



BOARD OF ADMINISTRATION

Meeting Minutes - Final Federated City Employees' Retirement System and Federated City Employees' Health Care Trust

Thursday, June 20, 2024

8:30 AM

City Hall, Wing Rooms 118 - 120
200 E. Santa Clara St. San Jose, CA 95113

HYBRID MEETING

PHYSICAL LOCATION:

City Hall, Wing Rooms 118-120, 200 E. Santa Clara St. San Jose, Ca 95113

ZOOM INFORMATION:

zoom.us

Dial In: +1 669-219-2599 US (San Jose)

Meeting ID: 987 6701 0551

Passcode: 050558

BOARD MEMBERS

Spencer Horowitz, Chair (Term Expires 11/30/24)

Julie Jennings, Vice-Chair (Term Expires 11/30/27)

Deborah Abbott, Trustee (Term Expires 11/30/26)--2329 Sunrise Dr, San Jose, CA 95124

Prachi Avasthy, Trustee (Term Expires 11/30/25)

Anurag Chandra, Trustee (Term Expires 11/30/26)

Matthew Faulkner, Trustee (Term Expires 11/30/27)--420 Star Hill Dr., Cape Carteret, NC 28584

Mark Linder, Trustee (Term Expires 11/30/24)

CITY COUNCIL LIAISON TO THE BOARD

Dev Davis

COUNSEL

Maytak Chin, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

Present: 6 - Mark Linder, Prachi Avasthy, Spencer Horowitz, Debbie Abbott, Matthew Faulkner and Julie Jennings

Absent: 1 - Anurag Chandra

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, June 20, 2024 at City Hall, Wing Rooms 118-120, 200 E. Santa Clara St., San Jose, CA 95113 and via Zoom at 8:30 a.m. Chair Horowitz called the meeting to order at 8:32 a.m. followed by roll call.

Board Members Present: Spencer Horowitz, Julie Jennings, Prachi Avasthy, and Mark Linder.

Board Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: Deborah Abbott and Matthew Faulkner. Counsel Chin questioned Trustee Abbott on whether she met the qualifications to teleconference under the Brown Act, and Trustee Abbott responded in the affirmative. Counsel Chin also questioned Trustee Faulkner on whether he met the qualifications to teleconference under the Brown Act, and Trustee Faulkner responded in the affirmative.

Trustee Anurag Chandra was absent.

Retirement Staff Present: Roberto L. Peña, Sandra Castellano, Amy Dickinson, Sherrell Aledo, Edith Aldama, David Torres, Chris Ha, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, Eric Tsang, Harrison Pierce, and Ron Kumar.

Retirement Staff Present via Zoom: Barbara Hayman, Linda Alexander, Cynthia Ayala, Ellen Lee, Shilpi Dwivedi, Arun Nallasivan, David Aung, Veronica Solorio, Nam Cao, Trang Vo, and Chris J. Reyes.

Also Present: Dev Davis, City Council Liaison; Maytak Chin and Mariah Fairley, General and Fiduciary Counsel, Laura Wirick, Meketa Investment Group; Sarah Steele, OER; Cheryl Parkman, OER; and Colleen Brennan, Public Member.

Also Present via Zoom: Hasan Soleja, Neuberger Berman; Colin Kowalski, Meketa Investment Group; Kevin Baload, Journalist; and Russ Richeda, Disability Counsel.

ADA ALERT

In accordance with the requirements of AB 2449, the Board of Administration (“Board”) will generally, upon request, provide appropriate aids and services leading to effective communication for individuals with disabilities so they can participate equally in the Board’s meetings, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, vision or other disabilities.

Anyone who requires an auxiliary aid or service for effective communication to participate in a Board meeting should contact the designated contact in Office of Retirement Services as far in advance of the scheduled meeting as possible. The Board strongly encourages individuals with disabilities to endeavor to submit requests for reasonable accommodation no later than five (5) business days before the scheduled meeting, as the Board may not be able to grant requests for reasonable accommodations without sufficient advance notice. The Board strongly encourages individuals with disabilities to submit their written requests via email or regular mail to facilitate tracking and response; however, if the submission of a written request constitutes a hardship, individuals may call the Office of Retirement Services to submit an oral request.

