



BOARD OF ADMINISTRATION

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

Meeting Agenda - Final-revised

Federated City Employees' Retirement System

BOARD MEMBERS

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

NON-VOTING BOARD MEMBER

Pete Constant

COUNSEL

Harvey Leiderman, General and Fiduciary Counsel

DIRECTOR RETIREMENT SERVICES

Roberto L. Peña

Thursday, June 20, 2013

8:30 AM

City Hall, Wing Rooms 118-120

CLOSED SESSION

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

I. CLOSED SESSION OLD BUSINESS

A. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 45956.9(a)(4 CASES)(MEASURE B LITIGATION)

Mukhar, et al v. City of San Jose, et al.
Santa Clara County Superior Court Case No. 1-12-CV-226574

Harris, et al v. City of San Jose, et al.
Santa Clara County Superior Court Case No. 1-12-CV-226570

AFSCME v. City of San Jose, et al.
Santa Clara County Superior Court Case No. 1-12-CV-227864

San Jose Retired Employees Association v. City of San Jose.
Santa Clara County Superior Court Case No. 1-12-CV-233660

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

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 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.

• **ORDERS OF THE DAY**

1 **CONSENT CALENDAR**

1.1 **Approval of Service Retirements**

- a. **Mark S. Corniuk**, Senior HVAC Mechanic, Public Works Department, effective August 3, 2013; 27.28* years of service.
- b. **Kenneth Jones**, Groundworker, Parks, Recreation and Neighborhood Services Department, effective May 11, 2013; 24.83* years of service.
- c. **Sally H. Lane**, Public Safety Radio Dispatcher II, Fire Department, effective August 18, 2013; 22.76* years of service. (*With reciprocity*)
- d. **Malinda S. Lewis**, Office Specialist II, Police Department, effective August 3, 2013; 15.06* years of service.
- e. **Rebecca C. MacRae**, Senior Office Specialist, Police Department, effective August 17, 2013; 15.00* years of service. (SCD pending)
- f. **Ronald E. McLin**, Maintenance Assistant, Department of Transportation, effective May 23, 2013; 11.76* years of service.
- g. **Rosa Linda Rojas**, Senior Public Safety Dispatcher, Fire Department, effective August 17, 2013; 23.05* years of service.
- h. **Cheryl Turay**, Public Safety Radio Dispatcher, Fire Department, effective August 17, 2013; 23.05* years of service. (*With reciprocity*)

1.2 **Approval of Deferred Vested**

- a. **John C. Labudde**, Senior Painter, Airport Department, effective July 2, 2013; 13.95* years of service.
- b. **Jose V. Machuca**, Custodian, Airport Department, effective July 4, 2013; 9.17* years of service.

- c. Christopher Martinelli, Heavy Diesel Mechanic, Environmental Services Department, effective June 5, 2013; 26.33* years of service.
- d. Sedara Olker, Community Activity Worker, City Manager's Office, effective May 21, 2013; 12.58* years of service.
- e. Sylvia M. Quesada, Secretary, Public Works Department, effective August 24, 2013; 24.95* years of service.
- f. Deborah A. Schembri, Public Safety Dispatcher, Police Department, effective July 1, 2013; 0.44* years of service.
- g. Diane McCroskey Smith, Librarian II, Library Department, effective August 15, 2013; 10.68* years of service.

1.3 Approval of Board Minutes

- a. Approval of Board Minutes from May 16, 2013.
Attachments: [5-16-13 MINUTES - FED](#)

1.4 Approval of Return of Contributions

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

1.5 Acceptance of Communication/Information Reports

- a. Letter from Association of Legal Professionals (ALP), regarding response to City's letter of May 15, 2013.
Attachments: [Letter from ALP, dated 5-22-13](#)
- b. April 2013 Performance Flash report for the Pension Trust.
Attachments: [SJFED Pension Interim Update 2013 04](#)
- c. P&I - Article: San Jose Federated wants information on outsourced CIO services, June 12, 2013.
Attachments: [P&I Article-San Jose wants info on outsourced CIO - 1_5c_FedJune13](#)
- d. Paying for Performance, by Pensions & Investments, published: June 10, 2013
Attachments: [Paying for Performance Article, dated 6-10-13 - 1_5d_FedJune13](#)
- e. Letter from Cheiron regarding Semi-Annual Lump Sum Payment, dated May 13, 2013.
Attachments: [Letter from Cheiron reg-2013 Fed SemiAnnual, dated 5-13-13](#)

- f. Memo from FCERS & P&F Boards, regarding Fiduciary Governance Model recommendations, dated 6-13-13

Attachments: [Memos - To Mayor & Council-dated 6-14-13, and Interested Parties-dated 6-17-](#)

1.6 Approval of Travel / Conference Attendance

- a. Lara Druyan - FRA The Outsourced CIO Summit Conference, The Ritz-Carlton, Miami Beach, FL - June 24-25, 2013.
- b. Ron Kumar - Due Diligence: Prospective Real Estate investment opportunity, New York, NY - June 11, 2013
- 1.7 Approval of Lifetime Retirement Monthly Payment Option to be paid to Manuela M. Carreon, ex-spouse of Senior Construction Inspector, Adelmo A. Carreon, to be effective August 19, 2013 under Part 23, Section 28.2700 of the San Jose Municipal Code.

