

DEFERRED COMPENSATION
INVESTMENT SUBCOMMITTEE
MINUTES

The Deferred Compensation Ad-Hoc Investment Sub-Committee meeting was called to order at 3:38 p. m. on Thursday, August 7, 2008, City Hall, Wing, W260.

Roll Call

Donna Busse	Management Employees' Representative (392-6709)
Julia Cooper	City Manager's Representative (535-7011)
Conrad Taylor	Police Representative (POA 277-4012)

Also Present

Suzanne Hutchins	City Attorney's Office
Bill Tugaw	Consultant, SST Benefits (650) 940-1111
Jeanne Groen	Human Resources, Deferred Compensation Secretary
Gary Bozin	ING
Linda Bjorke	City Attorney's Office

3:30 P.M.

August 7, 2008

City Hall, Wing 260

APPROVAL OF MINUTES

1. M.S.C. (Busse/Cooper) to approve minutes for the June 11, 2008 meeting.

OLD BUSINESS

2. Review, Discuss and Approve Policy and Procedures Statement

Member Cooper inquired if the purpose of the meeting was to approve the investment policy so that it could be reported to the full committee. Jeanne Groen responded that was correct.

Jeanne Groen explained that one item was added as a result of the Deferred Compensation Committee meeting. On page 15, the Real Estate Fund was added. The other issue that was discussed at the last Deferred Compensation Committee meeting was the structure the funds so that we would have core investments, other investments that the committee would approve, and then the self-directed brokerage options. This discussion was also referred back to this Subcommittee for review and to discuss if this would affect the investment policy.

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

Bill Tugaw commented that he likes the idea of the "tier" approach but that he thinks it's more of a marketing issue than an investment policy issue. He would recommend adopting the policy as is. Member Busse stated that perhaps this should be part of the communication to participants. Gary Bozin reported that ING is using this approach when speaking with new enrollees and that in looking at the new enrollments over 70% have chosen one of the Lifestyle funds.

Suzanne Hutchins brought up the issue of Proxy voting and inquired if perhaps that is something that should be included in this policy. Jeanne Groen stated that she had been directed to talk with the Retirement Board and then report back to the full Deferred Compensation Committee on this issue. After a short discussion the subcommittee concurred that the subject should be discussed at the full committee meeting.

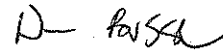
M.S.C. (Busse/Taylor) to recommend approval of the Investment Policy and Procedures Statement.

PUBLIC COMMENTS

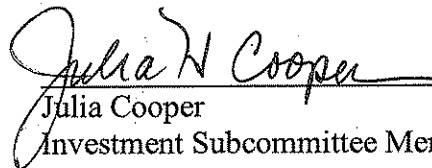
None.

ADJOURNMENT

Adjourn the meeting at 3:50 p.m.

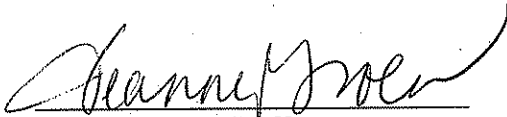


Donna Busse
Investment Subcommittee Member



Julia Cooper
Investment Subcommittee Member

ATTEST:



Jeanne Groen, Staff
Deferred Compensation

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

