



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, Trustee
Sean Bill, Trustee
Damon Krytzer, Trustee
Drew Lanza, Trustee
James Mason, Trustee
Nick Muyo, Trustee
Elizabeth Rounds, Trustee
Vincent Sunzeri, Trustee

NON-VOTING BOARD MEMBER

Pete Constant

DIRECTOR RETIREMENT SERVICES

Roberto L. Peña

COUNSEL

**Harvey Leiderman, General and
Fiduciary Counsel**

THURSDAY

MAY 2, 2013

8:30 a.m.

AMENDED AGENDA

**CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.
FOLLOWED BY OPEN SESSION REGULAR BOARD AGENDA AT 9:30 A.M.**

CLOSED SESSION

I. INVESTMENTS

CLOSED SESSION: Conference with Investment Consultant pursuant to Government Code section 54956.81 to consider purchase of particular pension fund investments (five investments).

CLOSED SESSION: PUBLIC EMPLOYEE APPOINTMENT AND EMPLOYMENT. GOVERNMENT CODE SECTION 54957(b)(1) – POSITION: CHIEF INVESTMENT OFFICER/ASSISTANT DIRECTOR OF RETIREMENT SERVICES.

II. OLD/BUSINESS/CONTINUED-DEFERRED ITEMS

- 1. CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL – LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a), (ONE CASE)

Paul Mulholand, et al v. City of San Jose, et al, Santa Clara County Superior Court Case No. 1-12-CV-219748

- 2. CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL – LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) (2 CASES)(MEASURE B LITIGATION)

San Jose Police Officers' Association v. City of San Jose, et al, Santa Clara County Superior Court, No. 1-12-CV-225926, cross complaint of City of San Jose.

Sapien vs. City of San Jose, et al, Santa Clara County Superior Court,
Case No. 1-12-CV-225928.

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OPEN SESSION – 9:30 A.M.
Regular Agenda

• **ORDERS OF THE DAY**

1. **INVESTMENTS**

- 1.1 [Presentation of the Fourth Quarter 2012 FX transaction cost analysis from Klarity FX.](#)
- 1.2 [Discussion and action on authorizing the Secretary to negotiate and execute an agreement with Klarity FX.](#)
- 1.3 [Discussion and action on authorizing the Secretary to negotiate and execute an agreement with Abel Noser for equity transaction cost analysis at no cost.](#)
- 1.4 [Discussion and action on commodity and Illiquid-Inflation Linked Asset Allocation.](#)
- 1.5 [Discussion regarding emerging market tax advisory firms and approval to delegate the selection of an emerging market tax advisory firms to Staff and for the Secretary to negotiate and execute an agreement with the selected firm as appropriate.](#)
- 1.6 [Discussion and action regarding a proposed second amendment to the agreement with Albourne America LLC regarding Board access to propriety information.](#)

2. **NEW BUSINESS**

- 2.1 Discussion and action on the report of [Plan Expenses for March 2013.](#)
- 2.2 Discussion on the Consent Decree regarding modified duty positions. (*Deferred from the April 2013 Board meeting*)
- 2.3 [Discussion and action regarding Lump Sum Payment of Employer Retirement Contributions and establishment of the prepayment amount for Fiscal Year 2013-2014.](#)
- 2.4 [Discussion and action on report back from actuary Cheiron regarding Service Purchases Analysis.](#)

- 2.5 [Discussion and action on authorizing the Secretary to negotiate and execute the First Amendment to the Agreement with Cheiron, Inc, increasing compensation by \\$250,000 for an amount not to exceed \\$850,000.](#)
- 2.6 [Discussion and action on adoption of a Portable Electronic Device Policy.](#)
- 2.7 [Discussion and action regarding Police second tier pension benefits.](#)

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

- 3.1 Oral update on payroll audit, FLSA and overtime payment issues. Receive and file.
- 3.2 Oral update from Councilmember Constant. Receive and file.

