

# POLICE AND FIRE DEPARTMENT RETIREMENT PLAN

8.1a

## Minutes of the Board Meeting

Thursday

SAN JOSÉ, CALIFORNIA

October 6, 2011

### CALL TO ORDER

The Board of Administration of the Police and Fire Department Retirement Plan met on Thursday, October 6, 2011 in regular session at City Hall Council Chambers Room, 200 East Santa Clara Street, San José, California 95113. Chairman David Bacigalupi called the meeting to order at 8:34 a.m.

### BOARD MEMBERS

David Bacigalupi, Chair -Present  
Conrad Taylor, Vice Chair -Present  
Sean Bill -Present  
Sean Kaldor -Present  
Damon Krytzer -Present  
Drew Lanza -Present  
Vincent Sunzeri -Present  
Richard Santos -Present  
Trustee - VACANT

### ALSO PRESENT

Sam Swift, Attorney  
Eric Ramones, Fire Department  
Mason Bledsoe, Attorney  
Jay Wendling, P&F Retiree Association  
Mike Moffett, Retiree  
Paul Mulholand, Retiree  
Mark Frietas, Retiree  
Thomas Boyle, Attorney  
Christopher Dehner, Attorney  
Aracely Rodriguez, OER  
Sandra Holloway, Police Department  
Lorraine May, Police Department  
Lt. Alex Nguyen, Police Department  
Gabrielle Dekock, Retiree  
Lt. Edward Schroder, Police Department  
Edward Talley, Retiree  
Eric Grimes, Retiree  
George Beattie, San Jose Police Officer's Association  
Jeff Thornley, Retiree

**CALL TO ORDER: 8:34 a.m.**

### • ORDERS OF THE DAY

Chair Bacigalupi made the following changes to the orders of the day:

- Items 1.1 and 1.2 were deferred to November 2011 Board meeting at the request of staff.

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](http://sanjose.granicus.com/ViewPublisher.php?view_id=44). If you have any questions, please contact the Retirement Services Department at (408) 794-1000.

P&F 11-3-11.

### DIRECTOR RETIREMENT SERVICES

#### BOARD SECRETARY

Russell U. Crosby -Absent

#### COUNCIL LIAISON

Pete Constant - Absent  
Rose Herrera - (Alternate)

#### COUNSEL

Mollie Dent -Present  
Russ Richeda -Present

### BOARD MEDICAL DIRECTOR

Rajiv Das, M.D. - Present

### RETIREMENT SERVICES STAFF

#### PRESENT

Carmen Racy-Choy, Deputy Director/CIO  
Donna Busse, Deputy Director/COO  
Veronica Niebla  
Toni Johnson  
Ron Kumar  
Sonia Morales  
Amanda Ramos  
Troy Gavin  
Jennifer Holmboe  
Karin Carmichael  
Maria Loera

- Item 7.3a was deferred.
- Item 4.2f was deferred
- Item 4.2a, a typographical error on Page 4 bottom of Summary of detail-No should be yes, there is modified duty available.
- Item 3.2 was withdrawn: Letter from Police & Fire Retiree Association.
- Closed Session Meeting for Item 4.2m will be heard first before open session

Trustee Sean Bill commented if staff can provide the quarterly reports to the Trustees sooner and going forward, if staff can provide monthly updates on performance.

## 1. INVESTMENTS

1.1 **Staff presentation of the quarterly performance report as of June 30, 2011.**  
**Deferred to November 2011 Board meeting.**

1.2 **Approval to remove language in the current Statement of Investment Policy, dated September 1, 2011, regarding the 8% maximum exposure to emerging international common stock (as a percent of the Plan's total assets).**  
**Deferred to November 2011 Board meeting.**

## 2. NEW BUSINESS

2.1 **Approval of a Policy for the utilization of the Board's contracted Actuarial Consultant.**  
Motion was made to approve the Policy for the utilization of the Board's contracted Actuarial Consultant.  
**Approved. (M.S.C. – Kaldor/Santos, 8-0-0)**

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

3.1 **Update of status of Board and trustee roles and responsibilities concerning proposed benefit changes, including negotiations on benefit changes for active members and retirees.**  
Mr. Richeda led the discussion regarding the status of the Board and Trustee roles and responsibilities concerning proposed benefit changes.

A motion was made for Mr. Richeda to come back to the November 3<sup>rd</sup> board meeting with analysis along the continuum concept for each of the questions that were proposed. Board discussed and requested some clarification on questions regarding vested rights issues pertaining to the Plan; fiduciary's role as advocates for the Plan; requested an advocacy scale of what Trustees can and can't do.

