



BOARD OF ADMINISTRATION

Meeting Minutes - Final FCERS and Police&Fire Retirement Plan Audit Committee

Friday, March 1, 2024

1:00 PM

1737 N. First St., Suite 580
San Jose, CA 95112

or immediately following the conclusion of the Police and Fire Investment Committee meeting

HYBRID MEETING

PHYSICAL LOCATION:

1737 N. First St., Suite 580, San Jose, CA 95112

ZOOM INFORMATION:

zoom.us

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

Meeting ID: 960 4203 0153

Passcode: 491334

FCERS Committee Members:

Prachi Avasthy, Chair

Debbie Abbott, Trustee

Julie Jennings, Trustee -- 855 E. Hilton Dr., Boulder Creek, CA 95006

Police and Fire Committee Members:

Sunita Ganapati, Chair

Howard Lee, Trustee

Dave Wilson, Trustee

Present: 6 - Dave Wilson, Debbie Abbott, Prachi Avasthy, Sunita Ganapati, Howard Lee and Julie Jennings

The Federated Audit Committee and Police and Fire Audit Committee met in person at ORS, 1737 N. First St. Suite 580, San Jose, CA 95112 and via Zoom on Friday, March 1, 2024. The Police and Fire Audit Committee meeting was called to order at 1:00 p.m. by Chair Ganapati. The Federated Audit Committee meeting was called to order at 1:00 p.m. by Chair Avasthy followed by roll call vote.

Police and Fire Committee Members Present: Sunita Ganapati, Dave Wilson and Howard Lee.

Federated City Employees Retirement System (FCERS) Committee Members Present: Prachi Avashty and Debbie Abbott.

Committee Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: Julie Jennings. Counsel Chin questioned Trustee Jennings on whether she met the qualifications to teleconference under the Brown Act, and Trustee Jennings responded in the affirmative.

Retirement Staff Present: Barbara Hayman, Benjie Chua-Foy, Jay Kwon, Chris Ha, Edith Aldama, Cynthia Ayala and David Torres.

Retirement Staff Present via Zoom: Roberto Peña, Houman Boussina, Ron Kumar and Shilpi Dwivedi.

Also Present: Andrew Gardanier, Public Attendee.

Also Present via Zoom: Maytak Chin, General and Fiduciary Counsel; Joe Ebisa, Journalist; Valter Viola, Cortex Consulting, Inc; and Joe Rois, Allison Pauly, Michael O'Connell and Maria Valle, City Auditor's Office.

I. 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.

- **Call To Order and Roll Call**

- **Orders of the Day**

A motion was made to approve the following order of agenda items to be heard:

- Item 2c: Discussion and action on Annual Audit Plan following discussion from October 2023 Joint Audit Committee meeting; Will be heard first.
- Item 3a: Update from the City Auditor, Joseph Rois; Will be heard second.
- Rest of Agenda in order it appears.

FCERS Committee Approved. (M.S.C. Abbott/Avasthy 3-0-0). The motion passed by roll call vote.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 3-0-0).

JOINT AUDIT COMMITTEE

1. CONSENT CALENDAR

- a. Approval of the Minutes of the October 19, 2023 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Department Retirement Plan.

This item was heard after item 3a.

A motion was made to approve the Consent Calendar.

FCERS Committee Approved. (M.S.C. Abbott/Jennings 3-0-0). The motion passed by roll call vote.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 3-0-0).

2. OLD BUSINESS

- a. Discussion and action on ORS Management's Amended Response on Finding 1 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18,

2023, regarding Granicus contract.

Chair Avasthy introduced the item. Barbara Hayman, Deputy Director, spoke to the item and answered questions from the Committee. Counsel Chin and CEO Peña assisted in answering questions from the Committee.

A motion was made to accept the ORS Management's Amended Response on Finding 1 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023, regarding Granicus contract.

FCERS Committee Approved. (M.S.C. Jennings/Abbott 3-0-0). The motion passed by roll call vote.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 3-0-0).

- b. Discussion and action on ORS Management's Amended Response on Finding 3 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023, regarding laptop purchase during COVID 19.

Chair Avasthy introduced the item. Barbara Hayman, Deputy Director, spoke to the item and answered questions from the Committee. Counsel Chin assisted in answering questions from the Committee. Chair Ganapati made a few comments.

A motion was made to accept the ORS Management's Amended Response on Finding 3 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023, regarding laptop purchase during COVID 19.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 3-0-0).

FCERS Committee Approved. (M.S.C. Abbott/Jennings 3-0-0). The motion passed by roll call vote.

- c. Discussion and action on Annual Audit Plan following discussion from October 2023 Joint Audit Committee meeting.

This item was heard first after approval of Orders of the Day.

Chair Ganapati and Chair Avasthy introduced the item and stated the desire for a clear systematic approach to audit issues. The Chairs stated that they would like the Senior Internal Auditor to draft a proposed Annual Audit Plan for FY 2024-2025 with ORS Management to present to the Joint Audit Committee for review and input for approval.

The Committee further directed Counsel to remove the word "Flexible" from the Internal Auditor Charter when describing the Audit Plan so that there is a definite and disciplined approach to addressing audit issues. Counsel Chin made a few comments. Chair Ganapati and Chair Avasthy answered questions from the Committee.

A motion was made to approve the proposed direction for the Annual Audit Plan and for the removing of the word flexible from the Internal Auditor Charter.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 3-0-0).

FCERS Committee Approved. (M.S.C. Abbott/Jennings 3-0-0). The motion passed by roll call

vote.

3. NEW BUSINESS

- a. Update from the City Auditor, Joseph Rois.

This item was heard after 2c.

Joseph Rois, City Auditor, presented the item and updated the Committee with the City Audit Report. Mr. Rois, Counsel Chin and CEO Peña answered questions from the Committee. Chair Ganapati, CEO Peña and Trustee Jennings thanked Mr. Rois and his team for their work and made a few comments.

- b. Discussion and action on request to custodial 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 2b.

CEO Peña introduced the item. Jay Kwon, Senior Investment Officer, spoke to the item and answered questions from the Committee. CEO Peña assisted in answering questions from the Committee. Chair Ganapati, Trustee Lee and CEO Peña made a few comments.

A motion was made to recommend for CEO Peña to sign the letter and for the Police & Fire and Federated Board Chairs to co-sign the letter, and for Benjie Chua-Foy, Accounting Division Manager, to handle the process with the custodian bank.

Police and Fire Committee Approved. (M.S.C. Wilson/Ganapati 3-0-0).

FCERS Committee Approved. (M.S.C. Abbott/Jennings 3-0-0). The motion passed by roll call vote.

- c. Transition comments by exiting Audit Chair for Police and Fire Department Retirement Plan.

Chair Ganapati announced that she was stepping down as the Joint Audit Committee Chair to focus more on her new role as the Vice-Chair of the Police and Fire Board. Trustee Lee accepted the role of the Joint Audit Committee Chair for the Police and Fire Retirement Plan. CEO Peña and Trustees Avasthy, Jennings, Abbott, Wilson and Lee thanked Chair Ganapati for her services.

- **Proposed Agenda Items**

None.

- **Public Comments**

None.

- **Adjournment**

The meeting adjourned at 2:32 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

Roberto L. Peña, CEO, Office of Retirement Services