

FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

Minutes of the Board Meeting

THURSDAY

SAN JOSÉ, CALIFORNIA

January 8, 2009

CALL TO ORDER

The Board of Administration of the Federated City Employees' Retirement System met at 8:31 a.m., on Thursday, January 8, 2009, in regular session at the Department of Retirement Services, 1737 N. First St., Suite 600 - San José, California.

ROLL CALL

Present:

DAVID BUSSE

Jeffrey Perkins

Matt Loesch

Patrick Skillsky

Pete Constant

CHAIR, Civil Service Representative

Public Member

Employee Representative

Employee Representative

City Council Representative

NOT PRESENT:

Ash Kalra

City Council Representative

ALSO PRESENT:

Russell U. Crosby

-Secretary/Director

Russ Richeda

-Attorney

Tamasha Johnson

-Staff

Debbi Warkentin

-Staff

Karin Carmichael

-Staff

Jessie Martinez

-Airport

Ron Kumar

-Staff

Amanda Ramos

-Staff

Veronica Niebla

-Staff

Carol Bermillo

-Staff

Donna Busse

-Staff

Mollie Dent

-City Attorney

Sally Griffin

-Airport

Maria Morales

-Airport

Bill Thomas

-Retiree

Allen DeMers

-HR

Bob Leininger

-SJREA

Rhonda Snyder

-Staff

Ali Amiry

-Staff

Trish Glassey

-CEO

REGULAR SESSION

Chair Busse called the meeting to order at 8:31 a.m. He stated Items 12 and 13 have been deferred.

ORDERS OF THE DAY

RETIREMENTS

CONSENT CALENDAR (Items 1 thru 8)

(M.S.C. Loesch/Constant) to approve Consent Calendar. Motion carried 5-0-2. (Vacant)

Service retirements approved:

Barbara J. Attard, January 1, 2009 (w/Reciprocity)

Michael W. Boerger, January 9, 2009

Louis Cancilla, Jr., January 24, 2009

Teresa Eros Munoz, January 24, 2009

Rosalinda Perez, January 24, 2009

Takashi H. Sato, January 24, 2009

Cherie L. Skipworth, January 10, 2009

Kathleen L. Wilson, January 10, 2009

Robert C. Wilson, January 10, 2009

Service-Connected Disability retirements approved:

Jessie Martinez January 8, 2009

Maria A. Morales January 19, 2007

Deferred Vested retirements approved:

Beverle S. Knight, January 17, 2009

DEATH NOTIFICATIONS (Item 9 - Moment of Silence)

The Chair stated there would be a moment of silence for the death notifications.

OLD BUSINESS (Item 9-14)

10. Travel Audit compliance update.

Mrs. Niebla stated a memo has been provided; Finance has provided the latest City Travel Policy which incorporates comments submitted by the Boards.

Chair Busse stated the Policy Committee will review the City Travel Policy.

11. Update on the soundness of the Federated Retirement's investment portfolio.

Mr. Kumar stated a memo has been distributed for review. He calculated the unaudited returns as of 12/31/08, which was approximately -24.0%, compared to the S&P closing at -37.0%. Bonds did better at 5.2% since the index was mostly invested in Treasuries and the Plan's managers underweighted in Treasuries.

Member Loesch thanked staff for providing the comparables, as requested.

NEW BUSINESS (Items 15-17)

12. Acceptance of GRS' Report on Actuarial Valuation of Retirement Health Benefits as of 30 June 2007 (GASB 43/45) and authorization to forward on to City Administration.

This item was deferred to February.

13. Approval of the contribution of funding on behalf of beneficiaries of the Federated City Employees' Retirement System toward a Total Health and Disease Management ("THDM") service agreement with MedExpert International, to be executed by the City of San Jose and administered by the Human Resources Department of the City of San Jose, for the period February 1, 2009, through June 30, 2009, in an amount not to exceed \$26,000, and for the period of July 1, 2009, to June 30, 2010, an amount not to exceed \$66,000. There will be an additional option to participate in the extension of the agreement through June 30, 2011, subject to the approval of additional funds by the Board of Administration of the Federated System.

This item was deferred to February.

14. Request for Board approval of the following trustees' attendance at the educational conferences listed:

<u>Trustee</u>	<u>Conference Name/Location/Dates</u>
Pete Constant & Matt Loesch	International Foundations Advanced Investments Management, The Wharton School, Philadelphia, PA from September 21 through September 24, 2009.

(M.S.C. Perkins/Constant) to approve. Motion carried 5-0-2. (Vacant)

STANDING COMMITTEES / REPORTS / RECOMMENDATIONS (Items 18-21)

18. Committee for Investments (Perkins/Loesch/Busse – alternate/Williams)
19. Committee of the Whole (Full Board) – last meeting 11 December 2008
20. Real Estate Committee (Williams/Vacant/Skillsky– alternate/Busse) – TBD
21. Policy Committee (Busse/Perkins/Constant)
 - a. Summary from meeting held 11 December 2008

This item is note and file

**EDUCATION AND TRAINING
PUBLIC/RETIREE COMMENTS**

FUTURE AGENDA ITEMS

ADJOURNMENT

There being no further business, at 8:38 a.m., Chair Busse adjourned the meeting.



**DAVE BUSSE, CHAIR
BOARD OF ADMINISTRATION**

ATTEST:



**RUSSELL U. CROSBY, DIRECTOR
BOARD OF ADMINISTRATION**