



BOARD OF ADMINISTRATION

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

Thursday, May 15, 2025

8:30 AM

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

HYBRID MEETING

PHYSICAL LOCATION:

ORS, 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: 936 4617 8095

BOARD MEMBERS

Spencer Horowitz, Chair (Term Expires 11/30/28)

Anurag Chandra, Vice Chair (Term Expires 11/30/26) -- PENN 1, WorkLife, 1 Pennsylvania Plaza, New York, NY 10119

Deborah Abbott, Trustee (Term Expires 11/30/26)

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

Matthew Faulkner, Trustee (Term Expires 11/30/27)

Mark Linder, Trustee (Term Expires 11/30/28)

Nathan Nakagawa, Trustee (Term Expires 11/30/27)

CITY COUNCIL LIAISON TO THE BOARD

Pam Foley

COUNSEL

Maytak Chin, General and Fiduciary Counsel

John Flynn, CEO, Office of Retirement Services

Present: 7 - Debbie Abbott, Matthew Faulkner, Spencer Horowitz, Mark Linder, Anurag Chandra, Prachi Avasthy and Nathan Nakagawa

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, May 15, 2025 at ORS, 1737 North First St, Suite 580, San Jose, CA 95112 and via Zoom at 8:30 a.m. Chair Horowitz called the meeting to order at 8:40 a.m. followed by roll call.

Board Members Present: Spencer Horowitz, Deborah Abbott, Prachi Avasthy, Matthew Faulkner, Mark Linder, and Nathan Nakagawa.

Trustee Avasthy arrived at 8:41 a.m.

Board Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: Anurag Chandra. Counsel Chin questioned Vice-Chair Chandra on whether he met the qualifications to teleconference under the Brown Act, and Vice-Chair Chandra responded in the affirmative. Counsel Chin advised that all votes must be roll-call votes.

Vice-Chair Chandra arrived at 9:58 a.m.

City Council Liaison Pam Foley arrived at 8:49 a.m.

Retirement Staff Present: John Flynn, Prabhu Palani, Barbara Hayman, Sherrell Aledo, Edith Aldama, Gabriela Romero-Castrejon, Cynthia Ayala, Christina Wang, Jay Kwon, Harrison Pierce, David Aung, Dhinesh Ganapathiappan, Ron Kumar, Arun Nallasivan, Shilpi Dviwedi, May Cheung, and Chris Ha.

Also Present: Eileen Neill, Verus Investments.

Retirement Staff Present via Zoom: Sandra Castellano, Benjie Chua-Foy, Nam Cao, Gina Rios, Ann Lipscomb, Ellen Lee, and Jennifer You.

Also Present via Zoom: Anurag Chandra, Vice-Chair; Maytak Chin; General and Fiduciary Counsel; Pam Foley, Vice Mayor and City Council Liaison; Bill Gold, OER; Laura Wirick, Meketa Investment Group; and Kevin Baload, Journalist - With Intelligence.

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

The Levine Act requires a Party in a Proceeding before the City of San José that involves any action related to their contract, license, permit, or use entitlement to disclose any campaign contributions to City elected or appointed officials totaling more than \$500 within the 12 months prior to the City decision. A Participant to a Proceeding may voluntarily report a campaign contribution on the form located on the Levine Act webpage.

**** 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.

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

I. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS-NONE

• ORDERS OF THE DAY

This item was heard immediately after roll call attendance.

Orders of the Day

- Time Certain: 10:00 a.m. for Item 3b.

WAIVE SUNSHINE (amended/attachments POSTED late):

- Late Attachments: Attachments 3b(1) & 3b(2).

A motion was made to waive sunshine on the attachments reference above.

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

Vice-Chair Chandra was absent.

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

None.

1. CONSENT CALENDAR

This item was heard after Public/Retiree/General Comments.

A motion was made to approve the Consent Calendar.

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

Vice-Chair Chandra was absent.

1.1 Approval of Service Retirements

- a. **John Brazil**, Senior Transportation Specialist, Department of Transportation, effective May 24, 2025; 23.55* years of service.
- b. **Tony A. Harrison**, Senior Electrician, Airport Department, effective June 21, 2025; 22.77* years of service.
- c. **Elizabeth Ortiz**, Code Enforcement Inspector II, Planning, Building and Code Enforcement, effective June 7, 2025; 25.61* years of service.
- d. **Anthony M. Perez**, Wastewater Attendant, Environmental Services Department, effective May 24, 2025; 10.65* years of service.
- e. **Titus R. Raceles**, Senior Engineer, Public Works Department, effective June 7, 2025; 26.55* years of service.

1.2 Early Retirement

- a. **Dane C. Rudd**, Maintenance Worker II, Department of Transportation, effective May 1, 2025; 7.75* years of service.

1.3 Approval of Deferred Vested

- a. **Roberto Franco**, Code Enforcement Inspector II, Planning, Building and Code Enforcement Department, effective May 18, 2025; 7.90* years of service.
- b. **Laurel A. Godley**, Environmental Services Specialist, Environmental Services Department, effective June 18, 2025; 15.20* years of service.
- c. **Michael P. Hughes**, Library Clerk, Library Department, effective May 24, 2025; 25.23* years of service.
- d. **Tonya Robnett-Robertson**, Analyst II, Independent Police Auditor Department, effective May 29, 2025; 17.60* years of service. (*With Reciprocity - 1.34 CSJ + 16.25 PERS = 17.60 YOS*)
- e. **Trinidad Sanchez**, Groundswoker, Parks, Recreation and Neighborhood Services, effective June 18, 2025; 15.57* years of service.

