

DEFERRED COMPENSATION INVESTMENT SUBCOMMITTEE

MINUTES

Friday, March 20, 2009

For information about this meeting, contact the Deferred Compensation Program Office at (408) 975-1465 or email DeferredCompensation@sanjoseca.gov

Julia Cooper called the Deferred Compensation Investment Subcommittee to order at 9:38 a.m. on Friday, March 20, 2009, City Hall, Wing-260.

Roll Call

Pascal Roubineau, Chair
Donna Busse
Julia Cooper

Employee's Representative (277-2660)
Management Employees' Representative (392-6704)
City Manager's Representative (535-7011)

Also Present

Linda BJORKE
Jeanne Groen
Connie Wolff
Justina Smith
Gary Bozin
Lisa Gilarde
Bill Evans
Bill Tugaw
Scott Dauenhauer

City Attorney's Office
Human Resources, Deferred Compensation Secretary
Human Resources, Deferred Compensation Staff
Human Resources, Deferred Compensation Staff
ING
ING (Via Conference Call)
ING (Via Conference Call)
SST Benefits Consulting
SST Benefits Consulting

APPROVAL OF MINUTES

1. M.S.C. (Roubineau/Busse) to approve minutes for March 11, 2009.

OLD BUSINESS

2. Review, discuss and make recommendations regarding SST Benefits Consulting 4th Quarter 2008 City of San Jose Deferred Compensation Plan Report.

The review and discussion was continued from the March 11 meeting. Scott Dauenhauer and Bill Tugaw from SST Benefits Consulting gave a presentation on the Report and the supplemental information that was provided for this meeting, as requested by the subcommittee at the March 11 meeting. Gary Bozin ING, Lisa Gilarde, ING and Bill Evans, ING (Lisa and Bill via teleconference) added comments and answered questions.

The subcommittee directed SST to consider the Investment Policy as well as SST's professional judgment when they perform their analysis of the funds, and to show the Investment Subcommittee how they arrived at their conclusions when making recommendations regarding the funds. The Investment Subcommittee also directed SST to

NOTE: If you have any questions or concerns, please contact Courtney Phommachack at (408) 975-1433

provide a review on the style and expertise of each fund manager and why the fund was originally chosen for the portfolio, in addition to reviewing the performance of each fund. After review and discussion of SST's recommendations regarding which funds to terminate and which funds to keep on the watch list or put on the watch list, the Investment Subcommittee took the actions shown below.

M.S.C. (Roubineau/Busse) to terminate Oppenheimer Main Street Opportunity Fund (currently on Watch List) and direct SST to provide an analysis of options, including a multi-cap option, at the next Investment Subcommittee meeting.

M.S.C. (Roubineau/Busse) to keep Wanger US Smaller Companies Fund on the Watch List.

M.S.C. (Busse/Roubineau) to put Oppenheimer Main Street Small Cap Y Fund on the Watch List.

M.S.C. (Busse/Roubineau) to keep James Small Cap Fund on the Watch List, direct SST to provide an analysis of other funds as possible replacements, and then decide if this fund should be evaluated more frequently (i.e., every six months).

M.S.C. (Busse/Roubineau) to keep Oppenheimer Developing Market Fund on the Watch List.

M.S.C. (Roubineau/Busse) to terminate the Templeton Global Smaller Company A Fund (currently on the Watch List) and direct SST to recommend a replacement fund at the next Investment Subcommittee meeting.

M.S.C. (Busse/Roubineau) to place the ING Intermediate Bond Fund on the Watch List.

M.S.C. (Roubineau/Busse) to discuss the ING Target Date Retirement Funds further at the next Investment Subcommittee meeting and direct SST to provide further analysis of target date funds at the next Investment Subcommittee meeting.

M.S.C. (Roubineau/Busse) to put the Pax World Balanced Fund on the Watch List.

M.S.C. (Busse/Roubineau) to direct staff to lead a discussion at the next Investment Subcommittee meeting on how to utilize the investment policy to evaluate funds, and whether the investment policy needs to be changed in regard to Standards of Investment Performance and Investment Fund Evaluations.

NEW BUSINESS

3. None.

Review, discussion and recommendations for Deferred Compensation Plan investment funds will be continued at the next Investment Subcommittee meeting scheduled for Wednesday, April 15 at 9:30a.m. in City Hall, W-118.

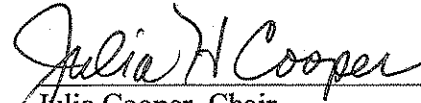
OPEN FORUM

There was no public comment.

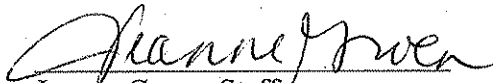


ADJOURNMENT

M.S.C. (Roubineau/Busse) to adjourn at 12:04p.m.


Julia Cooper, Chair
Deferred Compensation
Investment Subcommittee

ATTEST:


Jeanne Groen, Staff
Deferred Compensation

NOTE: M.S.C. MEANS MOTION SECONDED AND CARRIED, UNLESS OTHERWISE INDICATED, MOTION PASSED UNANIMOUSLY.