The designated contact in the Office of Retirement Services will endeavor to respond to each request within three (3) business days of receipt of the request. Depending on the request, the designated contact in the Office of Retirement Services may ask to schedule a time to discuss the request (which may occur virtually) to determine the most appropriate auxiliary aid or service, before the request is resolved.

ADA Designated Contact Information

Attention: Deputy Director/Chief Operations Officer, Office of Retirement Services
Address: 1737 N First St #600, San Jose, CA 95112
Email: #Retire_Admin@sanjoseca.gov
Phone: 408-794-1000 (ORS Main Line)

THE LEVINE ACT

Senate Bill 1439 (“Levine Act”) amended Government Code Section 84308 and requires disclosure and recusal by a local elected official and some members of boards and commissions if they receive campaign contributions over \$250 from a party, a participant with a financial interest in a proceeding, or their respective agents. The Levine Act was an anti-corruption law intended to curb “pay-to-play” and enhance public trust so that decision-makers can maintain their independence from the influence of donations for political campaigns. SB 1439 expanded the scope from state agency appointees or appointed local officials to include local elected officials. Please visit <https://www.sanjoseca.gov/your-government/appointees/city-clerk/levine-act> for updated forms and information.

**** AB 2449 REMOTE APPEARANCE(S)**

a. Just Cause Circumstance(s) (Gov’t Code § 54953)

- i. The following Trustee(s) have notified the Board of a “Just Cause” to attend this meeting via teleconference.

NONE

- ii. Call for Trustee(s) who wish to notify the Board of a “Just Cause” to attend this meeting via teleconference.

b. Emergency Circumstance(s) (Gov't Code § 54953)

- i. The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance."

NONE

- ii. Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance."
- iii. Take action on request(s) for remote appearance.

CEREMONIAL ITEM

- a. Presentation of a commendation to Roberto L. Peña for his service as CEO and Board Secretary for the Federated Plan's Board of Administration.

This item was heard after the PUBLIC/RETIREE/GENERAL COMMENTS item.

Chair Horowitz presented the commendation to Roberto L. Peña for his service. Chair Horowitz, Vice-Chair Jennings, Trustee Linder and CIO Palani said a few kind words. CEO Peña said a few comments and thanked the Board and the Federated Retirement Plan.

CLOSED SESSION

CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.

Closed Session was heard immediately after the Ceremonial item.

The Board entered into Closed Session at 8:45 a.m.

I. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS

- A. **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION: Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One Case.

There was no reportable action for this item from Closed Session.

- B. **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to Section 54956.9(d)(2): One Case.

There was no reportable action for this item from Closed Session.

The Board came out of Closed Session at 10:04 a.m.

OPEN SESSION - will reconvene following Closed Session, estimated to be 9:30 a.m.

Open Session re-convened at 10:10 a.m.

• **ORDERS OF THE DAY**

This item was heard immediately after roll call attendance.

Chair Horowitz read the following into the record:

A FEW GROUND RULES FOR THIS MEETING

- All votes will be roll call votes.
- We are holding this meeting as a hybrid meeting, and so those who are attending virtually, please mute yourself unless you are speaking and if you wish to speak, please raise your hand and staff will alert the Chair.

Orders of the Day:

- Time Certain: 11:00 a.m. – Section 1a. Application for a Changed of Status to Service-Connected Disability Retirement for Colleen Brennan.

WAIVE SUNSHINE:

- None.

• **PUBLIC/RETIREE/GENERAL COMMENTS - Not Related to a Specific Agenda Item**

None.

1. **Application for a Change of Status to Service-Connected Disability Retirement**

- a. **Colleen Brennan**, Senior Executive Analyst, Office of Economic Development, Request for Change of Status to Service-Connected Disability Retirement, effective March 19, 2022; 26.24* years of service. (*Staff Disability Committee Recommendation: Denial*)

Time Certain: 11:00 a.m.

