

DEFERRED COMPENSATION INVESTMENT SUBCOMMITTEE

MINUTES

Wednesday, April 15, 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 9:35a.m. on Wednesday, April 15, 2009, City Hall, W-118.

Roll Call

Julia Cooper, Chair	City Manager's Representative (535-7011)
Pascal Roubineau, Vice Chair	Employee's Representative (277-2660)
Donna Busse	Management Employees' Representative (392-6704)

Also Present

Linda BJORKE	City Attorney's Office
Jeanne Groen	Human Resources, Deferred Compensation Secretary
Connie Wolff	Human Resources, Deferred Compensation Staff
Courtney Phommachack	Human Resources, Deferred Compensation staff
Gary Bozin	ING
Bill Tugaw	SST Benefits Consulting
Scott Dauenhauer	SST Benefits Consulting

APPROVAL OF MINUTES

1. M.S.C. (Roubineau/Busse) to approve minutes for March 20, 2009.

OLD BUSINESS

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

The review and discussion was continued from the March 20, 2009 Investment Subcommittee meeting. Scott Dauenhauer and Bill Tugaw from SST Benefits Consulting gave a presentation on their recommendations regarding fund replacement options for the following funds:

- Oppenheimer Main Street Opportunity Fund (which was terminated at the March 20, 2009 Investment Subcommittee meeting)
- James Small Cap Fund (which the Investment Subcommittee decided to keep on the Watch List at the March 20 meeting)
- Templeton Global Smaller Company Fund, which was terminated at the March 20, 2009 Investment Subcommittee meeting.

Gary Bozin, ING, added comments and answered questions.

M.S.C. Roubineau/Busse to replace Oppenheimer Main Street Opportunity Fund with Vanguard Total Stock Market Index Institutional multi-cap fund.

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

M.S.C. Busse/Roubineau to keep James Small Cap Fund on the Watch List.
M.S.C. Busse/Roubineau to replace Templeton Global Smaller Company Fund with the DFA International Small Company Fund.

SST provided some initial information regarding the target date funds, but requested more time to perform a complete analysis. The Investment Subcommittee directed staff to set up another Investment Subcommittee meeting and put this topic on the agenda for that meeting.

3. Review, discuss and make recommendations regarding the use of 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.

Following a discussion about the philosophy behind making fund choices for the portfolio and the desire to have documentation to support such choices, the Investment Subcommittee directed staff to put this topic on the agenda for the next Investment Subcommittee meeting and the DCAC Retreat on October 30, 2009. The topic is meant to include a discussion on the use of the Investment Policy for making decisions related to individual funds and the fund portfolio, and development of internal procedures for using the Investment Policy to help guide the decision making process.

Discussion of Target Date Funds and procedures for making fund/fund portfolio decisions will be continued at the next Investment Subcommittee meeting, which will be scheduled at a later date.

NEW BUSINESS

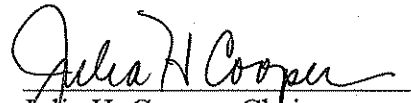
3. None.

OPEN FORUM

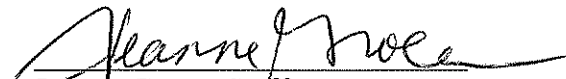
There was no public comment.

ADJOURNMENT

M.S.C. (Roubineau/Busse) to adjourn at 11:34a.m.


Julia H. 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.

