

FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

Minutes of the Board Meeting

THURSDAY

SAN JOSÉ, CALIFORNIA

November 17, 2011

CALL TO ORDER

The Board of Administration of the Federated City Employees' Retirement System met on Thursday, November 17, 2011 at 8:36 a.m., in regular session at City Hall in the Wing Meeting Rooms 118-120, 200 East Santa Clara Street, San José, California 95113.

PRESENT:

BOARD MEMBERS

Matt Loesch, Chair -Present
Ed Overton, Vice-Chair -Present
Arn Andrews -Present
Michael Armstrong -Present
Lara Druyan -Present
Stuart Odell -Absent
Martin Dirks -Present

BOARD MEDICAL DIRECTOR

Rajiv Das, M.D. -Present

DIRECTOR RETIREMENT SERVICE

BOARD SECRETARY

Russell U. Crosby -Present

COUNCIL LIAISON

Pete Constant -Present

COUNSEL

Mollie Dent -Present

Russ Richeda -Present

RETIREMENT SERVICES STAFF

PRESENT

Donna Busse, Deputy Director, COO
Carmen Racy-Choy, Deputy Director, CIO
Veronica Niebla
Ron Kumar
Toni Johnson
Jesselle Holcomb
Sonia Morales
Troy Gavin
Maria Loera
Karin Carmichael

ALSO PRESENT:

Gerry Chappuis, MEF-Public Works
Mary Cornwell, AFSCME - CEO
Maurice Stevenson, Retiree
T. Becker, OSSD Representative, SJPd
Susan Devencenzi, Retiree
Eliza Zimmerman, San Jose Police Dept.
Dan Suriaga, Department of Transportation
Paul Reynolds, M.D.
Emily Briggs
Kevin Briggs
Sid Flores, Attorney

CALL TO ORDER: 8:36 a.m.

• ORDERS OF THE DAY

Vice Chair Loesch made the following changes to the Orders of the Day:

- Noted Closed Session time certain at 10:00 a.m.
- Moved Items 5.1 and 5.2 to be heard first prior to the Closed Session.

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. If you have any questions, please contact the Retirement Services Department at (408) 794-1000.

FCERS 12-15-11

5. NEW BUSINESS

5.1 *Discussion and action regarding Cheiron's June 30, 2011 Actuarial Valuation for the Federated City Employees' Retirement System.*

Representatives from Cheiron, Bill Hallmark and Ann Harper, presented the June 30, 2011 Actuarial Valuation results for the Federated City Employees' Retirement System.

Item 5.1 will return to the December Board meeting for review and adoption of the final report.

5.2 *Discussion and action regarding Cheiron's Assumptions for June 30, 2011 Other Postemployment Benefit Plan (OPEB) Actuarial Valuation.*

Bill Hallmark presented the Actuarial Assumptions for June 30, 2011 Other Postemployment Benefit Plan (OPEB) Actuarial Valuation.

A motion was made to accept Cheiron's recommendations as follows:

- Adopt health care trend assumptions;
- Adopt participation and spousal coverage assumptions;
- Adopt expected return on assets.

Approved. (M.S.C. – Andrews/Druyan, 6-0-1, Absent-Odell)

2. CONSENT CALENDAR (Items 2.1 through 2.8)

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. – Overton/Andrews, 6-0-1, Absent-Odell)

2.1 Approval of Service Retirements

- a. **Thomas L. Brim**, Building Inspector, Planning, Building & Code Enforcement Department, effective December 24, 2011; 27.84* years of service.
- b. **James E. Burnett**, Network Engineer, Library Department, effective December 24, 2011; 22.18* years of service.
- c. **David T. Cheung**, Senior Engineering Technician, Public Works Department, effective December 31, 2011; 20.50* years of service.
- d. **Hao-Nhu (Michelle) Do**, Analyst II, Fire Department, effective December 30, 2011; 21.45* years of service.
- e. **Dennis R. Ferrier**, Supervising Environmental Specialist, Planning, Building & Code Enforcement Department, effective December 24, 2011; 19.52* years of service. *(With reciprocity)*
- f. **Christopher J. Gambelin**, Supervising Building Inspector/Combo, Planning, Building & Code Enforcement Department, effective December 24, 2011; 23.00* years of service.
- g. **Sandra A. Holloway**, Analyst II, Police Department, effective December 24, 2011; 20.13* years of service.

