

**DEFERRED COMPENSATION ADVISORY COMMITTEE**

For information about this meeting, contact the Deferred Compensation Plan Office;  
(408) 975-1465 or email [DeferredCompensation@sanjoseca.gov](mailto:DeferredCompensation@sanjoseca.gov)

Vice Chair Pascal Roubineau called the Deferred Compensation Advisory Committee meeting to order at 9:03 a.m. on Monday, September 17, 2012, City Hall, W-119.

**Roll Call:**

Julia Cooper, Chair	City Manager's Representative
Pascal Roubineau, Vice Chair	Employee's Representative
David Woolsey	Police Representative
Donna Busse	Management Employees' Representative
Darren Wallace	Firefighter Representative
Ernest Azevedo	City Manager's Representative
Daniel Earl	Employees' Representative

**Also Present:**

Emily Conant	Human Resources, Benefits Staff
Kelly Wright	Human Resources, Benefits Staff
Rhonda Schmidt	Human Resources, Benefits Staff
Debbi Bohnet-Nuttall	Human Resources, Benefits Staff
Phong Vu	Finance Staff
Chato Apor	Finance Staff
Grace Martinez	Finance Staff
Jonathan Slinger	Buck Consultants
Gary Bozin	ING
Bishop Bastien	ING
Brian Merrick	ING
Shane Patrick Connolly	Councilmember Pete Constant's Office
Joe Rois	City Auditor's Staff
Erica Janoff	City Auditor's Staff

**APPROVAL OF MINUTES**

1. **M.S.C.** (Donna Busse/Julia Cooper) to conditionally approve the minutes for the Deferred Compensation Advisory Committee Regular meeting on June 18, 2012 with one possible correction to the notation that Daniel Earl's absence from the June 18, 2012 meeting may have been excused, not unexcused as it is currently reflected in the minutes.

NOTE: Ernest Azevedo arrived at 9:06 a.m.



## ANNOUNCEMENTS

2. Introduce new Deferred Compensation Senior Analyst, Emily Conant and new Committee Members, David Woolsey and Daren Wallace  
Pascal Roubineau provided the introductions.

## DISCUSSION/ACTION ITEMS

3. Nominate and select Chair, and if necessary, Vice Chair, for the period September 17, 2012 through March 1, 2013

**M.S.C.** (Donna Busse/Darren Wallace) to nominate Julia Cooper as the new Committee Chair for the period of September 17<sup>th</sup>, 2012 through March 1, 2013.

4. Accept report and approve Deferred Compensation Plans Fourth Quarter Financials for FY 2011-12

Grace Martinez, Principal Accountant, Finance Department presented the report. Committee member noted that there was a discrepancy between the total assets reported in the Buck Consultants Report (page 2) and the City 4th Quarterly Report (Schedule K). Staff will research the discrepancy and issue an informational memo to the Committee.

**M.S.C.** (Donna Busse/Darren Wallace) to conditionally approve the Deferred Compensation Plans FY 2011-12 Financial Report pending the explanation for the discrepancy.

5. Review and set the Stable Value Fund crediting rate for the period of October 1, 2012 through December 31, 2012 and provide direction to staff if necessary.  
Kelly Wright, Senior Analyst provided the report.

**M.S.C.** (Darren Wallace/Ernest Azevedo) to set the Stable Value Fund crediting rate at 0.00% for October 1, 2012 through December 31, 2012.

6. Review and discuss ING's portfolio review for the quarter ending June 30, 2012  
Gary Bozin of ING conducted the review.

**M.S.C.** (Pascal Roubineau/Daniel Earl) to accept ING's portfolio review for the quarter ending June 30, 2012.

7. Accept report, review and discuss quarterly market overview, Plan Portfolio Analysis, Watch List and Large Growth Comparison, and provide direction to staff if necessary.  
Jonathan Slinger, Buck Consultants presented the report.

**M.S.C.** (Pascal Roubineau/David Woolsey) to accept Buck Consultant's recommendation to retain American Funds Growth Fund of America R5 on the Watch list.

**M.S.C.** (Pascal Roubineau/Darren Wallace) to accept Buck Consultant's recommendation to retain Fidelity Advisor New Insights 1 on the Watch list.

*NOTE: If you have any questions or concerns, please call (408) 535-1285.*



**M.S.C.** (Ernest Azevedo/Darren Wallace) to accept Buck Consultant's recommendation to remove CRM Mid Cap Value Instl from the Plan and map assets into the Vanguard Mid Cap Index Instl fund.

