

DEFERRED COMPENSATION ADVISORY COMMITTEE
AMENDED MINUTES
Thursday, December 17, 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 9:03 a.m. on Thursday, December 17, 2009, City Hall, Wing-262.

Roll Call

Pascal Roubineau, Chair	Employee's Representative (277-2660)
Donna Busse	Management Employees' Representative (794-1020)
Julia Cooper	City Manager's Representative (535-7011)
Trish Glassey	Employees' Representative (975-7282)
Robert Sapien	Firefighter Representative (277-8810)
Franco Vado	Police Representative (501-0960)

Excused Absence

Peter Jensen, Vice Chair	City Manager's Representative (975-7290)
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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
Justina Smith	Human Resources, Deferred Compensation Staff
Heather Ruiz	Human Resources
Adora Gailo	Finance
Grace Martinez	Finance
Mike Ryder	Finance
Craig Royer	Macias, Gini & O'Connell, LLP
Bill Tugaw	SST Benefits Consulting
Gary Bozin	ING
Elizabeth Sanford	Councilmember Pete Constant's Office
Bruce DeMers	Retiree
Mark Skeen	Exec. V.P., IAFF, Local 230
Debbie Simenta	ICMA-RC

APPROVAL OF MINUTES

1. **M.S.C.** (Busse/Vado) to approve the minutes for November 19, 2009.

REPORTS/SPECIAL ORDERS

2. Accept Report and Approve FY 2008-2009 Independent Auditor's Report on the financial statements of the 457 and the PTC Deferred Compensation Plans.
Jeanne Groen, Benefits Manager, provided the report.
M.S.C. (Sapien/Busse) to accept report.

OLD BUSINESS

3. Accept verbal report on Status of 1999-2007 Reconciliation, discuss report and provide direction to staff.
Jeanne Groen, Benefits Manager, provided the report.
M.S.C. Vado/Sapien to accept report.

NEW BUSINESS

4. Discuss Stable Value Credit Rate for First Calendar Quarter 2010 and Provide Direction Regarding Credit Rate and Changes, If Any.
Bill Tugaw, SST Benefits Consulting, recommended that the Stable Value Credit Rate for the Stable Value Fund remain at 3% for the First Calendar Quarter 2010.
M.S.C. (Glassey/Busse) to accept SST's recommendation.
5. Discuss the option contained in the current Agreement with ING Life Insurance and Annuity Company to extend the term of the Agreement for investment provider services for "up to an additional two years" beyond the initial term of the Agreement, which ends September 30, 2010; identify and discuss issues related to making this decision (including but not limited to fund management, general performance, performance of Stable Value Fund and security of Stable Value Fund assets, and administrative fees remitted by ING to recover the costs of the Plans' program operations) and provide direction to staff concerning alternatives, which might include:
 - a) Renew the option for one year beyond the initial term of the Agreement, which would extend the term of the Agreement to September 30, 2011, and give staff direction to negotiate renewal terms;
 - b) Renew the option for two years beyond the initial term of the Agreement, which would extend the term of the Agreement to September 30, 2012, and give staff direction to negotiate renewal terms;
 - c) Direct the Secretary of the DCAC to develop a new RFP for investment provider services for the City of San Jose Deferred Compensation Plan, to be completed by the end of the initial term of the ING Agreement;
 - d) Other direction as deemed appropriate by the DCAC.

Jeanne Groen, Benefits Manager, explained the terms contained in the current Agreement with ING Life Insurance and Annuity Company, including the option to renew and ING's payment of administrative fees to the DCAC, and expected timelines for contract renewal and/or potential RFP process.

Public Comment: Mark Skeen recommended that the Committee vote for Option 5c to develop a new RFP for investment provider.

Motion made by Sapien and seconded by Glassey to appoint a subcommittee to discuss Item 5 and report back to the full Committee at the next regular meeting in January.

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



Ayes: Glassey, Sapien, Busse. Noes: Cooper, Roubineau, Vado. Absent: Peter Jensen
Motion was not carried due to a tie vote.

Public Comment: Mark Skeen encouraged the Committee to have Buck Consultants develop an RFP for a new investment provider.

M.S.C. (Busse/Vado) to postpone the discussion on Item 5 until the next regular Committee meeting in January.

Ayes: Busse, Cooper, Glassey, Roubineau, Vado. Noes: Sapien
Motion carried.

Committee members asked staff to request Buck Consultants to provide their input about the above item at the January meeting, and requested that staff provide Committee members with a detailed Deferred Compensation Plan budget report for discussion at the January meeting, to include history and projections for the Plan's administrative costs, possible cost-savings, and administrative fees from ING.

INFORMATIONAL ITEMS

6. Verbal Update on Rescheduling of DCAC Retreat from March 8, 2010 to February 26, 2010.
Jeanne Groen, Benefits Manager, provided the verbal update.
7. Verbal Update on Legislative, Market and Consultant Activity
Bill Tugaw, SST Benefits Consulting & Insurance Services, Inc., provided the verbal update.
8. Verbal Correction to SST comments regarding Investment Policy changes discussed at the November 19, 2009 meeting (Item #7).
Bill Tugaw, SST Benefits Consulting & Insurance Services, Inc., provided the verbal correction.
9. Verbal Update on ING Service Provider—Gary Bozin, ING
Gary Bozin, ING, provided the verbal update.
10. Review ING Service Log and Loan Activity Report for October, 2009.
Gary Bozin, ING, provided the review.
11. Update on November, 2009 Fund Performance Summary – Gary Bozin, ING
Gary Bozin, ING, provided the update.

NEXT MEETING

12. Next Meeting: Thursday, January 28, 2010, City Hall, W-120, 9:00 a.m.

OPEN FORUM

13. None

UNFORESEEABLE EMERGENCY WITHDRAWAL

14. None



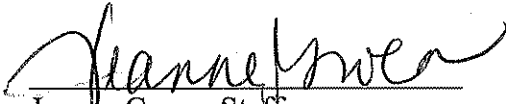
ADJOURNMENT

15. M.S.C. (Sapien/Glassey) to adjourn at 10:27 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.

