



## **DEFERRED COMPENSATION ADVISORY COMMITTEE**

### **MINUTES**

**Thursday, November 19, 2009**

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

Chair Pascal Roubineau called the Deferred Compensation Advisory Committee meeting to order at 9:05 a.m. on Thursday, November 19, 2009, City Hall, Wing-119.

#### **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)
Trish Glassey	Employees' Representative (975-7282)
Franco Vado	Police Representative (501-0960)

#### **Excused Absence**

Robert Sapien	Firefighter Representative (277-8810)
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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
Heather Ruiz	Human Resources
Mark Danaj	Human Resources
Adora Gailo	Finance
Grace Martinez	Finance
Mike Ryder	Finance
Bill Tugaw	SST Benefits Consulting
Paul Hackleman	SST Benefits Consulting
Chuck Sklader	SST Benefits Consulting
Gary Bozin	ING
Elizabeth Sanford	Councilmember Pete Constant's Office

#### **APPROVAL OF MINUTES**

1. **M.S.C.** (Glassey/Cooper) to approve the minutes for October 8, 2009 (DCAC University).
2. **M.S.C.** (Jensen/Vado) to approve the minutes for October 22, 2009 (Regular Meeting).

Note: Item #3 was discussed before Item #2 and Item #3.

## REPORTS/SPECIAL ORDERS

3. Accept Report and Approve First Quarter Financials for FY 2009-2010  
Grace Martinez, Senior Accountant, Finance, provided the report.  
M.S.C. (Vado/Jensen) to accept report.

## OLD BUSINESS

4. Discuss and accept the recommendation of the Ad Hoc RFP Subcommittee to select Buck Consultants, LLC to provide consulting services for the Deferred Compensation Plan and provide direction to staff.
  - a. Approve an agreement with Buck Consultants, LLC for consulting services for the Deferred Compensation Plan, at a cost to the Plan of not to exceed \$40,000, for the period of January 1, 2010 through June 30, 2010, with options to extend the terms of the agreement through December 31, 2013 at annual costs of not to exceed \$80,000, subject to the appropriation of funds by the DCAC.
  - b. Adopt a resolution authorizing the Secretary of the DCAC to
    - (1) Execute the agreement upon approval by the DCAC, and
    - (2) Execute options to the agreement, to extend the terms and increase the compensation payable, subject to DCAC's approval of the options and appropriation of funds for each option period.
  - c. Accept recommendation in Staff's Budget Memorandum and adopt amendments to the DCAC's 2009-2010 Adopted Budget to:
    - (1) Increase the FY 2009-2010 Adopted Base Budget Expenditure by \$20,000 for Non-Personal Contractual Services,
    - (2) Establish an appropriation for Benefits Consultant Fee in the amount of \$40,000.

Jeanne Groen, Benefits Manager, discussed the recommendation of the Ad Hoc RFP Subcommittee and reviewed the options available to the Committee in 4a, 4b and 4c.

**Motion** made by Busse and seconded by Vado to approve 4a, 4b and 4c (1).

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

**(See Item 5 below, discussed in conjunction with Item 4, for reconsideration of this motion after review of alternatives.)**

Public Comment: Bill Tugaw, SST Benefits Consulting, commented on the statements made on Page 4 of the Memorandum titled "Approval of Consulting Services Agreement with Buck Consultants" regarding references for SST Benefits Consulting .

Public Comment: Paul Hackleman, SST Benefits Consulting commented on statements that were made at the October 22, 2009 Deferred Compensation Advisory Committee meeting regarding services and reports provided by SST.

5. Should DCAC decline to approve a consultant agreement with Buck Consultants, LLC, as described in Item 4 above, provide direction to staff concerning alternative options, which might include:



- a. Adopt a resolution authorizing the Secretary of the DCAC to negotiate and execute an agreement with Buck Consultants, LLC for the above-specified periods at a cost not to exceed an amount specified by the DCAC, and to adopt amendments to the DCAC's 2009-2010 Adopted Budget accordingly;
- b. Adopt a resolution authorizing the Secretary of the DCAC to negotiate an agreement with another respondent to the RFP, at a cost to the Plan of not to exceed \$40,000 or another amount specified by the DCAC, for the period of January 1, 2010 through June 30, 2010, with options to extend the terms of the agreement through December 31, 2013 at annual costs of not to exceed \$80,000 or another amount specified by the DCAC;
- c. Direct the Secretary of the DCAC to develop a new RFP for consulting services for the Deferred Compensation Plan; provide direction on selection criteria and changes in the process, so long as such changes comport with the City of San Jose's Procurement Policy; and authorize the release of the revised RFP to potential bidders.
- d. Other direction as deemed appropriate by the DCAC.

