



BOARD OF ADMINISTRATION
Department of Retirement Services
City Hall, Wing Rooms 118/119
200 East Santa Clara St., San Jose, CA 95113

BOARD MEMBERS

Sean Kaldor, Chair
Richard Santos, Vice Chair
David Bacigalupi, Trustee (*via teleconference*)
75-5919 Ali'i Drive, G-1, Kailua-Kona, HI 96740-1323
Sean Bill, Trustee
Damon Krytzer, Trustee
Drew Lanza, Trustee
James Mason, Trustee
Elizabeth Rounds, Trustee
Vincent Sunzeri, Trustee

NON-VOTING BOARD MEMBER

Pete Constant

ACTING DIRECTOR RETIREMENT SERVICES

Donna Busse

COUNSEL

Harvey Leiderman, General and
Fiduciary Counsel

THURSDAY

NOVEMBER 1, 2012

8:30 a.m.

AGENDA

• **ORDERS OF THE DAY**

1. **INVESTMENTS**

- 1.1 **CLOSED SESSION**: Conference with Investment Consultant pursuant to Government Code Section 54956.81 to consider purchase of particular pension fund investments (four investments)

OPEN SESSION

- 1.2 [Discussion and adoption of the performance reporting timeline.](#)
- 1.3 [Discussion and action regarding the 2012/2013 Real Estate Strategic Plan.](#)
- 1.4 [Discussion and action regarding the portfolio transition.](#)
- a. [Discussion and approval to continue authority to delegate the selection of passive strategies for the current pending portfolio transition to staff and NEPC LLC and for the Secretary to negotiate and execute agreement\(s\) with the selected manager\(s\) as appropriate.](#)
- 1.5 [Discussion and action regarding investing \\$45 million in the PIMCO All Asset All Authority, \\$45 million in GMO Benchmark-Free Allocation, and \\$45 million in Standard Life Global Absolute Return GTAA strategies to manage the Plan's allocation to global asset allocation strategies and for the Secretary to negotiate and execute agreements with the respective firms.](#)

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.

1.6 [Presentation of the Preliminary Flash Performance Report as of September 30, 2012.](#)

2. **NEW BUSINESS**

2.1 [Discussion and action on Plan Expenses for September 2012.](#)

2.2 [Discussion and action regarding pros and cons of the prefunding analysis Annual Required Contribution.](#)

2.3 [Update on Open Enrollment.](#)

3. **OLD/BUSINESS/CONTINUED-DEFERRED ITEMS**

3.1 Update on the strategic plan meeting.

3.2 Update on payroll audit, FLSA and overtime payment issues. Receive and file.

3.3 [Discussion and action authorizing the Secretary to negotiate and execute an agreement with Granicus for Agenda Management Software, Voting System Software, and Hosting Services; and additional budget of \\$15,000 for mobile devices.](#)

3.4 Update from Councilmember Constant. Receive and file.

3.5 Update on Pension Administration System RFP.

3.6 **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL – LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a),

Paul Mulholand, et al v. City of San Jose, et al, Santa Clara County Superior Court
Case No. 1-12-CV-219748

3.7 **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL – LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) (3 CASES)(MEASURE B LITIGATION)

San Jose Police Officers' Association v. City of San Jose, et al, Santa Clara County Superior Court, No. 1-12-CV-225926

City of San Jose v. San Jose Police Officers' Association, et al. United States District Court for the Northern District of California,
Case No. C12-02904 LHK-PSG

Sapien vs. City of San Jose, et al, Santa Clara County Superior Court,
Case No. 1-12-CV-225928.

3.8 **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL - PURSUANT TO GOVERNMENT CODE SECTION 54956.9(c) – Deciding whether to initiate litigation (one case).

6.2 Ad Hoc Governance Committee-Cortex Phase II (Kaldor/Lanza/Rounds/Santos)

- a. Report from the Chair of the Ad Hoc Governance Committee-Cortex Phase II. Receive and file.

6.3 Ad Hoc Personnel Committee (Lanza/Kaldor/Rounds/Sunzeri)

- a. Report from the Chair of Ad Hoc Personnel Committee. Receive and file.
- b. Discussion and action on City Council proposed Ordinance 29139 to amend Chapters 3.28 of Title 3 of the San Jose Municipal Code, the 1975 Federated Employees Retirement Plan, and 3.36 of Title 3, the 1961 Police and Fire Department Retirement Plan, to add Sections 3.28.115 and 3.36.325, respectively, regarding the role of the Boards of Administration in personnel matters. *(Continued from the October 2012 Board meeting)*
- c. Discussion and action on recruitment process for the Director and Chief Investment Officer.

6.4 Audit Committee (Bill/Bacigalupi/Lanza/Mason) - Next Meeting: November 26, 2012

- a. Report from the Chair of Audit Committee. Receive and file.

6.5 Ad Hoc Disability Committee (Santos/Lanza/Mason/Rounds)

- a. Report from the Chair of Ad Hoc Disability Committee. Receive and file.
- b. Discussion and action on recommendation to the Board for the Disability Committee to review of Disability applications and make recommendations to the Board.

7. CONSENT CALENDAR (Items 7.1 through 7.5)

7.1 Approval of Minutes

- a. Monthly Board meeting held on October 4, 2012.

7.2 Approval of Travel and Attendance for Conferences and Due Diligence

- a. Heidi Poon
 - Volatility Seminar Luncheon, One Market, Atrium Room, San Francisco, CA – Monday, October 15, 2012. *(No cost incurred)*
 - Global Credit Opportunities Forum, Quadrus Conference Center, Menlo Park, CA – Friday, November 2, 2012. *(No cost incurred)*

7.3 Return of Contributions

- a. Voluntary
- b. Involuntary

7.4 Communication/Information

- a. [The Cortex Report: Research Papers and Articles](#)
- b. [Benefits Review Forum Report, September 2012.](#)
- c. [Trustee compensation for travel costs associated with meeting attendance.](#)
- d. [Retirement Services organization and staffing.](#)

7.5 [Pending Projects](#)

8. **EDUCATION & TRAINING**

8.1 [Educational Programs and Courses](#)

8.2 [Conferences and Seminars](#)

8.3 **CalAPRS' Training**

- Advanced Course in Retirement Plan Administration, Los Angeles Marriott Burbank Airport Hotel, Burbank, CA – December 5-7, 2012

• **PROPOSED AGENDA ITEMS**

• **PUBLIC 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.