- h. **Tracy A. Jacobs**, Senior Office Specialist, Parks, Recreation & Neighborhood Services, effective November 12, 2011; 24.60* years of service.
- i. **Therese Y. Merrill**, Principal Account Clerk, Finance Department, effective December 31, 2011; 15.11* years of service.
- j. **Thomas A. Merrill**, Accountant I, Airport Department, effective December 31, 2011; 19.20* years of service.
- k. **Trung Chinh Nguyen**, Analyst II, Planning, Building & Code Enforcement Department, effective December 24, 2011; 21.50* years of service.
- l. **Leticia Ochoa**, Accounting Tech, Airport Department, effective November 26, 2011; 25.94* years of service.
- m. **Ligaya J. Oliveros**, Senior Development Officer, Housing Department, effective October 29, 2011; 15.00* years of service.
- n. **Juan L. Rodriguez**, Senior Maintenance Worker, Department of Transportation; effective December 24, 2011; 20.41* years of service.
- o. **Danny B. Smith**, Plant Mechanic, Environmental Services Department, effective October 29, 2011; 29.20* years of service.
- p. **Jerry Sotirhos**, Communications Technician, General Services Department, effective December 24, 2011; 21.11* years of service.
- q. **Thomas Stovolone**, Engineering Technician, Department of Transportation, effective October 29, 2011; 30.40* years of service.
- r. **Steven H. Stender**, Supervising Building Inspector, Planning, Building & Code Enforcement Department, effective December 24, 2011; 20.50* years of service.
- s. **Mark W. Treadwell**, Senior Pump Maintenance Worker, Department of Transportation, effective December 31, 2011; 26.20* years of service.
- t. **Chungwan Wang**, Warehouse Supervisor, Environmental Services Department, effective December 31, 2011; 21.04* years of service.
- u. **John Wolfram**, Senior Engineer, Planning, Building & Code Enforcement Department, effective December 24, 2011; 21.47* years of service.
- v. **Judy Young**, Principal Account Clerk, Human Resources Department, effective December 24, 2011; 22.96* years of service.

2.2 Approval of Deferred Vested Retirements

- a. **Shalom Compost**, Senior Program Analyst, Information Technology Department, effective December 30, 2011; 6.09* years of service.
- b. **Ayumura Lino**, Custodian, Airport Department, effective December 21, 2011; 11.76* years of service.

2.3 Approval of Change of Retirement Date and Years of Service

- a. Approval of change of retirement date of **Patricia J. Fay**; from November 26, 2011 to December 31, 2011 and change of years of service from 30.18* to 30.19*.

2.4 Approval of Board Minutes

Approval of Board Minutes of October 20, 2011.

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2.5 Approval of Return of Contributions

- a. Voluntary
- b. Involuntary

2.6 Approval of Monthly Expenditures

Report of Federated Retirement Plan Expenses for September 30, 2011.

2.7 Acceptance of Communication/Information Reports

- a. Memo from Russ Richeda, Saltzman & Johnson regarding: Governor Brown's Retirement Proposals, dated November 8, 2011.
- b. Trustees Master's Program & 57th Annual Benefit Conference Educational Travel Report – By Pete Constant.
- c. Benefits Review Forum for September 2011.
- d. Benefits Review Forum for October 2011.

2.8 Approval of Travel / Conference Attendance - None

3. DEATH NOTIFICATIONS (Moment of Silence) **Note and File**

- 3.1 Gordon V. Johnson**, Senior Analyst, active employee, died 09/04/11. Survivorship benefits to Marla A. Johnson, spouse.

Ms. Dent read the Closed Session items into record.

CLOSED SESSION – TIME CERTAIN: 10:00 A.M.

