

**MINUTES OF THE CITY COUNCIL
CURRENT STATUS OF PENSION SYSTEMS AND RETIREMENT
REFORM BALLOT MEASURE
(MEASURE B) IMPLEMENTATION**

SAN JOSE, CALIFORNIA

MONDAY, MARCH 16, 2015

The Council of the City of San José convened in Regular Study Session at 1:34 p.m. in the Council Chambers at City Hall.

Present: Council Members - Carrasco, Herrera, Jones, Khamis, Matthews, Nguyen, Oliverio, Peralez, Rocha; Liccardo.

Absent: Council Members - Kalra. (Excused)

Staff: City Attorney Richard Doyle, Interim City Manager Norberto Dueñas, City Clerk Toni J. Taber, CMC and Deputy City Clerk Ruth Krantz.

Documents Filed: (1) Supplemental memoranda from Interim City Manager Norberto Dueñas dated March 6, 2015 and March 13, 2015, transmitting documentation and providing additional background information and benefit comparisons. (2) Staff presentations dated March 16, 2015 (a) summarizing the Current Status of Pension Systems and Retirement Reform Ballot, and (b) City Council Pension Study Session presented by the Office of Retirement Services.

INTRODUCTION

Interim Director of the Office of Employee Relations, Jennifer Schembri offered opening remarks, announcing that there would be an overview of the governance model, an update of Measure B and a comparison of Tier 2 benefits with Cal PERS.

RETIREMENT BOARD GOVERNANCE MODEL – ACTUARIAL VALUATIONS

Retirement Services Director Roberto Pena explained each Retirement Board's governance model, Boards' responsibilities, and Measure G Charter changes, which he indicated would provide greater administrative autonomy. Cheiron Consulting Actuary Bill Hallmark continued with policies to manage pension plans, strategies for funding benefits and an overview of actuarial valuations and future projections.

Assistant Director of Finance, Arn Andrews responded to questions regarding Police and Fire pension contribution rates, and Council discussion followed.

Council recessed at 2:28 p.m. to allow Staff to set up their presentation. The Council resumed at 2:36 p.m.

BACKGROUND AND HISTORY OF THE CITY'S RETIREMENT SYSTEMS

John Bartel, Bartel Associates offered a presentation on Police and Fire plan maturity and plan funded status, and City Auditor Sharon Erickson continued a background and history of the Plans, including a Pension Sustainability Audit completed in 2010.

SUMMARY OF RETIREMENT REFORM BALLOT MEASURE (MEASURE B)

Interim Director of the Office of Employee Relations, Jennifer Schembri provided fiscal and historical background on the City's fiscal situation that led to the retirement reform ballot measure and discussed retirement reform cost savings.

Council discussion followed, and Staff responded to questions.

TIER 1, TIER 2 AND CALPERS COMPARISON

Interim Director of the Office of Employee Relations, Jennifer Schembri and John Bartel, Bartel Associates continued the presentation and responded to questions from the Council.

PUBLIC COMMENTS

Bob Leininger, San José Retired Employees Association, suggested that solving the City's fiscal problems is multi-faceted, and Council needs to look at the jobs-housing imbalance and not just City employees and retirees.

CLOSING COMMENTS

Mayor Liccardo offered closing remarks and acknowledged that Council will continue these discussions on an on-going basis.

Mayor Liccardo adjourned the Study Session at 4:18 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Toni J. Taber, CMC
City Clerk

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