3.2 **Discussion and action regarding Request for Actuarial Calculations for retiree benefit changes as requested by the San Jose Police & Fire Retirees' Association. (Continued from September 2011 meeting)**  
**Withdrawn. As per letter from the San Jose Police & Fire Retirees' Association**

**3.3 Update on status of Trustee replacement**

Ms. Busse reported that City Council approved Elizabeth Rounds as the new Trustee for the Police & Fire Department Retirement Plan and also noted that Councilmember Rose Herrera is the alternate for Councilmember Pete Constant as the Nonvoting Board Member.

**3.4 Discussion and action regarding Legal Services Request for Proposals (RFP).**

Ms. Dent led the discussion and reported that the timeline is pretty tight, but the goal is to have one or more law firms selected by the end of the year.

**3.5 Update on Payroll Audit, FLSA and overtime payment issues.**

Ms. Niebla reported she has not received the pay period files with the corrected data from the City's Finance Department. The missing information was identified in the Agreed Upon Procedures by Macias, Gini & O'Connell.

**3.6 Update on Electronic Board packets.**

Ms. Busse reported that a draft Request for Information (RFI) is in the process of being reviewed.

**4. RETIREMENTS – TIME CERTAIN AT 9:30 A.M.**

**CLOSED SESSION**

- m. Vincent J. Williams, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 22.12\* years of service. (Closed session requested by applicant pursuant to Government Code Section 54957)*

A motion was made to approve the Service-Connected Disability. **Approved. (M.S.C. – Kaldor/Santos, 8-0-0)**

**OPEN SESSION**

**4.1 Service**

- a. **Harry L. Jackson, Jr.**, Fire Captain, Fire Department, effective October 1, 2011; 23.08\* years of service. **Approved. (M.S.C. Santos/Taylor, 8-0-0)**
- b. **John J. Vanek**, Police Lieutenant, Police Department, effective October 1, 2011; 25.02\* years of service. **Approved. (M.S.C. Taylor/Kaldor, 8-0-0)**

**4.2 Service-Connected Disability (Seniority order)**

- a. **Edward Talley**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 22.72\* years of service. **Deferred to November 2011 Board meeting.**
- b. **Gabrielle Dekock**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 22.11\* years of service.

**Motion to approve was made by Taylor and seconded by Santos. There was further discussion by the Board on work restrictions. Motion was withdrawn. Item is to be continued to the November 2011 Board meeting.**

- c. **Eric Grimes**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 22.06\* years of service.  
**Deferred**
- d. **Mark Freitas**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 21.78\* years of service. (*Deferred from June 2011 meeting*)

**Motion to approve was made by Santos and seconded by Taylor. There was further discussion by the Board on work restrictions. Motion was withdrawn. Item is to be continued to the November 2011 Board meeting.**

- e. **Robert Chewey**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 21.65\* years of service.  
**Approved. (M.S.C. – Santos/Taylor, 8-0-0)**
- f. **Salvatore J. Mosto**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 18.07\* years of service.  
**Deferred to the November 2011 Board meeting.**
- g. **Jon Bonetti**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 17.12\* years of service.  
**Approved. (M.S.C. – Kaldor/Santos, 6-0-2, Abstain-Bill, Taylor)**
- h. **Donald V. Sprankle**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 16.74\* years of service.  
**Approved. (M.S.C. – Santos/Kaldor, 5-3-0, No-Bill, Krytzer, Sunzeri)**
- i. **Kyle Johnson**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 15.12\* years of service. (*Deferred from September 2011 meeting*)  
**Approved. (M.S.C. – Bacigalupi/Santos, 5-3-0, No-Bill, Krytzer, Sunzeri)**
- j. **John Mitchell**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 13.33\* years of service.  
**Deferred**
- k. **Francis C. Keffer**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 12.88\* years of service.  
**Motion to approve was made by Bacigalupi and seconded by Santos. Motion failed, 3-4-1, No-Bill, Krytzer, Lanza, Sunzeri, Abstain-Santos. Item is to be continued to the November 2011 Board meeting.**

- I. **Jeff Thornley**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective October 6, 2011; 10.68\* years of service.

**Motion to approve was made by Santos and seconded by Taylor. Motion failed, 2-6-0, No- Bacigalupi, Bill, Kaldor, Krytzer, Lanza, Sunzeri.**

**Motion to deny the Service-Connected Disability. Approved. (M.S.C. – Lanza/Krytzer, 7-1-0, No-Santos)**

Mr. Thornley and Attorney Boyle conferred and then rejoined the meeting and requested a Non-Service-Connected Disability.

