



**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  
Sean Bill, Trustee  
Damon Krytzer, Trustee  
Drew Lanza, Trustee  
Elizabeth Rounds, Trustee  
Vincent Sunzeri, Trustee  
Vacant, Trustee

**NON-VOTING BOARD MEMBER**

Pete Constant

**DIRECTOR RETIREMENT SERVICES**

Russell U. Crosby

**COUNSEL**

Harvey L. Leiderman, General and  
Fiduciary Counsel

**THURSDAY**

**APRIL 5, 2012**

**8:30 a.m.**

**AMENDED AGENDA**

• **ORDERS OF THE DAY**

1. **INVESTMENTS**

1.1 Update on Investments from the CIO.

1.2 [Discussion and action regarding Investment Committee recommendations for the roles of staff and NEPC for the performance of Investment functions.](#)

2. **NEW BUSINESS**

2.1 [Discussion and action on actuarial, administrative and legal impacts of the Ballot Measure.](#)

a. [Cheiron assessment of Ballot Measure.](#)

b. [Impacts on Administration.](#)

2.2 Discussion and action on Cortex Phase II: Ad Hoc Committee scope, goals, members.

2.3 Contribution Rates and Amounts for 2012-2013.

a. [Discussion and action regarding Resolution 3761 setting new city and employee contribution rates and amounts for Police members to be effective June 24, 2012.](#)

b. [Discussion and action regarding Resolution 3762 setting new city and employee contribution rates and amounts for Fire members to be effective June 24, 2012.](#)

**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.**

- 2.4 Supplemental Retirement Benefit Reserve (SRBR):
- a. [Discussion and action on SRBR calculations from Cheiron, Inc.](#)
  - b. [Discussion and action regarding Resolution 3763 declaring excess earning as of June 30, 2011, for the purpose of transfer to Supplemental Retiree Benefit Reserve.](#)
  - c. [Discussion and action on City Council action regarding SRBR payments.](#)
- 2.5 Educational session from Counsel on conflicts of interest. Receive and file.

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

- 3.1 Discussion regarding estimated Annual Required Contribution based on certain actuarial assumptions in years 3-5 of the 5-year projection for the Other Post Employment Benefits (OPEB) Plan. Receive and file.
- 3.2 Update on Payroll Audit, FLSA and overtime payment issues. Receive and file.
- 3.3 [Discussion and action on Governance policies developed by Cortex.](#)
- a. [Role of the Board of Administration](#)
  - b. [Role of the CEO](#)
  - c. [Board Communications Policy](#)
- 3.4 Update from Councilmember Constant. Receive and file.
- 3.5 Update on vacant Trustee position. Receive and file.
- 3.6 **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL – LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 45956.9(a),

Paul Mulholand, James Unland and Mary Follenweider, Plaintiffs v. Russell Crosby, Mike Moehle, City of San Jose and Does 1 through 10 Defendants; the Board of Directors of the San Jose Police and Fire Retirement Board and the Board of Directors of the City of San Jose Federated City Employees Retirement System, Necessary Parties in Interest.

**OPEN SESSION**

4. **RETIREMENTS** - 10:30 a.m. or soon thereafter

4.1 **Service Retirement**

- a. **Gregory C. Raymond**, Police Sergeant, Police Department, effective May 26, 2012; 24.88\* years of service.

4.2 **Change of Status**

- a. **Rudy Gonzalez**, Fire Engineer, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective June 13, 2009; 31.85 years of service.

- b. **Todd Spellman**, Fire Captain, Fire Department. Request for a change of status from a Service Retirement to a Service-Connected Disability Retirement, effective December 25, 2010; 27.54 years of service. (*Deferred from March 2012 Board meeting*)

## 5. **DEATH NOTIFICATIONS**

- 5.1 Notification of the death of **W.J. Tilmon Martin**, Police Sergeant, retired June 3, 1987, died February 28, 2012. Survivorship benefits to Marilyn Martin, Spouse.
- 5.2 Notification of the death of **John R. Riolo**, Fire Captain, retired June 3, 1987, died January 30, 2012. Survivorship benefits to Patricia Riolo, Spouse.
- 5.3 Notification of the death of **Christopher A. Shimek**, Police Sergeant, active employee, died November 27, 2011. Survivorship benefits to Skylar A. Shimek, son.
- 5.4 Notification of the death of **Richard S. Weiser**, Police Officer, retired March 11, 1995, died February 20, 2012. No survivorship benefits.

## 6. **COMMITTEE MINUTES, REPORTS AND RECOMMENDATIONS**

### 6.1 Investment Committee – Next Meeting: April 25, 2012

- a. [Report from the Chair of the Investment Committee.](#) Receive and file.
- b. [Minutes of February 29, 2012 Joint Police & Fire Investment Committee and Federated Investment Committee meeting.](#)

### 6.2 Ad Hoc Committee for Disability Determination Process – Next Meeting: TBD

## 7. **CONSENT CALENDAR (Items 7.1 through 7.9)**

- 7.1 Approval of Lifetime Monthly Payment Option to be paid to **Suzanne Raymond**, ex-spouse of Police Sergeant Gregory Raymond, to be effective May 9, 2012 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

### 7.2 **Rescission of Retirement Application**

- a. Approval of rescinding application of **Barry Stallard**, approved at the January 5, 2012 meeting for the effective date of April 30, 2012.