This item was heard after 7.3d.

Chair Horowitz introduced the item and asked questions to the applicant. Ms. Brennan, the applicant, was present in person. Mr. Russ Richeda, Disability Counsel, spoke to the evidence of the applicant's service connection. The injuries and their symptoms led to work restrictions, and the City was able to accommodate those work restrictions. In conclusion, the applicant was not incapacitated. It was further noted that there was no permanent work restriction in effect as of March 2022, and the permanent work restriction was brought forward after this date. The Federated Disability Committee members, Chair Linder, Trustee Jennings, and Trustee Faulkner, added comments and answered questions from the Board. CEO Peña, Sandra Castellano, Benefits Division Manager, and Sarah Steele, OER, assisted in answering questions from the Board. Ms. Brennan answered questions from the Board. After a lengthy discussion, a motion was put forward.

A motion was made to approve the Disability Committee's recommendation to deny the

applicant's request for a change of status to service-connected disability retirement.

Approved. (M.S.C. Jennings/Linder 6-0-0) The motion passed by roll call vote.

Trustee Chandra was absent.

2. CONSENT CALENDAR

This item was heard after Closed Session.

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Linder/Jennings 6-0-0) The motion passed by roll call vote.

Trustee Chandra was absent.

2.1 Approval of Service Retirements

- a. **Marie Estrada**, Groundswoker, Parks, Recreation & Neighborhood Services, effective August 3, 2024; 15.23* years of service.
- b. **Fina G. Lefevre**, Senior Office Specialist, Police Department, effective July 20, 2024; 28.55* years of service.
- c. **Ellen Loebel**, Literacy Program Specialist, Library Department, effective June 8, 2024; 17.18* years of service.
- d. **Robert K. Manford**, Deputy Director, Planning Building and Code Enforcement, effective July 20, 2024; 25.28* years of service. (*With Reciprocity - 12.42 CalPERS + 7.09 LACERS + 5.75 CSJ = 25.28 YOS*)
- e. **Michelle A. Meeks**, Library Clerk, Library Department, effective August 3, 2024; 27.59* years of service.
- f. **Greg L. Mefferd**, Senior Maintenance Worker, Parks, Recreation & Neighborhood Services, effective June 22, 2024; 27.73* years of service.
- g. **Alexander Niles**, Analyst II, Parks, Recreation & Neighborhood Services, effective July 6, 2024; 23.64* years of service.
- h. **Anthony J. Palladino**, Wastewater Maintenance Superintendent, Environmental Services Department, effective July 20, 2024; 27.69* years of service.
- i. **Theresa Ramos**, Senior Analyst, Housing Department, effective June 22, 2024; 26.65* years of

service.

- j. **Alisa M. Rappleye**, Principal Engineering Technician, Public Works Department, effective July 20, 2024; 27.52* years of service.
- k. **Heather Vrzal**, Zoo Curator, Parks, Recreation & Neighborhood Services, effective July 20, 2024; 25.85* years of service.
- l. **Adriana A. York**, Staff Specialist, Housing Department, effective July 6, 2024; 30.19* years of service.

2.2 Approval of Deferred Vested

- a. **Christopher A. Godley**, Deputy Director, Fire Department, effective July 23, 2024; 20.77* years of service. (*With Reciprocity - 3.67 CSJ + 2.26 PERS + 5.78 SCERA + 9.04 MCERA = 20.77 YOS*)
- b. **Martin Gonzalez**, Senior Custodian, Public Works Department, effective July 1, 2024; 13.71* years of service.
- c. **Charles R. Griffen**, Administrative Officer, Library Department, effective July 22, 2024; 33.81* years of service. (*With Reciprocity - 13.90 CSJ + 19.91 PERS = 33.81 YOS*)
- d. **Ashwini Kantak**, Assistant Director, Environmental Services Department, effective May 6, 2024; 17.18* years of service.
- e. **Virginia Wilcox**, Public Safety Radio Dispatcher, Police Department, effective July 12, 2024; 10.05* years of service.

