

AMENDED
DEFERRED COMPENSATION ADVISORY COMMITTEE
MINUTES

Thursday, April 23, 2009

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

Chair Pascal Roubineau called the Deferred Compensation Advisory Committee meeting to order at 9:13 a.m. on Thursday, April 23, 2009, City Hall, Wing-120.

Roll Call

Pascal Roubineau, Chair	Employee's Representative (277-2660)
Peter Jensen, Vice Chair	City Manager's Representative (975-7290)
Donna Busse	Management Employees' Representative (794-1020)
Julia Cooper	City Manager's Representative (535-7011)
Franco Vado	Police Representative (501-0960)
Robert Sapien	Firefighter Representative (277-8810)

Excused Absence

Trish Glassey	Employees Representative (975-7282)
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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
Bill Tugaw	SST Benefits Consulting
Paul Hackleman	SST Benefits Consulting
Gary Bozin	ING
Bishop Bastien	ING
Bill Jasien	ING
Sue Bradford-Moore	San Jose Retirement Association

APPROVAL OF MINUTES

1. M.S.C. (Vado/Jensen) to approve minutes as amended for March 26, 2009.

OLD BUSINESS

2. Accept Report, Review and Discuss 4th Quarter Plan Report and Supplemental Information from SST

M.S.C. Jensen/Vado to accept the report from Bill Tugaw, SST Benefits Consulting and direct staff to set up a conference call for the May Committee meeting with Christine Hurtsellers (ING Lead Stabilizer Portfolio Manager) regarding the Stabilizer portfolio.

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

3. Review, discuss, and Approve Recommendations from Investment Subcommittee regarding Changes to Fund Portfolio

M.S.C. Jensen/Sapien to approve recommendations from the Investment Subcommittee. The Investment Subcommittee recommendations that were approved included recommendations from the April 15, 2009 Subcommittee meeting (included with the April 23 DCAC meeting packet) as well as the recommendations from the March 20 Subcommittee meeting. The recommendations approved were as follows:

- Terminate Oppenheimer Main Street Opportunity Fund and replace it with the Vanguard Total Stock Market Index Institutional multi-cap fund.
- Keep Wanger US Smaller Companies Fund on the Watch List.
- Put Oppenheimer Main Street Small Cap Y Fund on the Watch List.
- Keep James Small Cap Fund on the Watch List.
- Keep Oppenheimer Developing Market Fund on the Watch List.
- Terminate the Templeton Global Smaller Company Fund with DFA International Small Company Fund.
- Place the ING Intermediate Bond Fund on the Watch List.
- Put the Pax World Balanced Fund on the Watch List.

Directed staff to schedule another Investment Subcommittee meeting (probably in the Fall) and agendize the following topics for that meeting:

- Obtain further analysis of Target Date Funds.
- Discuss how the Investment Policy can be operationalized through the development of procedures to assist in making fund/fund portfolio decisions.

4. Review, Discuss and Approve First Amendment to the Agreement with ING regarding Change in Hours for Telephone Services

M.S.C. Jensen/Vado to Approve the First Amendment to the Agreement with ING

5. Review, Discuss and Approve Terms and Conditions Agreement for Self-Directed Brokerage Account

M.S.C. Jensen/Sapien to approve Terms and Conditions Agreement and maintain the Money Market Fund as the designated fund for transfers back in to the core account from the Self-Directed Brokerage Account.

6. Accept Verbal Report on Waiver of Recourse Fee for Trustees of the Deferred Compensation Plan

Jeanne Groen, Benefits Manager gave a verbal report. The Committee directed staff to expedite a memo to Committee members notifying them of whether each Committee member is required to pay the fee personally or whether Human Resources can pay the \$25 fee as they did in the past.

NEW BUSINESS

7. Review, discuss, and provide direction to staff regarding Deferred Compensation Advisory Committee participation in the RFP for a Deferred Compensation Consultant.

M.S.C. Jensen/Cooper (5-1, Glassey Absent) to:

- Appoint a subcommittee to review the RFP for a Deferred Compensation Consultant and to conduct interviews of vendors proposing to provide Deferred Compensation Consultant services.
- Appoint Donna Busse, Franco Vado and Peter Jensen to serve on the subcommittee.

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- Extend SST's contract for an additional six months, with the ability to terminate that contract with 30 days notice.

Staff was directed to negotiate and execute an agreement with SST.

8. Approve the Exercise of the Second Option Period under the Agreement for Audit Services by Macias, Gini & O'Connell, LLP, as amended by the Continuation Agreement dated November 20, 2009, for the Option Period of May 1, 2009 to April 30, 2010.
M.S.C. Busse/Jensen to approve the Exercise of the Second Option Period under the Agreement for Audit Services by Macias, Gini & O'Connell, and direct staff to prepare a document for signature.

INFORMATIONAL ITEMS

9. Update on Status of 1999-2007 Reconciliation
Provided by Jeanne Groen, Benefits Manager
10. Review amended Deferred Compensation Fund Budget for 2009-2010, approved as amended at March 26 Committee meeting
Presented by Jeanne Groen, Benefits Manager.
11. Review amended Budget Reserve Policy, approved as amended at March 26 Committee meeting.
Presented by Jeanne Groen, Benefits Manager.
12. Update on Legislative, Market and Consultant Activity
Provided by Bill Tugaw, SST Consulting & Insurance Services, Inc.
13. Verbal Update on ING Service Provider
Provided by Gary Bozin, ING and Bill Jasien, ING.
14. Review ING Service Log and Loan Activity Report for March 2009
Provided by Gary Bozin.
15. Update on March 2009 Fund Performance Summary
Provided by Gary Bozin, ING.
16. Next Meeting: Thursday, May 28, 2009, City Hall, W120, 9:00a.m.

OPEN FORUM

There was no public comment.

UNFORESEEABLE EMERGENCY WITHDRAWAL

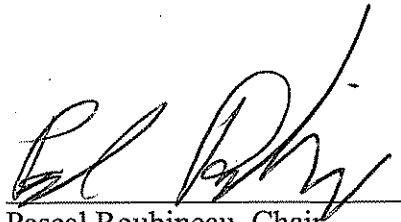
20. None

ADJOURNMENT



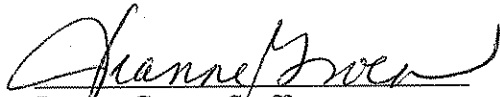
ADJOURNMENT

M.S.C (Jensen/Vado) to adjourn at 11:14 a.m.



Pascal Roubineau, Chair
Deferred Compensation Committee

ATTEST:



Jeanne Groen, Staff
Deferred Compensation

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

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200 East Santa Clara Street San José, CA 95113 tel (408) 975-1465 fax (408) 999-0889 www.sanjoseca.gov