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

4.1 **Service Retirement**

- a. **Jerome P. Hicks**, Police Officer, Police Department, effective June 22, 2013; 17.62* years of service. (*With reciprocity*)
- b. **John E. Mitchell**, Police Officer, Police Department, effective May 25, 2013; 15.02* years of service. (*With reciprocity*)

4.2 **Service-Connected Disability**

- a. **Jose M. Martinez**, Fire Captain, Fire Department. Request for a Service-Connected Disability Retirement, effective August 10, 2012; 10.89* years of service (*With reciprocity*) (Recommended Approval)
- b. **Alejandro A. Paz**, Police Officer, Police Department. Request for a Service-Connected Disability Retirement, effective May 2, 2013; 23.09* years of service. (Recommended Approval)

4.3 **Change of Status to a Service-Connected Disability**

- a. **Mark R. English**, Fire Captain, Fire Department. Request for a Change of Status to a Service-Connected Disability Retirement, effective June 27, 2009; 27.80* years of service. (Recommended Approval)
- b. **Michael J. Leininger**, Police Sergeant, Police Department. Request for Change of Status to a Service-Connected Disability Retirement, effective January 23, 2010; 27.92* years of service. (Recommended Approval)
- c. **Arthur C. Mitchell**, Fire Captain, Fire Department. Request for a Change of Status to a Service-Connected Disability Retirement, effective January 22, 2011; 25.05* years of service. (Recommended Approval)

4.4 Deferred Vested

- a. **Richard G. Fong**, Police Sergeant, Police Department, effective June 15, 2013; 25.77* years of service.

5. DEATH NOTIFICATIONS-

- 5.1 Notification of the death of **Gary Bogue**, Fire Captain, retired January 4, 2004, died March 3, 2013. Survivorship benefits to Catherine Scofield, spouse and Makenna Scofield-Bogue, daughter.
- 5.2 Notification of the death of **Keith R. Malech**, Fire Captain, retired October 7, 1987, died March 26, 2013. Survivorship benefits to Serena A. Malech, spouse.

6. COMMITTEE MINUTES, REPORTS AND RECOMMENDATIONS

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

- **Last Meeting: April 10, 2013** - **Next Meeting: May 8, 2013**

- a. Report from the Chair of the Investment Committee. Receive and file.
- b. [Minutes of March 13, 2013 Joint Federated and Police & Fire Investment Committee meeting.](#) Receive and file.

6.2 Audit Committee (Bill/Lanza/Muyo)

- **Last Meeting: March 21, 2013** - **Next Meeting: May 16, 2013**

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

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

- **Last Meeting: April 4, 2013** - **Next Meeting: May 2, 2013 – Joint w/Fed**

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

6.4 Ad Hoc Disability Committee (Santos/Rounds)

- **Last Meeting: February 19, 2013** - **Next Meeting: April 15, 2013**

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

7. CONSENT CALENDAR (Items 7.1 through 7.8)

7.1 Change of Retirement Application

- a. Approval of change of retirement date of **Ricardo Fontanilla**, Police Officer, Police Department; from April 27, 2013 to May 25, 2013.

7.2 Approval of Minutes

- a. [Monthly Board meeting held on April 4, 2013.](#)

7.3 Approval of Travel and Attendance for Conferences and Due Diligence

a. Staff:

1. Roberto L. Peña - CalAPRS Administrators' Roundtable, LA Marriott Burbank Airport – June 21, 2013.
 - SACRS Spring Conference 2013, Napa Valley Marriott Hotel - May 14-17, 2013. **CANCELLED**
2. Daryn Miller - Due Diligence – Investment Manager: Boston – May 13, 2013.
 - Annual NEPC Client Conference, Boston Convention Center, Boston, MA – May 14-15, 2013.
3. Linda Alexander - CalAPRS, Overview Staff Training, LA Marriott Burbank Airport – May 3, 2013.

7.4 Return of Contributions

- a. Voluntary
- b. Involuntary

7.5 Communication/Information

- a. The Cortex Report: [Research Papers and Articles](#)
- b. [Pension & Investments Article, “Go big’ in alternatives, conference attendees urged”, Published April 23, 2013.](#)
- c. [February 2013 Performance Flash Report for the Pension Trust.](#)
- d. [Education Travel Reports:](#)
 - Infrastructure Investor Energy Summit 2012, Flatotel, New York, NY – October 2-3, 2012 – by Damon Krytzer.
 - NEPC Public Fund Workshop, Tempe, Arizona, - January 14-15, 2013 – by Vincent Sunzeri.
 - CalAPRS General Assembly, San Francisco, CA – March 2-5, 2013 – by Sean Bill.
 - CalAPRS Trustee Roundtable, San Jose, CA – February 8, 2013 – by Sean Bill.

7.6 Pending Projects

7.7 Educational and Training

- a. [Educational Program and Courses](#)
- b. [Conferences and Seminars](#)
- c. CalAPRS' Training
 - Trustees Roundtable, LA Marriott Burbank Airport – June 14, 2013

7.8 Report out of Closed Session regarding investments approved at the October 4, 2012, February 7, 2013 and March 7, 2013 Board meetings.

- **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.

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