



BOARD OF ADMINISTRATION
THE HAYES MANSION CONFERENCE CENTER
200 EDENVALE AVENUE, SAN JOSE, CALIFORNIA

BOARD MEMBERS

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David Cortese, Trustee
Scott Johnson, Trustee
Bret Muncy, Trustee
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DIRECTOR

Russell U. Crosby

THURSDAY

5 JUNE 2008

2:00 P.M.

UPDATED AGENDA

ORDERS OF THE DAY

RETIREMENTS

1. Service

- a. **Rudolph R. Arroyo**, Fire Engineer, Fire Department. Request for Service Retirement effective July 13, 2008; 29.04 years of service.
- b. **David A. Bacigalupi**, Sergeant, Police Department. Request for Service Retirement effective July 12, 2008; 32.61 years of service. **(SCD Pending)**
- c. **Gaetano Bernardo**, Lieutenant, Police Department. Request for Service Retirement effective July 12, 2008; 29.06 years of service.
- d. **Ernest P. Brown**, Officer, Police Department. Request for Service Retirement effective July 13, 2008; 25.08 years of service
- e. **Patrick H. Carder**, Fire Engineer, Fire Department. Request for Service Retirement effective July 12, 2008; 28.30 years of service.
- f. **James H. Carter**, Deputy Chief, Fire Department. Request for Service Retirement effective July 26, 2008; 35.73 years of service;
- g. **Raul J. Castro**, Firefighter, Fire Department. Request for Service Retirement effective July 12, 2008; 30.94 years of service. **(SCD Pending)**
- h. **John S. Diguisto**, Fire Captain, Fire Department. Request for Service Retirement effective July 14, 2008; 34.39 years of service.
- i. **Steven C. Dixon**, Sergeant, Police Department. Request for Service Retirement effective July 12, 2008; 20.19 years of service.
- j. **Luis F. Espineira**, Lieutenant, Police Department. Request for Service Retirement effective June 26, 2008; 25.50 years of service.
- k. **Dario C. Estrabao**, Officer, Police Department. Request for Service Retirement effective June 30, 2008; 27.67 years of service.
- l. **Michael Evans**, Sergeant, Police Department. Request for Service Retirement effective July 12, 2008; 25.35 years of service.
- m. **Ronald A. Ezell**, Officer, Police Department. Request for Service Retirement effective July 12, 2008; 25.86 years of service.
- n. **Barry Franchi**, Fire Captain, Fire Department. Request for Service Retirement effective July 11, 2008; 27.97 years of service.

- o. **Samuel G. Garcia**, Fire Engineer, Fire Department. Request for Service Retirement effective July 12, 2008; 32.04 years of service. **(SCD Pending)**
- p. **Rodney A. Gomes**, Sergeant, Police Department. Request for Service Retirement effective June 14, 2008; 29.69 years of service.
- q. **Greg Hemingway**, Fire Captain, Fire Department. Request for Service Retirement effective July 12, 2008; 35.55 years of service.
- r. **Kenneth Jacksteit**, Sergeant, Police Department. Request for Service Retirement effective July 12, 2008; 27.24 years of service.
- s. **Ronald A. Landeros**, Fire Engineer, Fire Department. Request for Service Retirement effective July 12, 2008; 32.21 years of service. **(SCD Pending)**
- t. **William E. Lara**, Sergeant, Police Department. Request for Service Retirement effective July 12, 2008; 27.21 years of service.
- u. **Dennis J. Lopez**, Officer, Police Department. Request for Service Retirement effective July 26, 2008; 26.47 years of service.
- v. **Gary W. Moe**, Fire Captain, Fire Department. Request for Service Retirement effective July 12, 2008; 30.94 years of service.
- w. **David E. Moore**, Fire Captain, Fire Department. Request for Service Retirement effective July 12, 2008; 33.42 years of service.
- x. **Thomas D. Murphy**, Sergeant, Police Department. Rrequest for Service Retirement effective ~~July~~ **June** 28, 2008; 29.73 years of service.
- y. **Dave Newman**, Sergeant, Police Department. Request for Service Retirement effective July 12, 2008; 27.45 years of service.
- z. **Larry J. Samarron**, Firefighter, Fire Department. Request for Service Retirement effective July ~~26~~ **27**, 2008; 32.27 years of service.
- aa. **Thomas W. Sandoval**, Sergeant, Police Department. Request for Service Retirement effective July 12, 2008; 25.07 years of service. **(SCD Pending)**
- bb. **Mike E. Smith**, Sergeant, Police Department. Request for Service Retirement effective July 11, 2008; 25.41 years of service.
- cc. **Gordon R. Snyder**, Fire Engineer, Fire Department. Request for Service Retirement effective July 12, 2008; 25.15 years of service. **(SCD Pending)**
- dd. **William Bodero**, Fire Engineer, Fire Department. Request for Service Retirement effective July 12, 2008; 27.91 years of service.

2. **Disabilities**

- a. **Jason Campbell**, Police Officer, Police Department. Request for Service-Connected Disability Retirement effective June 5, 2008; 12.91 years of service.