2.3 Approval of Board Minutes

- a. Approval of the Board Minutes of May 16, 2024.

2.4 Approval of Return of Contributions

- a. Voluntary | Involuntary

2.5 Acceptance of Communication/Information Reports

- a. Report of the Monthly Board Expenses for April 2024. Receive and file.

2.6 Approval of Travel / Conference Attendance

- a. Prabhu Palani
 - Transpose Platform Ecosystem Day 2024, Julie Morgan Ballroom, San Francisco, CA, June 10 - 12, 2024.

2.7 Alternate Beneficiary Designation

- a. Approval of Alternate Payee Benefit election of Lifetime Monthly Payment Option to be paid to **Eric Driscoll**, ex-spouse of Senior Analyst, Felipa Perez to be effective June 19, 2024, under Chapter 3.28, Part 23 of the San Jose Municipal Code.
- b. Approval of Alternate Payee Benefit election of Monthly Payment Option to be paid to **Kendra Frost-Jones**, ex-spouse of Senior Construction Inspector, Arion Jones to be effective May 22, 2024, under Chapter 3.28, Part 23 of the San Jose Municipal Code.

3. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

Chair Horowitz asked for a moment of silence for those who served and passed away.

- a. Notification of the death of **Frank R. Barbaccia Jr**, Administrative Officer, retired January 10, 2004, died May 12, 2024. Survivorship benefits to Sharon Barbaccia, spouse.
- b. Notification of the death of **Corinne Bulygo**, Senior Police Record Clerk, retired October 29, 1988, died April 5, 2024. No survivorship benefits.
- c. Notification of the death of **Terry J. Chamberlin**, Heavy Diesel Equipment Operator Mechanic, retired June 29, 1996, died April 25, 2024. No survivorship benefits.
- d. Notification of the death of **Jessie Duran**, Maintenance Worker I, retired March 26, 2005, died April 2, 2024. Survivorship benefits to Sylvia Duran, spouse.
- e. Notification of the death of **Nola N. Maupin**, Maintenance Worker II, retired September 29, 2001, died May 5, 2024. No survivorship benefits.
- f. Notification of the death of **David Moreno**, Supervising Auditor, retired November 27, 2011, died April 5, 2024. Survivorship benefits to Linda Moreno, spouse.

- g. Notification of the death of **Linda K. Nierenberg**, Maintenance Worker I, retired March 13, 2003, died March 11, 2024. No survivorship benefits.
- h. Notification of the death of **Victoria Ribbs**, Senior Engineering Technician, retired March 11, 2017, died May 1, 2024. No survivorship benefits.
- i. Notification of the death of **Edward Stevens**, Risk Manager, retired May 20, 1998, died May 8, 2024. No survivorship benefits.
- j. Notification of the death of **Madeline E. Torres**, Staff Analyst II, retired February 4, 1990, died April 9, 2024. No survivorship benefits.

4. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

Jay Kwon, Senior Investment Officer, updated the Board on the following unaudited estimated performance by Meketa Investment Group.

- For FYTD as of June 17, 2024, the Pension Plan was up 9.5%.
- For FYTD as of June 17, 2024, the Health Care Trust was up 9.8%.

- b. Presentation of Calendar 4th Quarter 2023 Private Equity report by Neuberger Berman.
Hasan Soleja, Neuberger Berman, presented the 4th Quarter 2023 Private Equity report.
- c. Presentation of Calendar 4th Quarter 2023 Private markets report by Meketa Investment Group.
Laura Wirick, Meketa Investment Group, presented the 4th Quarter 2023 Private markets report and answered questions from the Board.
- d. Presentation of Calendar 1st Quarter 2024 Performance report for Pension Plan by Meketa Investment Group.
Laura Wirick, Meketa Investment Group, presented the 1st Quarter 2024 Performance report for Pension Plan and answered questions from the Board.
- e. Presentation of Calendar 1st Quarter 2024 Performance report for Health Care Trust by Meketa Investment Group.
Laura Wirick, Meketa Investment Group, presented the 1st Quarter 2024 Performance report for Health Care Trust.