**Motion was made to approve a Non-Service-Connected Disability at the request of the applicant.**

**Approved. (M.S.C. – Kaldor/Santos, 8-0-0)**

#### 4.3 Deferred Vested

- a. **Mark O. Colla**, Police Officer, Police Department, effective November 19, 2011; 11.32\* years of service. *(With reciprocity)*

**Approved. (M.S.C. – Santos/Kaldor, 8-0-0)**

- b. **Kenneth E. Williams**, Police Officer, Police Department, effective October 28, 2011; 23.01\* years of service.

**Approved. (M.S.C. – Santos/Kaldor, 8-0-0)**

#### 5. DEATH NOTIFICATIONS **Note & File**

- 5.1 Notification of the death of **Wilbur M. Givin**, Police Officer, retired January 16, 1982, died August 4, 2011. Survivorship benefits to Lillian G. Givin, spouse.
- 5.2 Notification of the death of **Paul A. Shuman**, Police Officer, retired January 9, 2010, died September 7, 2011. No survivorship benefits.

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

##### 6.1 Investment Committee:

- a. Minutes of August 24, 2011 **Note & File**

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

##### 6.3 Ad Hoc Governance Committee – **Next meeting: October 20, 2011.**

#### 7. CONSENT CALENDAR (Items 7.1 through 7.5)

- Trustee Krytzer requested Item 7.2b to be pulled from the Consent Calendar.
- Ms. Johnson requested, per Dr. Das, that Item 7.2a to be pulled from the Consent Calendar.
- Trustee Kaldor requested all of Item 7.5 to be pulled from the Consent Calendar.
- Item 7.3 - Deferred

A motion was made to approve the balance of the Consent Calendar.

**Approved. (M.S.C. – Santos/Taylor, 8-0-0)**

Item 7.2b, already pre-approved at the September 2011 Board meeting.

Item 7.2a, **Canceled**

A motion was made to approve pulled Item 7.5 of the Consent Calendar.

**Approved. (M.S.C. – Kaldor/Santos, 8-0-0)**

#### 7.1 Approval of Minutes

- a. Monthly Board meeting held on September 1, 2011.

#### 7.2 Approval of Travel/Conference Attendance

- a. Rajiv Das - Impairment Without Disability, Duluth, MN – October 13-14, 2011.  
**Canceled**
- b. Damon Krytzer - Global Allocation Summit, Las Vegas, NV – October 27-28, 2011.  
**Pre-approved at the September 2011 Board meeting.**
- c. May Cheung - CalAPRS-Information Technology Roundtable, Double Tree Hotel, San Jose, CA – September 16, 2011.

#### 7.3 Approval of Monthly Expenses

- a. Plan Expenses for August 2011. **Deferred**

#### 7.4 Return of Contributions

- a. Voluntary
- b. Involuntary

#### 7.5 Communication/Information

- a. Memo from City Attorney Richard Doyle regarding Ordinance Clarifying Role of Nonvoting Member of Retirement Boards and Correcting Provision for Stipend Payable of Police and Fire Department Retirement Board Members, dated September 14, 2011.
- b. Memo from Mayor Chuck Reed, Councilmember Constant and Councilmember Herrera regarding Retirement Board Liaison, dated September 19, 2011.
- c. Benefits Review Forum held on August, 2011.

**Approved. (M.S.C. – Kaldor/Santos, 8-0-0)**

### 8. EDUCATION & TRAINING **Note & File**

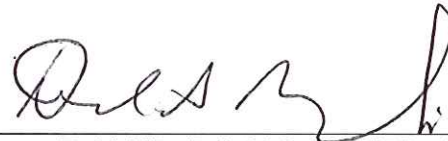
#### 8.1 CalAPRS' Trustees Round Table, Double Tree Hotel, 2050 Gateway Place, San Jose – October 14, 2011.

8.2 Educational Programs and Courses

8.3 Conferences and Seminars

8.4 Research Papers and Articles

- PROPOSED AGENDA ITEMS
  - Board Retreat, possibly a Representative from Worker's Compensation to attend
  - Feedback on disability retirement forms
  - One Page monthly update on investments
- PUBLIC COMMENTS - None
- ADJOURNMENT – Meeting adjourned at 1:30 p.m.



DAVID BACIGALUPI, CHAIR  
BOARD OF ADMINISTRATION

**ATTEST:**



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