



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
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Michael Armstrong, Trustee
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DIRECTOR RETIREMENT SERVICES

Russell U. Crosby

COUNSEL

Mollie Dent, Senior Deputy City Attorney
Russ Richeda, Counsel

THURSDAY

FEBRUARY 16, 2012

8:30 A.M.

AMENDED AGENDA

• **ORDERS OF THE DAY**

1. **CONSENT CALENDAR** (Items 1.1 through 1.11)

1.1 **Approval of Minor Agreements**

- a. [Authorize the Secretary to execute an Addendum to the PensionGold Software Maintenance and Support Agreement among The Boards of Administration for the Police and Fire Department Retirement Plan, the Federated City Employees' Retirement System, and Levi, Ray & Shoup, Inc. \(LRS\), to enable LRS to act as an agent of the Department of Retirement Services \(DRS\).](#)
- b. [Authorize the Secretary to execute an Addendum to the Internet World Wide Web Design, Hosting and Domain Name Registration Agreement between The Board of Administration for the Federated City Employees' Retirement System and Levi, Ray & Shoup Inc. \(LRS\) agreeing to the terms and conditions of the LRS agreement with Microsoft regarding the use of Microsoft software.](#)

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.

1.2 Approval of Staff Recommendation for a Non-Service-Connected Disability

Deborah Stollman, Supervisor of Administration, Planning, Building & Code Enforcement Department. Request for a Non-Service-Connected Disability Retirement effective February 16, 2012; 9.80* years of service.

1.3 Approval of Staff Recommendation for Change of Status to a Non-Service-Connected Disability

Gilberto DeLaCruz, Air Equipment Mechanic, Airport Department. Request for a Change in Status from a Service Retirement to a Non-Service-Connected Disability Retirement, effective June 12, 2011; 9.87 years of service.

1.4 Approval of Service Retirements

- a. **Susan K. Aizumi**, Associate Landscape Architect, Public Works Department, effective March 17, 2012; 21.59* years of service.
- b. **Laura M. Arechiga**, Workers Comp Adjuster II, Human Resources Department, effective March 31, 2012; 8.17* years of service.
- c. **Richard E. Bortolussi**, Events Coordinator II, Office of Economic Development, effective March 17, 2012; 13.06* years of service.
- d. **Karin D. Carmichael**, Analyst II, Retirement Services Department, effective March 31, 2012; 12.82* years of service. (*With reciprocity*)
- e. **Guillermo G. Castro**, Code Enforcement Inspector II, Planning, Building & Code Enforcement Department, effective March 31, 2012; 20.36* years of service.
- f. **B. Yolanda Cazares**, Senior Office Specialist, Office of Economic Development, effective March 31, 2012; 28.19* years of service.
- g. **Roxanne L. Cook**, Staff Specialist, Public Works Department, effective March 31, 2012; 15.62* years of service. (*With reciprocity*)
- h. **Susan L. Covich**, Workers Comp Claims Adjuster, Human Resources Department, effective March 31, 2012; 15.80* years of service.
- i. **Carol M. DaSilva**, Division Manager, Library Department, effective March 31, 2012; 15.78* years of service.
- j. **Phyllis A. Dawkins-Thames**, Latent Fingerprint Examiner Supervisor, Police Department, effective March 17, 2012; 30.04* years of service.
- k. **Lorie A. Deisenroth**, Accounting Technician, Finance Department, effective March 31, 2012; 30.05* years of service.
- l. **Michael J. Diaz**, Senior Public Safety Dispatcher, Police Department, effective March 31, 2012; 16.01* years of service. (*With reciprocity*)
- m. **Don S. Ernst**, Electrical Maintenance Supervisor, Department of Transportation, effective March 17, 2012; 21.36* years of service.
- n. **Shirley A. Hanson**, Staff Technician, Public Works Department, effective March 31, 2012; 15.29* years of service.
- o. **Karen R. Hartwell**, Senior Accounting Clerk, Finance Department, effective March 31, 2012; 17.06* years of service.
- p. **Carla A. Holmes**, Analyst II, Parks, Recreation & Neighborhood Services Department, effective March 31, 2012; 22.73* years of service.