5. OLD BUSINESS-DEFERRED/CONTINUED ITEMS-NONE

6. NEW BUSINESS

- a. Oral update by CEO, Roberto L. Peña.

CEO Peña updated the Board on the following:

- The Senior Analyst position has been filled by Jesselle Holcomb.
- The ORS Summer picnic was held on June 7th at Kelley Park and was well attended. The Benefits disability staff were recognized for their hard work.
- The office will be closed on Thursday, July 4th, in observance of Independence Day.
- CEO Peña attended the Federated Retiree Luncheon on June 13th along with CIO Palani and Jay Kwon. The event was well attended, and their presence was well received.
- CEO Peña thanked Trustee Linder for his work.

- b. Oral update from the City Council Liaison to the Board.

City Council Liaison Dev Davis updated the Board on pending matters before the Council. Vice-Chair Jennings made a few comments.

- c. Discussion and action on adoption of City Workplace Violence Prevention Plan Policy No. 1.3.15 (Disciplinary Policy) for ORS Operations, adopted by City Council May 30, 2024.

Barbara Hayman, Deputy Director presented the item and answered questions from the Board.

A motion was made to adopt the City Workplace Violence Prevention Plan Policy No. 1.3.15 (Disciplinary Policy) for ORS Operations.

Approved. (M.S.C. Linder/Jennings 6-0-0). The motion passed by roll call vote.

Trustees Chandra was absent.

- d. Discussion and action on non-preapproved travel for Trustee Chandra to attend the Public Fund Summit East from July 22 to July 24, 2024.

Chair Horowitz introduced the item. CEO Peña recommended to the Board to approve Trustee Chandra's non-preapproved travel to attend the Public Fund Summit East Conference.

A motion was made to authorize the travel for Trustee Chandra to attend the Public Fund Summit East Conference from July 22 to July 24, 2024.

Approved. (M.S.C. Linder/Jennings 6-0-0). The motion passed by roll call vote.

Trustee Chandra was absent.

7. COMMITTEES/REPORTS/RECOMMENDATIONS

7.1 Investment Committee (Chandra, Horowitz, Faulkner)

Last Meeting: April 10, 2024 Next Meeting: August 20, 2024

- a. Oral update from the Chair of the Investment Committee.

There was no update.

7.2 Audit Committee (Avasthy, Jennings, Abbott)

Last Meeting: May 16, 2024 Next Meeting: August 15, 2024

- a. Oral update from the Chair of the Audit/Risk Committee.

Chair Avasthy updated the Board on the discussion items from the last meeting. CEO Peña also spoke about the items and answered questions from the Board. Counsel Chin added comments.

- b. Minutes of the April 11, 2024 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Department Retirement Plan. Receive and file.

The Minutes were received and filed.

- c. Discussion and action on Office of Retirement Services' proposed timeline and plan for implementing recommendations from the City Auditor's Report, dated April 4, 2024.

This item was heard after item 7.2f.

CEO Peña spoke to the item.

A motion was made to approve the Office of Retirement Services' proposed timeline and plan for implementing recommendations from the City Auditor's Report.

Approved. (M.S.C. Avasthy/Jennings 6-0-0). The motion passed by roll call vote.

Trustee Chandra was absent.

- d. Discussion and action on amendment to Internal Auditor Charter to reflect process for hiring Internal Auditor and on performance evaluation issues.

This item was heard after item 7.2e but revisited and voted on after item 7.2c.

CEO Peña spoke to the item.

A motion was made to approve the amendment to Internal Auditor Charter to reflect process for hiring Internal Auditor and on performance evaluation issues.

Approved. (M.S.C. Jennings/Avasthy 6-0-0). The motion passed by roll call vote.

Trustee Chandra was absent.