**M.S.C.** (Ernest Azevedo/Daniel Earl) to conduct a Watch List review at each regular meeting and an intensive portfolio review bi-annually.

8. Authorize the Chair to execute ING's Plan Sponsor Roth Election Form in order to implement the Roth 457 option effective January 1, 2013 or as soon as administratively feasible thereafter under the City's 457 Deferred Compensation Plan.

**M.S.C.** (Pascal Roubineau/Darren Wallace) to execute ING's Plan Sponsor Roth Election Form in order to implement the Roth 457 option effective January 1, 2013 or as soon as administratively feasible thereafter under the City's 457 Deferred Compensation Plan.

9. Discuss 2012 National Save for Retirement Week and provide direction to staff to implement.

Kelly Wright, Senior Analyst presented the information about the upcoming Save for Retirement Week and associated activities.

10. Review, discuss and accept Deferred Compensation Advisory Committee Annual Report for FY 2011-12

Emily Conant, Senior Analyst presented the annual report.

**M.S.C.** (Darren Wallace/Pascal Roubineau) to accept the DCAC Annual Report.

11. Review and discuss deferred compensation participant survey results.

Gary Bozin from ING presented the survey results.

## INFORMATIONAL ITEMS

12. Staff report

Kelly Wright, Senior Analyst presented the report.

- August 28, 2012 the City Council approved ordinances to incorporate into the City's Deferred Compensation Plan the Roth 457 feature, amend Chapters 3.48 and 3.50 of Title 3 of the San José Municipal Code to incorporate the federal Heroes Earnings Assistance Relief Tax Act and Amend Chapter 3.48 of Title 3 of the San Jose Municipal Code to eliminate the 30-day election requirement and allow benefits to continue to be held under the Deferred Compensation Plan after a severance event.
- Mike Sung, the former Acting Benefits Manager and Administrative Officer is no longer working for the City. An acting Benefits Manager has not been assigned and efforts are currently in process to hire a Benefits Manager.
- Staff is coordinating with the City Attorney's office regarding the proposed Plan Amendment to allow loans from the City's 457 Plan be repaid after separation from service. Staff will inform the DCAC as updates are available.

*NOTE: If you have any questions or concerns, please call (408) 535-1285.*



- At the October 16, 2012 City Council meeting there will be a reading of a proclamation for National Save for Retirement Week and DCAC members are invited to attend.
  - David Woolsey, Ernest Azevedo and Emily Conant will attend the NAGDCA Conference September 30-October 4, 2012. They will provide a report to the Committee at the December 17 DCAC meeting.
  - The DCAC bylaws require that all new DCAC members submit a form 700, which is now online, within 30 days of their participation on the Committee.
  - Staff obtained clarification that the waiver of recourse fees for Fiduciary Liability Insurance cannot be paid by plan assets.
13. Verbal update on Deferred Compensation Special Projects and Routine Activity Work Plan Reports for FY 2012-13.  
Kelly Wright, Senior Analyst, presented the update.
14. Verbal update on the Deferred Compensation Plans Revenue Reimbursement Report for the period April to June 2012.  
Gary Bozin from ING presented the update.
15. Verbal update on ING Service Provider  
Gary Bozin from ING presented the update.
16. Review ING Service Logs and Loan Activity Reports for May 2012, June 2012, and July 2012.  
Gary Bozin from ING presented the report.
17. Updates on May 2012, June 2012, and July 2012 Fund Performance Summaries.  
Gary Bozin from ING presented the Performance Summaries.
18. Report on Legislative, Market and Consultant Activity.  
Jonathan Slinger from Buck Consulting presented the report.

#### NEXT MEETING

Next Regular Committee Meeting: Monday, Dec. 17, 2012, City Hall, W-120, 9:00 a.m.

#### OPEN FORUM

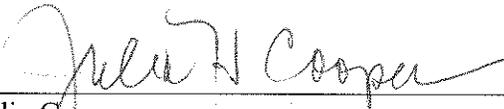
#### UNFORESEEABLE EMERGENCY WITHDRAWAL APPEALS

#### ADJOURNMENT

M.S.C. (Pascal Roubineau/Ernest Azevedo)

TIME: 11:34 a.m.



  
\_\_\_\_\_  
Julia Cooper  
Deferred Compensation Advisory Committee, Chair

ATTEST:

  
\_\_\_\_\_  
Emily Conant  
Committee Secretary's Designee

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

