA - September 13, 2013.

c. The Cortex Report: Educational Program and Courses.

Attachments: [The Cortex Report - Educational Programs & Courses](#)

d. The Cortex Report: Conferences and Seminars.

Attachments: [The Cortex Report - Conferences & Seminars](#)

7.7 Approval of Lifetime Retirement Monthly Payment Option to be paid to Shelly Franklin Rose, ex-spouse of Police Lieutenant **John E. Rose**, to be effective April 29, 2013 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

Attachments: [Lifetime Monthly Payment Option](#)

7.8 **Rescission of Retirement Application**

Approval of rescinding application of **Hector M. Vasquez**, approved at the June 6, 2013 Board meeting for the effective date of June 22, 2013.

Attachments: [Recission of Retirement Application](#)

7.9 **Report out of Closed Session**

a. Report out of Closed Session regarding investments approved at the March 7, April 4, May 2, and June 6, 2013 Board meeting.

Attachments: [Report out of closed session](#)

• **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.