- e. Update on status of request to custodian bank (Bank of New York Mellon) to correct fiscal years 2016-2023 Pension Plans' returns based on the results of the Agreed Upon Procedures work completed by Macias Gini & O'Connell LLP audit firm.

This item was heard after item 7.2a but revisited and voted on after item 7.2d.

CEO Peña updated the Board.

- f. Discussion and action on FY 2023 - 2024 Office of Retirement Services Plans Audit Plan by Macias Gini & O'Connell LLP (MGO).

This item was heard after item 7.2d.

CEO Peña spoke to the item.

A motion was made to adopt the FY 2023-2024 Office of Retirement Services Plans Audit Plan by Macias Gini & O'Connell LLP (MGO).

Approved. (M.S.C. Avasthy/Jennings 6-0-0). The motion passed by roll call vote.

Trustee Chandra was absent.

7.3 Governance Committee (Linder, Abbott, Avasthy)

Last Meeting: June 18, 2024 Next Meeting: September 19, 2024

- a. Oral update from the Chair of the Governance Committee.

Chair Linder updated the Board on the discussion items from the last meeting.

- b. Minutes of the Governance Committee meeting from March 7, 2024. Receive and file.

The Minutes were received and filed.

- c. Discussion and action regarding City Finance Department's requested changes to retirement boards' adopted Trustee Educational Travel Policy.

Counsel Chin announced that this item was deferred to the August 15th meeting.

- d. Discussion and action regarding adoption of City Policy "Chapter 5.1- Purchasing: Procurement" for goods and non-professional services for ORS operations.

Vice-Chair Jennings spoke to the item. Counsel Chin and CEO Peña also spoke to the item and answered questions from the Board. Chair Horowitz added comments.

After lengthy discussion, a motion was made to adopt City Policy Chapter 5.1- Purchasing: Procurement for non-professional services for ORS operations.

Approved. (M.S.C. Linder/Abbott 6-0-0). The motion passed by roll call vote.

Trustee Chandra was absent.

- e. Discussion and action regarding adoption of proposed internal ORS Policy for procurement and contracting for professional and critical plan administrative services/goods for ORS operations.

The Board took a break from 12:02 p.m. to 12:06 p.m.

This item was heard after Item 1.1a.

Counsel Chin spoke to the item and answered questions from the Board. Chair Linder added comments.

A motion was made to direct CEO Peña to bring the proposed internal ORS Policy for procurement of professional services for Plan administration to the City Finance Director for feedback.

Approved. (M.S.C. Linder/Abbott 6-0-0). The motion passed by roll call vote.

Trustee Chandra was absent.

7.4 FCERS Disability Committee (Linder, Jennings, Faulkner)

Last Meeting: June 5, 2024 Next Meeting: August 6, 2024

- a. Oral update from the Chair of the Disability Committee.

Chair Linder updated the Board regarding pending matters for the next meeting.

- b. Minutes of the Federated Disability Committee meeting from April 2, 2024. Receive and file.

The Minutes were received and filed.

- c. Federated Quarterly Disability Retirement applications dashboard.

No action needed.

- d. Overview of the Age of Federated Disability Applications.

No action needed.

7.5 Joint Personnel Committee (Chandra, Horowitz, Linder)

Last Meeting: April 25, 2024 Next Meeting: TBD

- a. Oral update from the Chair of the Joint Personnel Committee.

There was no update.

8. EDUCATION & TRAINING

The Education & Training was received and filed.

- a. The Cortex Report - May 2024, Conferences, Seminars and Educational Programs.
- b. CALAPRS, Principles of Pension Governance for Trustees, The Lodge at Tiburon, Tiburon, CA, August 26 - 29, 2024.

- **PROPOSED AGENDA ITEMS**

None.

- **ADJOURNMENT**

The meeting was adjourned at 12:11 p.m.

- **Next FCERS Board Meeting: August 15, 2024**

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

SPENCER HOROWITZ, CHAIR
BOARD OF ADMINISTRATION

ATTEST:

ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES

