



CITY OF SAN JOSÉ, CALIFORNIA
DEPARTMENT OF RETIREMENT SERVICES



BOARD OF ADMINISTRATION

CITY HALL

City Hall Wing Committee Rooms 118/119
200 East Santa Clara Street, San Jose, CA 95113

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

DIRECTOR RETIREMENT SERVICES

Russell U. Crosby

COUNSEL

Harvey L. Leiderman, General and
Fiduciary Counsel

THURSDAY

MAY 17, 2012

8:30 A.M.

AGENDA

• **ORDERS OF THE DAY**

1. **CONSENT CALENDAR** (Items 1.1 through 1.9)

1.1 Approval of Lifetime Monthly Payment Option to be paid to **Lolita Q. Heath**, ex-spouse of Engineering Technician II, Roy Heath, to be effective June 1, 2012 under Part 23, Section 3.28 of the San Jose Municipal Code.

1.2 **Approval of Deferred Vested / Non-Service-Connected Disability**

Linda R. Norwood, Police Dispatcher II, Police Department, effective June 9, 2012; 11.44* years of service. Pursuant to Part 21, Section 3.28.2420(E) of the San Jose Municipal Code. (With reciprocity)

1.3 **Approval of Service Retirements**

a. **Maria I. Canchola**, Library Clerk, Library Department, effective June 23, 2012; 15.83* years of service.

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.

*Estimated

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

- b. Ruben G. Canela**, Community Activity Worker, Parks, Recreation and Neighborhood Services, effective June 23, 2012; 11.70* years of service.
- c. Angela Chen**, Administrative Officer, Finance Department, effective June 30, 2012; 22.96* years of service.
- d. Daniel M. Clanton**, Building Inspector/Combination, Planning, Building & Code Enforcement Department, effective June 2, 2012; 15.03* years of service.
- e. William F. Clark**, Senior Deputy City Attorney, City Attorney's Office, effective June 23, 2012; 15.10* years of service.
- f. Parviz Ezzatyar**, Associate Engineer, Planning, Building & Code Enforcement Department, effective June 9, 2012; 15.09* years of service.
- g. Nasario M. Gutierrez**, Recreation Program Specialist, Parks, Recreation & Neighborhood Services, effective June 23, 2012; 27.48* years of service.
- h. James J. Ham**, Senior Accountant, Police Department, effective June 23, 2012; 24.98* years of service.
- i. Mary Hom**, Supervising Application Analyst, Information Technology Department, effective June 30, 2012; 28.65* years of service.
- j. Christine A. Meyers**, Groundswoker, Parks, Recreation & Neighborhood Services, effective April 17, 2012; 21.14* years of service.
- k. Daniel Tong**, Legal Services Administrator, City Attorney's Office, effective June 24, 2012; 29.64* years of service.
- l. Robert A. York**, Supervising Application Analyst, Library Department, effective June 9, 2012; 15.20* years of service.

1.4 Approval of Deferred Vested Retirements

- a. Sheryl Bowens-Atkins**, Staff Specialist, Environmental Services Department, effective June 14, 2012; 27.67* years of service.
- b. Maria D. Cueto**, Senior Custodian, Airport Department, effective April 23, 2012; 9.17* years of service.
- c. Linda Horwedel**, Senior Planner, Planning, Building & Code Enforcement Department, effective June 9, 2012; 10.02* years of service.
- d. Patricia Nguyen**, Senior Account Clerk, Office of Economic Development, effective May 4, 2012; 23.72* years of service.
- e. Steven M. Roemer**, Parks Manager, Parks, Recreation & Neighborhood Services, effective June 23, 2012; 20.65* years of service.

1.5 Approval of Change of Retirement Date

- a.** Approval of change of retirement date of **Ricky Tijani**; from March 31, 2012 to May 15, 2012, approved at the February 16th Board meeting.

1.6 Approval of Board Minutes

[Approval of Board Minutes of April 19, 2012.](#)

1.7 Approval of Return of Contributions

- a. Voluntary
- b. Involuntary

1.8 Acceptance of Communication/Information Reports

- a. Pending Projects.
- b. Internal Revenue Service letter regarding Compliance Statement for: San Jose Federated City Employees Retirement System, dated February 24, 2012.
- c. CalAPRS Trustees Round Table, February 3, 2012 – Educational Travel Report – by Arn Andrews.
- d. IMN Alternative Investment Summit, September 21-22, 2010 – Educational Travel Report – by Matt Loesch.
- e. Personal Accident Insurance Rate Change and Special Open Enrollment for Vision Insurance.
- f. Federated Retirement Contribution Rates letter to active Members, regarding new Retirement Contribution Rates, dated May 9, 2012.