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 Subsection (a)

- a. Raul Guerrero v Board of Administration of the Federated City Employees' Retirement System.

Names of Parties Involved: Raul Guerrero,
Board of Administration of the Federated City Employees' Retirement System

Court: Superior Court of California, County of Santa Clara

Case: 1-10-CV-177077

b. William Meyers v Board of Administration of the Federated City Employees' Retirement System

Names of Parties Involved: William Meyers,
Board of Administration of the Federated City Employees' Retirement System

Court: Superior Court of California, County of Santa Clara

Case No.: 1-10-CV-177077

c. IN RE: The Retirement Fund for the Members of the Federated City Employees' Retirement System for the City of San Jose

Names of Parties Involved: William Meyers,
Board of Administration of the Federated City Employees' Retirement System

Court: Superior Court of California, County of Santa Clara

Case No.: 1-11-PR-169420

2. **Disability Retirements for Hearing**

- a. **Emily Briggs**, Senior Analyst, Department of Transportation. Request for a Service-Connected Disability Retirement, effective January 12, 2006; 19.59 years of service. (*Closed Session requested by applicant pursuant to Government Code Section 54957*)

Ms. Druyan departed at 12:45 p.m.

Board returned from Closed Session.

No results to report out of Closed Session

OPEN SESSION

1. **DISABILITY RETIREMENTS**

1.1 **Disability Retirements for Hearing**

- a. **Eliza Zimmerman**, Latent Fingerprint Examiner I, Police Department. Request for a Non-Service-Connected Disability Retirement, effective September 8, 2011; 19.78* years of service.

Ms. Busse read restrictions into the record. Dr. Das summarized the disability findings. Ms. Zimmerman presented her testimony.

A motion was made to accept staff's recommendation to deny the Non-Service-Connected Disability Retirement.

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Approved. (M.S.C. – Andrews/Overton, 5-0-2, Absent-Odell and Druyan)

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- 4.1 Discussion and action on conflict counsel's memorandum concerning Trustee's role in an environment of discussion and negotiations on vested benefits.**

Deferred until December meeting.

- 4.2 Update on legal Request for Proposal (RFP).**

Ms. Dent reported that the City Attorney's Office has received eleven proposals and is currently reviewing them. The plan is to have the scoring sheets completed by November 30, 2011. Interviews with the Board Members will be scheduled sometime after December 6, 2011.

- 4.3 Discussion and action on the review of Retirement Services Department staffing.**

Chair Loesch noted that a copy of the letter to the City Manager was included in the packet.

- 4.4 Update on Electronic Board packets.**

Ms. Busse reported the RFP has been posted and expects to receive responses by December 2nd and recommendations to the Board in January 2011. She anticipates to have demonstrations scheduled on December 12th and added that notifications will be sent out to invite Trustees as well.

6. COMMITTEES/REPORTS/RECOMMENDATIONS

- 6.1 Policy Committee (Overton/Armstrong/Loesch – alternate/Andrews) – None**

- 6.2 Investment Committee (Druyan/Odell /Dirks –alternate/Armstrong)**

- Next Meeting: November 30, 2011

a. Minutes of September 28, 2011

b. Minutes of September 30, 2011

Approved. (M.S.C. – Overton/Andrews, 5-0-2, Absent-Odell and Druyan)

- 6.3 Ad Hoc Governance Committee (Loesch/Armstrong/Odell – Alternate/Dirks)**

- Next Meeting: TBD

7.1 EDUCATIONAL & TRAINING – Note and File

- 7.1 Educational Programs and Courses**

- 7.2 Conferences and Seminars**

7.3 Research Papers and Articles

- **FUTURE AGENDA ITEMS - None**
- **PUBLIC/RETIREE COMMENTS - None**
- **ADJOURNMENT**
Meeting was adjourned at 2:11 p.m.



**MATTHEW LOESCH, P.E., CHAIR
BOARD OF ADMINISTRATION**

ATTEST:



**RUSSELL U. CROSBY
SECRETARY, BOARD OF ADMINISTRATION
DIRECTOR, RETIREMENT SERVICES**