Jeanne Groen, Benefits Manager, discussed alternative options in Item 5a, b, c, d since the motion was not carried to approve Item 4a, 4b and 4c (a).

**Motion** made by Jensen and seconded by Glassey to direct staff to schedule a special meeting for Buck Consultants and SST Benefits Consulting to make presentations to the full Committee regarding their input for the RFP for a benefits consultant, provide all Committee members with materials used by the RFP Subcommittee, and negotiate an extension of the current Agreement with SST Benefits Consulting of an appropriate length to allow time for the special meeting to take place prior to final selection of a Benefits Consultant.

Ayes: Jensen/Glassey; Noes: Busse, Cooper, Roubineau, Vado; Absent: Robert Sapien  
Motion was not carried.

**M.S.C** (Busse/Vado) to take a revote on Item 4 and approve Items 4a, 4b and 4c (1).

Ayes: Busse, Cooper, Roubineau, Vado; Noes: Glassey, Jensen; Absent: Robert Sapien

Public Comment: Chuck Sklader, SST Benefits Consulting, commented on criticisms of SST Benefits Consulting services to the Plan.

Public Comment: Bill Tugaw, SST Benefits Consulting, commented on SST's improvements to the City of San Jose Deferred Compensation Plan over the years as consultant to the Plan, and stated his appreciation for years of service with the Deferred Compensation Advisory Committee.

**Note:** Due to a scheduled conference call, Agenda Item #9 was discussed before Agenda Item #6.

6. Discuss and accept report on Status of 1999-2007 Reconciliation process and provide direction to staff.

Jeanne Groen, Benefits Manager, provided the report.



**M.S.C.** Jensen/Busse to accept report and direct staff to bring back recommendations for resolution of the reconciliation project at the December 17, 2009 meeting of the Deferred Compensation Advisory Committee.

7. Review, discuss, and approve Investment Policy Changes to Current Investment Policy Recommended by Investment Subcommittee.

Chuck Sklader, SST Benefits Consulting, reviewed the Investment Policy Changes with the Committee.

**M.S.C.** (Cooper/Vado) to accept changes to Investment Policy.

8. Discuss rescheduling of DCAC Retreat and provide direction to staff.

Jeanne Groen, Benefits Manager, discussed rescheduling of the DCAC Retreat.

**M.S.C.** (Busse/Cooper) to accept staff's recommendation to schedule the retreat for March 8, 2010 and invite new Committee appointees to the retreat, but also try to schedule an alternate date the last week in February to replace the March 8, 2010 date, if possible.

#### INFORMATIONAL ITEMS

9. Verbal Update on ING Organizational Announcement.  
Catherine Smith, ING, provided the update via conference call.
10. Verbal Update on Legislative, Market and Consultant Activity  
Bill Tugaw, SST Benefits Consulting, presented the verbal update.
11. Verbal Update of Quarterly Reports from ING Investment Management (IIM)—Gary Bozin, ING  
**M.S.C.** (Cooper/Glassey) to refer to note on file for this item.
12. Verbal Update on ING Service Provider—Gary Bozin, ING  
**M.S.C.** (Cooper/Glassey) to refer to note on file for this item.
13. Update on October, 2009 Fund Performance Summary – Gary Bozin, ING  
**M.S.C.** (Cooper/Glassey) to refer to note on file for this item.

#### NEXT MEETING

14. Next Meeting: Thursday, December 17, 2009, City Hall, W-120, 9:00 a.m.

#### OPEN FORUM

15. None

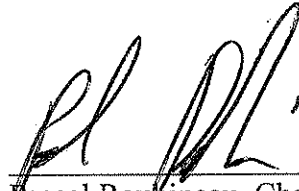
#### UNFORESEEABLE EMERGENCY WITHDRAWAL

16. None



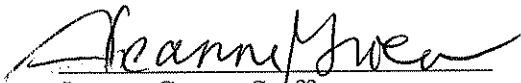
ADJOURNMENT

17. M.S.C. Jensen/Busse to adjourn at 11:33 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.