- q. **Cynthia D. Johnson**, Secretary, Parks, Recreation & Neighborhood Services Department, effective March 31, 2012; 26.84* years of service.
- r. **Victoria M. Johnson**, Analyst II, Parks, Recreational & Neighborhood Services Department, effective February 26, 2012; 19.14* years of service.
- s. **Ruby Socorro Justo**, Senior Engineering Technician, Department of Transportation, effective March 31, 2012; 21.64* years of service.
- t. **Jerry D. Lambert**, Supervising Inspector, Planning, Building & Code Enforcement Department, effective March 31, 2012; 19.29* years of service.
- u. **Jane E. Light**, City Librarian, Library Department, effective March 31, 2012; 15.00* years of service. (*With reciprocity*)
- v. **Robert V. Machado**, Groundswoker, Parks, Recreation & Neighborhood Services Department, effective March 3, 2012; 30.08* years of service.
- w. **Naguib L. Manzur**, Staff Specialist, Environmental Services Department, effective March 31, 2012; 24.77* years of service.
- x. **Lorraine E. Mayo**, Principal Office Specialist, Police Department, effective March 31, 2012; 26.72* years of service.
- y. **Susan B. McCarthy**, Legal Analyst II, City Attorney's Office, effective March 31, 2012; 10.45* years of service.
- z. **Dorothy L. McLaughlin**, Supervising Application Analyst, Information Technology, effective March 31, 2012; 23.28* years of service.
- aa. **Janis A. Moore**, Planner II, Planning, Building & Code Enforcement Department, effective March 31, 2012; 26.55* years of service.
- bb. **Angelita L. Murray**, Staff Specialist, Public Works Department, effective March 17, 2012; 26.54* years of service.
- cc. **Robin A. Opheim**, Senior Program Performance Auditor, Auditor's Office, effective March 31, 2012; 23.32* years of service.
- dd. **Sarah F. Renteria**, Staff Specialist, Airport Department, effective March 17, 2012; 22.00* years of service.
- ee. **Richard Ruiz**, Senior Office Specialist, Office of Economic Development, effective March 31, 2012; 5.03* years of service.
- ff. **Roger R. Somero**, Electrician, Environmental Services Department, effective March 31, 2012; 10.28* years of service.
- gg. **Rowena Suen**, Senior Analyst, Office of Economic Development, effective March 31, 2012; 5.00* years of service.
- hh. **Benito R. Torrecillas**, Information System Analyst, Environmental Services Department, effective March 31, 2012; 9.73* years of service.
- ii. **Ilda R. Vasquez**, Staff Specialist, Police Department, effective March 17, 2012; 15.27* years of service.
- jj. **Stephen K. Yaeger**, Maintenance Worker II, Department of Transportation, effective March 31, 2012; 22.80* years of service.

1.5 Approval of Deferred Vested Retirements

- a. **Ellen C. Dimond**, Code Enforcement Inspector II, Planning, Building & Code Enforcement Department, effective January 12, 2012; 10.38* years of service.
- b. **Scott H. Frederick**, Librarian, Library Department, effective March 10, 2012; 10.23* years of service. (*With reciprocity*)

- c. **George D. Gadd**, Supervising Public Safety Dispatcher, Police Department, effective March 3, 2012; 22.19* years of service. (*With reciprocity*)
- d. **Lorrie R. Gervin**, Principal Division Manager, Environmental Services Department, effective March 24, 2012; 10.25* years of service. (*With reciprocity*)
- e. **Ricky O. Tijani**, Development Specialist, Housing Department, effective March 31, 2012; 4.36* years of service. (*With reciprocity*)

1.6 Approval of Change of Retirement Date

- a. Approval of change of retirement date of **Karnail Gangar**; from January 21, 2012 to February 2, 2012.
- b. Approval of change of retirement date of **Frank A. Vargas**; from February 4, 2012 to February 18, 2012.

1.7 Approval of Board Minutes

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

1.8 Approval of Return of Contributions

- a. Voluntary
- b. Involuntary

1.9 Approval of Monthly Expenditures

[Report of Federated Retirement System Plan Expenses for December 31, 2011.](#)

1.10 Acceptance of Communication/Information Reports

- a. [Pending Projects.](#)
- b. [Benefit Review Forum Report – January 2012](#)
- c. [Governor Brown's Retirement Proposals.](#)