3. **Change in Status**

- a. **Todd F. Martin**, Retired Lieutenant. Request for change to Service-Connected Disability Retirement effective December 30, 2006; 31.49 years of service.

4. **Deferred Vested**

- a. **Michael E. Smith**, Deputy Chief, Fire Department. Request for Service Retirement effective July 17, 2008; 12.99 years of service.

DEATH NOTIFICATIONS -None

NEW BUSINESS

5. Approval of Reduced Retirement Option to be paid to Cathy Hirata, ex-spouse of Retired Sergeant Gary Hirata, effective 6/21/08 under Part 17, Section 3.36.3600, SJ Municipal Code.
6. Approval of draft ordinance providing City option for lump sum payment of employer-requirement contributions and establishment of amount for the August lump sum payment based on actuarial determination.
7. Approval of the Third Amendment to the agreement with Nossaman, Guthner, Knox & Elliott, LLP, to increase the contract amount by \$600,000 for a total not to exceed \$1,600,000 with a maximum amount not to exceed \$100,000 for outside local counsel expense.
8. Discussion and delegation of authority to Investment Committee to select managers based on Investment Consultant's recommendation.

OLD BUSINESS/CONTINUED-DEFERRED ITEMS

9. (a) Approval of draft ordinance amending Chapter 3.36 of San José Municipal Code related to Service-Connected Disability Benefits for Employees of the Fire Department who are members of the Police & Fire Department Retirement Plan.

(b) Approval of draft ordinance amending Sections 3.36.1270 & 3.36.1280 of Chapter 3.36 of the San José Municipal Code to revise benefit formula for certain surviving spouses and surviving domestic partners of members who are employed in the Fire Department.
10. Adoption of Revised Resolution No. 3390 setting contributes rates for Police Members only, to be effective June 29, 2008.
11. Adoption of Revised Resolution No. 3391 setting contribution rates for Fire Members only, to be effective June 29, 2008
12. Approval of increase to the P&F portion of the Solutions to Retiree Healthcare Committee's actuarial budget from \$12,500 to an amount not to exceed \$50,000.
13. Acceptance of Segal's special study on Police Benefit Improvement and authorization to forward on to POA and City Administration.
14. Approval of Revised Policy 220.3-P&F-Procurement of Legal Services. **(Deferred to August)**
15. Update on the status of the Sunshine Reform Task Force.
16. Oral update on Retreat with City Administration.

17. Request for Board action on City Auditor's pending Travel Audit including direction to staff implementing changes and establishment of Travel Committee.

STANDING COMMITTEE REPORTS/RECOMMENDATIONS

Investment Committee (Skeen, Heredia, Muncy)

18. Summary of Special Committee Meeting held 17 April 2008.
 - a. Approval for Secretary to negotiate and execute the 11th Amendment to the custody agreement with State Street Bank & Trust Co. (formerly Bankers Trust Company of California, N.A.) for contractual settlement services.
19. Summary of Special Committee Meeting held 1 May 2008.
20. Summary of Committee Meeting held 21 May 2008.
 - a. Approval to grant an Investment Policy exception for William Blair & Co. to increase limit for investments in Emerging Market Equities from 25% to the lower of 35% or two-times the MSCI ACWI ex-US Index weight of the international equity portfolio managed by them.
 - b. Approval to modify the P&F Retirement Plan's Investment Policy Statement to include strategies, absolute return and real assets.
 - c. Approval of Plan's new Asset Allocation, Option A, as recommended by NEPC.
 - d. Approval of Plan's Private Equity Strategy as recommended by NEPC.
 - e. Approval of the Committee's 2008-2009 Work Plan.

Real Estate Committee (Skeen, Heredia, Muncy) - None

Investment Committee of the Whole (Full Board) - None

Solutions to Retiree Healthcare Committee

21. Acceptance of Solutions to Retiree Health Care Security Committee Final Report and authorization to forward on to City Administration.

Audit Committee

22. Summary of meeting held 23 April 2008.

APPROVAL OF MINUTES

23. Monthly Board Meeting held 1 May 2008.

PENDING ACTION LIST

24. Updated list as of 28 May 2008.

BENEFITS REVIEW – None

CONSENT CALENDAR

25. **Return of Contributions**

- a. Voluntary
- b. Involuntary – None

26. **Investments**

- a. Adoption of Resolution No. 3403 for the period March 1 thru 31, 2008.

27. **Communication/Information**

- a. Report of P&F Department Retirement Plan Investments – March 2008
- b. Letter from Association of Retired SJPO&FF to City Manager re: vested healthcare benefits.
- c. Segal's letter re: Cost Impact on Modified Formula for Service-Connected Disability Retirement Benefit for Fire Members.
- d. Quarterly financial packet for the quarter ending 30 December 2007 and 31 March 2008.
- e. Legal Updates
- f. *Lexion v. Superior* Court Update

PROPOSED AGENDA ITEMS

PUBLIC COMMENTS

EDUCATION & TRAINING - None

ADJOURNMENT