1.9 Approval of Travel / Conference Attendance

- a. Matt Loesch - CalAPRS, Trustees' Round Table, DoubleTree Hotel, San Jose, CA – June 8, 2012.
- b. Marty Dirks - CalAPRS, Trustees' Round Table, DoubleTree Hotel, San Jose, CA – June 8, 2012.
- c. Carmen Racy-Choy - Due Diligence – Hedge Fund On-Site:
 - New York – Week of July 9, 2012. **(Date change from 4/16/12)**
 - Geneva, London – Week of June 4, 2012. **(Revised: added Geneva)**
- d. Daryn Miller - Due Diligence – Hedge Fund On-Site:
 - New York – Week of July 9, 2012. **(Date change from 5/7/12)**
- e. Heidi Poon - Due Diligence – Hedge Fund On-Site:
 - New York – Week of May 7, 2012. **(Date change from 4/16/12)**
 - Dallas, Minneapolis – Week of May 14, 2012. **(Date change from 4/23/12, CANCEL Greenwich)**
 - Geneva, London – Week of June 4, 2012. **(Revised: added Geneva)**

2. DEATH NOTIFICATIONS (Moment of Silence)

- 2.1 **Richard D. Aust**, Airport Security Police Officer, retired 05/31/86, died 03/09/12. No survivorship benefits.
- 2.2 **Esther Davila**, Custodian, retired 04/22/06, died 01/30/12. Survivorship benefits to Raul Davila, spouse.
- 2.3 **John E. Spalding**, Administrative Assistant III, retired 10/17/85, died 03/14/12. Survivorship benefits to Barbara Spalding, spouse.

- 2.4 **Ernest W. Tershuren**, Chief Mechanical Inspector, retired 01/05/85, died 02/25/12. No survivorship benefits.
- 2.5 **Robert Vega**, Gardener, retired 10/04/87, died 03/18/12. No survivorship benefits.
- 2.6 **Richard J. Westheimer**, Plant Equipment Mechanic, retired 04/13/89, died 04/02/12. Survivorship benefits to Mary Westheimer, spouse.

3. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

3.1 Discussion and action on Governance policies developed by Cortex.

- a. [Role of Board Chair](#)
- b. [Audit Committee Charter](#)
- c. [Roles in Vendor Selection](#)
- d. [Board Education Policy](#)
- e. [Investment Policy](#)
- f. [Personnel Committee Charter](#)

3.2 [Discussion and action on questions to pose to the City Administration regarding implementation of June 5th Pension Ballot Measure and its impact on the administration and investment of the fund.](#)

3.3 **CLOSED SESSION:** CONFERENCE WITH REAL PROPERTY NEGOTIATORS.
Pursuant to Government Code Section 54956.8
Property: Milpitas Warehouse, 746-876 South Milpitas Blvd., Milpitas CA 95035
Negotiator: Stanley Iezman, American Realty Advisors
Under negotiation: Price and terms of payment
Probable Value of Property: Exceeds \$1 million

3.4 **CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL – LITIGATION
PURSUANT TO GOVERNMENT CODE SECTION 45956.9(a),

Paul Mulholand, James Unland and Mary Follenweider, Plaintiffs v. Russell Crosby, Mike Moehle, City of San Jose and Does 1 through 10 Defendants; the Board of Directors of the San Jose Police and Fire Retirement Board and the Board of Directors of the City of San Jose Federated City Employees Retirement System, Necessary Parties in Interest.

OPEN SESSION

4. NEW BUSINESS

- 4.1 [Presentation of Investment Performance \(Flash Report\) for period ending April 30, 2012.](#)
- 4.2 [Presentation by Russell Investments on Portfolio Overlay Services.](#)
- 4.3 [Discussion and action on proposed City Council Resolution regarding Health Care Trust issues.](#)

- 4.4 [Discussion and action regarding authorization for the Director to enter into one or more agreements with a combined total not to exceed \\$95,000 for a search consultant to recruit an Assistant Director and an Investment Officer.](#)
- 4.5 [Discussion and action on whether and in what forum to meet with the City Administration regarding succession planning within the Department of Retirement Services as requested by the Administration.](#)
- 4.6 [Discussion and action on Plan Expenses for March 2012.](#)
- 4.7 [Educational Presentation by ReedSmith: Discussion of fiduciary principles and duties. Receive and file. \(Deferred from April 2012 Board meeting\)](#)
- 4.8 Educational session from Counsel on conflicts of interest. Receive and file.

5. **COMMITTEES/REPORTS/RECOMMENDATIONS**

5.1 **Policy Committee (Overton/Armstrong/Loesch – alternate/Andrews) – None**

5.2 **Investment Committee (Druyan/Odell /Dirks –alternate/Armstrong)**

- Next Meeting: May 25, 2012

- a. [Minutes of March 28, 2012 meeting.](#)
- b. Update from Chair of Investment Committee.

5.3 **Ad Hoc Governance Committee (Loesch/Armstrong/Odell – Alternate/Dirks)**

- Next Meeting: TBD

5.4 **Ad Hoc Governance Committee on Staffing and Salaries (Loesch/Druyan/Overton – Alternate/Dirks) -** Next Meeting: TBD

6. **EDUCATION & TRAINING**

6.1 [Educational Programs and Courses](#)

6.2 [Conferences and Seminars](#)

6.3 [Research Papers and Articles](#)

6.4 CalAPRS Training

- a. Trustees' Round Table, DoubleTree Hotel, 2050 Gateway Place, San Jose – Friday, June 8, 2012.

• **FUTURE AGENDA ITEMS**

• **PUBLIC/RETIREE COMMENTS**

• **ADJOURNMENT**

FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

Board of Administration Agenda

May 17, 2012

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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.