1.11 Approval of Travel / Conference Attendance

- a. Lara Druyan
 - IFEBP, Wharton School, University of Pennsylvania, Portfolio Concepts & Management, Philadelphia, PA – May 21-24, 2012.
 - IFEBP, Wharton School, Hedge Funds, Real Estate and Other Alternative Investments, San Francisco, CA – July 16-18, 2012.
- b. Russell Crosby
 - Institutional Investor Taft-Hartley and Public Plan Advisory Board, Los Angeles, CA – April 18-20, 2012. (*Expenses paid by Institutional Investor*)
- c. Arn Andrews
 - CalAPRS, Principles of Pension Management for trustees at Stanford Law School, Palo Alto, CA – March 27-30, 2012.
 - Stanford Rock Center for Corporate Governance, Fiduciary College, Stanford University, Palo Alto, CA – July 23-25, 2012

2. DEATH NOTIFICATIONS (Moment of Silence)

- 2.1 **Lionel L. Afonso**, Audio Visual Equipment Technician, retired 12/17/83, died 12/13/11. Survivorship benefits to Mabel Afonso, spouse.
- 2.2 **Lorraine Allan**, Senior Typist, retired 07/17/82, died 1/3/12. No survivorship benefits.
- 2.3 **Errol W. Fitzpatrick**, Risk and Loss Control Manager, deferred vested, died 10/15/11. Survivorship benefits to Errol Fitzpatrick, son.
- 2.4 **Joan K. Gathers**, Typist Clerk II, retired 7/5/92, died 12/19/11. No survivorship benefits.
- 2.5 **Kenneth Hall**, Assistant Street & Sewer Maintenance Supervisor, retired 1/6/79, died 12/25/11. Survivorship benefits to Margaret Hall, spouse.
- 2.6 **Frank W. Hursh**, Senior Latent Print Examiner, retired 8/8/98, died 12/8/11. No survivorship benefits.
- 2.7 **John W. Nellany**, Housing Sanitarian, retired 4/19/86, died 1/3/12. Survivorship benefits to Mary P. Nellany, spouse.
- 2.8 **Diane C. O'Neil**, Police Records Clerk, retired 10/1/86, died 12/6/11. No survivorship benefits.
- 2.9 **Dorothy L. Salisbury**, Library Clerk, retired 1/31/81, died 1/20/12. No survivorship benefits.
- 2.10 **Beverly C. Shields**, Senior Account Clerk, retired 12/3/94, died 12/11/11. No survivorship benefits.
- 2.11 **Gail Tucker**, Senior Management Analyst, retired 6/16/84, died 12/21/11. No survivorship benefits.

3. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- 3.1 [Discussion and action on selection of legal counsel and authorization for the City Attorney and Board Secretary to negotiate and execute contracts for terms of three years with the following firms:](#)
 - Reed Smith LLP – for general counsel and investment services in an amount not to exceed \$500,000.
 - Ice Miller – for tax services in an amount not to exceed \$75,000.
 - Saltzman & Johnson Law Corporation – for domestic relations order services in an amount not to exceed \$50,000.
- 3.2 Update on meeting with the City Manager regarding staff salaries.
- 3.3 Discussion and action on proposed date on Study Session and request for proposed topics.

4. NEW BUSINESS

- 4.1 Discussion and action regarding the Allocation methodology for valuation of administrative expenses.
- 4.2 [Report on the implementation of the new long-term asset mix as approved by the Board on December 15, 2011.](#)
- 4.3 [Approval for the Secretary to negotiate and execute an agreement with ORG Portfolio Management to act as the System's independent real estate fiduciary for transferring the Milpitas Warehouse to American Realty's core real estate commingled fund.](#)

- 4.4 Discussion and action regarding Retirement Board of Administration's fiduciary insurance coverage, terms and conditions.
- 4.5 Discussion and action on the accusations made about Retirement Staff, San Jose City Officials, and our consultant's actions around pension plan projections in a recent media investigative report.
 - a. [Memo from City Manager, Debra Figone, regarding Retirement Projections Fact Sheet, dated February 9, 2012.](#)
 - b. [Complaint Form filed by Christopher E. Platten to the San Jose Elections Commission, dated February 9, 2012.](#)
 - c. [Memorandum dated February 14, 2012, from HansonBridgett to San Jose Elections Commission regarding alleged Ethics Violation.](#)
 - d. [Letter dated February 14, 2012, from Gene Kalwarski of Cheiron regarding NBC Bay Area Report.](#)

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: February 29, 2012

- a. [Minutes of November 30, 2011 meeting.](#)
- b. Update from Vice Chair of Investment Committee.

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

- Last Meeting: January 5, 2012 - Next Meeting: February 16, 2012

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. General Assembly, Westin Rancho Mirage, Palm Springs, CA – March 3-6, 2012.

• 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.