Attachments: [Lifetime Monthly Retirement Payment Option](#)

2. DEATH NOTIFICATIONS (Moment of Silence)

- a. **Cornelius Beggs**, Senior Civil Engineer, retired 02-04-90, died 05-04-13. Survivorship benefits to Marian Beggs, spouse.
- b. **Gil Candelaria**, Parking Manager, retired 12-01-07, died 04-25-13. Survivorship benefits to Rosie Candelaria.
- c. **Joseph Cuneo**, Maintenance Worker III, retired 12-17-77, died 04-23-13. Survivorship benefits to Barbara Cuneo, spouse.
- d. **Patricia J. Funk**, Telephone Operator, retired 12-17-87, died 05-10-13. Survivorship benefits to Harold S. Funk, spouse.
- e. **Joe D. Oehlert**, Director, retired 01-15-83, died 05-05-13. Survivorship benefits to Elizabeth Oehlert, spouse.
- f. **Nell H. Petry**, Steno Clerk III, retired 07-01-74, died 04-09-13. Survivorship benefits to Harvey Petry, spouse.
- g. **Victor M. Rodriguez**, Senior Construction Inspector, retired 10-04-87, died 04-19-13. Survivorship benefits to Stella I. Rodriguez, spouse.

3. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- a. Discussion and action regarding revised Resolution 7421 setting new city and employee Pension and OPEB contribution rates and amounts for 2013-2014 for Federated members in Tier 1 to be effective June 23, 2013. *(Deferred from the May 16th Board meeting)*

Attachments: [Memo-Retiree Healthcare & 4-Tier Insurance, dated 6-11-13](#)
[Cheiron Ltr - Federated Adjusted Contrib Rates & Amt FYE 2014, dated 6-14-13](#)
[Resolution 7421-Revised - Contribution Rates - Tier 1](#)

- b. Discussion and action regarding revised Resolution 7422 setting new city and employee Pension and OPEB contributions rates and amounts for 2013-2014 for Federated members in Tier 2 to be effective June 23, 2013. *(Continued with Items 5.4a and 5.4b from the May 16th Board meeting)*

Attachments: [Resolution 7422-Revised - Contribution Rates - Tier 2](#)

4. NEW BUSINESS

4.1 Investments

- a. Presentation of the 1st Quarter 2013 Equity Transaction Cost Analysis from Abel Noser.

Attachments: [1 - Federated 1Q2013 Equity TCA](#)

- b. Discussion and action on authorizing the Secretary to negotiate and execute and agreement with Abel Noser.

Attachments: [FED TCA memo to hire Abel Noser](#)

- c. Discussion and action regarding adoption of Resolution 7428, revising the Investment Policy Statement.

Attachments: [3 - IPS Resolution Adoption](#)

- d. Presentation of the 1st Quarter 2013 Performance Report for the Pension Trust.

Attachments: [FED 1stQ 2013 Review](#)

- e. Presentation of the 4th Quarter 2012 Private Market Report.

Attachments: [FED Private Market Review 4th Q 2012](#)

- 4.2 Discussion and action on System Expenses for April 2013.

Attachments: [System Expenses For April 2013](#)

5. COMMITTEES/REPORTS/RECOMMENDATIONS

5.1 Investment Committee (Druyan, Odell, Andrews)

Last Meeting: June 12,2013

Next Meeting:August 14, 2013

- a. Update from Chair of the Investment Committee.
- b. Minutes of the May 8, 2013, Joint Federated and Police & Fire Investment Committee meeting. Receive and file.
Attachments: [Signed IC Minutes](#)

5.2 Governance Committee (Loesch, Armstrong, Overton)

Last Meeting: May 2, 2013

Next Meeting: TBD

- a. Update from Chair of the Governance Committee.

5.3 Audit Committee (Armstrong, Andrews, Overton)

Last Meeting: June 20, 2013

Next Meeting: August 1, 2013

- a. Update from Chair of the Audit Committee.

5.4 Ad-Hoc Personnel Committee (Loesch, Druyan, Dirks)

- a. Update from Chair of the Ad Hoc Personnel Committee.

5.5 Ad-Hoc Policy and Procedures (Overton, Loesch)

- a. Update from Chair of the Ad Hoc Policy and Procedures Committee.

6. EDUCATION & TRAINING

- a. **Educational Programs and Courses**

Attachments: [The Cortex Report-Education Program & Courses](#)

- b. **Conferences and Seminars**

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

2013 Private Equity Exclusive, Trump International Hotel, Chicago, IL - July 22-23, 2013.

Attachments: [Private Equity Exclusive 2013](#)

- c. **Research Papers and Articles**

Attachments: [The Cortex Report-Research Papers & Articles](#)

- **FUTURE AGENDA ITEMS**

- **PUBLIC/RETIREE 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.

**Estimated For questions, please contact Sonia Morales at (408) 794-1004.*

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.