### 7.3 **Approval of IT Minor Agreement**

[Approval of IT Minor Agreement authorizing the Secretary to negotiate and execute an Agreement with Park Place Technologies for post-warranty maintenance for Del PowerVat 220S hardware devices and for a Tape Drive Storage Library for an amount not-to-exceed \\$4,000 for a 2 year period \(cost to be split 50/50 with San Jose Federated City Employees' Retirement System\).](#)

### 7.4 **Approval of Minutes**

- a. [Monthly Board meeting held on March 1, 2012.](#)
- b. [Special Board Meeting held on March 7, 2012.](#)

## **7.5 Approval of Travel for Conferences and Due Diligence**

- a. Carmen Racy-Choy- The Women's Private Equity Summit, Half Moon Bay, CA – March 15-16, 2012.
  - Due Diligence – Hedge Fund On-Site:
    - New York - Week of April 16, 2012.
    - New York – Week of May 7, 2012.
    - London – Week of June 4, 2012.
    - Bermuda – Week of July 9, 2012.
- b. Sean Bill - SACRS Spring Conference 2012, Resort @ Squaw Creek, Lake Tahoe, CA – May 8-11, 2012.
- c. Heidi Poon - Private Equity/Real Assets Summit 2012, Hyatt Fisherman's Wharf, San Francisco, CA – March 26-27, 2012.
  - Clean & Green Investment Forum, The Hotel Nikko, San Francisco, CA – June 6-7, 2011. **(CANCEL)**
  - Due Diligence – Hedge Fund On-Site:
    - New York - Week of April 16, 2012.
    - Dallas, Minneapolis, Greenwich – Week of April 23, 2012.
    - London – Week of June 4, 2012.
- d. May Cheung - CalAPRS, Information Technology Round Table, DoubleTree Hotel, San Jose, CA – April 13, 2012.
- e. Rajiv Das - Impairment Without Disability, Duluth, MN – October 13-14, 2011. **(CANCEL)**
- f. Veronica Niebla - Accountants' Round Table, DoubleTree Hotel, San Jose, CA – April 13, 2012.
- g. Daryn Miller - Due Diligence – Hedge Fund On-Site:
  - New York – Week of May 7, 2012.
  - Boston, Greenwich – Week of May 14, 2012.
  - Bermuda – Week of July 9, 2012.
- h. Sean Kaldor - CalAPRS, Trustees' Round Table, DoubleTree Hotel, San Jose, CA – June 8, 2012.

## **7.6 Approval of Monthly Expenses**

- a. [Plan Expenses for February 2012.](#)

## **7.7 Return of Contributions**

- a. Voluntary
- b. Involuntary

## **7.8 Communication/Information**

- a. [Memo from Russ Richeda, Saltzman & Johnson, dated March 5, 2012 regarding Governor Brown's Pension Modification Proposals.](#)
- b. [List of committees and members.](#)
- c. [SACRS Fall Conference, November 15-18, 2011 – Educational Travel Report – by Sean Bill.](#)

- d. [CalAPRS General Assembly, March 3-6, 2012 – Educational Travel Report – by Richard Santos.](#)
- e. [Memo from Debra Figone, City Manager entitled Lump Sum Payment of Employer Retirement Contributions and Establishment of the Prepayment Amount for Fiscal Year 2012-13, dated March 29, 2012.](#)
- f. [Update on fiduciary insurance payment waiver of recourse fees by individual trustees.](#)
- g. [Request to California State Auditor, JLAC Hearing of March 2012.](#)
- h. Pension Reform Ballot Measure
  1. [Resolution 76158 Pension Reform Ballot Measure](#)
  2. [Arguments in Favor and Against Measure B](#)
  3. [Memo from Debra Figone, City Manager, dated May 2, 2011, regarding Fiscal Reform Plan.](#)
  4. [Memo from Debra Figone, City Manager, dated February 21, 2012, including revised Retirement Reform Ballot Measure](#)
  5. [Memo from Councilmembers Chu and Kalra, dated March 2, 2012.](#)
  6. [Memo from Mayor Reed, Vice Mayor Nguyen and Councilmembers Constant, Herrera and Liccardo, dated March 2, 2012.](#)
  7. [Memo from Councilmember Rocha, dated March 2, 2012.](#)
  8. [Memo from Councilmember Kalra, dated March 5, 2012. \(second memo\)](#)
  9. [Supplemental Memo from the City Attorney, dated March 5, 2012, including Meyers Nave analysis.](#)
  10. [Memo from Councilmember Kalra, dated March 5, 2012.](#)
  11. [Memo from Councilmember Liccardo, dated March 6, 2012.](#)

## 7.9 [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, DoubleTree Hotel, 2050 Gateway Place, San Jose – Friday, June 8, 2012.

- **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.