- f. **Theresa M. Sciortino**, Public Safety Radio Dispatcher, Police Department, effective May 29, 2025; 31.10* years of service. *(With Reciprocity - 14.19 CSJ + 16.90 PERS = 31.10 YOS)*
- g. **Albert Wong**, Associate Engineer, Environmental Services Department, effective June 25, 2025; 8.44* years of service. *(With Reciprocity - 8.19 CSJ + 0.25 EBMUD ERS = 8.44 YOS)*
- h. **Lo Yip**, Supervising Auditor, Police Department, effective April 7, 2025; 16.77* years of service.

1.4 Approval of Board Minutes

- a. Approval of the Board Minutes of April 17, 2025.

1.5 Approval of Return of Contributions

- a. Voluntary | Involuntary

1.6 Acceptance of Communication/Information Reports

- a. Report of the Monthly Board Expenses for March 2025. Receive and file.
- b. Q3 FY 2024-2025 Budget to Actual Quarterly Budget Reports.

1.7 Approval of Travel Attendance & Reimbursements

- a. Mathew Faulkner, Trustee
 - Public Funds Summit East 2025, Newport Marriott, Newport, RI, July 21 - 23, 2025.
- b. John Flynn, CEO
 - CALAPRS Virtual Administrators' Round Table, June 6, 2025.
- c. Prabhu Palani, CIO
 - Milken Institute Global Conference 2025, The Beverly Hilton, Beverly Hills, CA, May 4 - 7, 2025.
- d. Reimbursement
 - Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24 - 26, 2025 - Matthew Faulkner.

1.8 Approval of Change in Retirement Date

- a. Approval for a change in effective date for **Marciano R. Lleverino**, Gerontology Specialist, Parks, Recreation and Neighborhood Services Department, from May 11, 2025 to March 18, 2025, for a Service Retirement approved at the April 17, 2025 Board meeting.

2. 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 **Noel Ameele**, Development Officer, retired February 3, 2001 died March 21, 2025. Survivorship benefits to Sarah LaPorta, spouse.
- b. Notification of the death of **Leslie Brady**, Communications Services Operator, retired March 31, 2010, died April 6, 2025. No survivorship benefits.
- c. Notification of the death of **Victoria, M. Clark**, Library Clerk, retired July 20, 1991, died July 11, 2023. No survivorship benefits.
- d. Notification of the death of **Louise Duchon**, Senior Police Records Clerk, retired March 9, 1993, died April 10, 2025. No survivorship benefits.
- e. Notification of the death of **Alexander Guiang**, Principal Accountant, retired March 31, 2011, died February 7, 2025. Survivorship benefits to Gloria Guiang, spouse.
- f. Notification of the death of **Steven K. Klass**, Senior Public Safety Dispatcher, retired November 20, 2005, died September 22, 2023. No survivorship benefits.
- g. Notification of the death of **Valente Lerma**, Heavy Equipment Operator, retired July 7, 2001, died March 15, 2025. No survivorship benefits.
- h. Notification of the death of **Michael J. Mendizabal**, Principal Construction Inspector, retired March 7, 2009, died February 10, 2025. Survivorship benefits to Nancy C. Mendizabal, spouse.
- i. Notification of the death of **Von Miyasaki**, Maintenance Supervisor, retired October 4, 1987, died March 2, 2025. Survivorship benefits to Arline Miyasaki, spouse.

3. INVESTMENTS

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.

CIO Palani updated the Board on the following unaudited estimated performance by Meketa Investment Group:

- For FYTD as of May 13, 2025, the Pension Plan was up 5.96%.
- For FYTD as of May 13, 2025, the Health Care Trust was up 7.1%.

CIO Palani noted two items for discussion: (1) the Investment Policy Statement, and (2) the Pacing Plan.

- b. Discussion and action on the Investment Policy Statement revisions by Meketa Investment Group and Verus Investments and approval of Resolution number 9126.

TIME CERTAIN: 10:00 a.m.

This item was heard after the Board resumed from the break after item 7.

Counsel Chin confirmed for the record that Vice-Chair Chandra was qualified under the Traditional Brown Act teleconferencing rules, and that all votes must be roll-call votes. Additionally, Counsel Chin stated for the record that attachments for item 3(b) and 3(b)(2) in redline copies was presented to the Board for the first time at the Board meeting and that copies were also available at the meeting for members of the public. Pursuant to Government Code 54957.5(b) of Brown Act, the Board may consider the materials at this meeting.

CIO Palani introduced the item. Chair Horowitz and Vice-Chair Chandra spoke to the item and responded to questions from the Board. Eileen Neill of Verus Investments and Laura Wirick of Meketa Investment Group also addressed the item and answered questions from the Board. Chair Horowitz asked Counsel Chin a question, to which she responded with Laura Wirick from Meketa. Chair Horowitz provided some suggestions for additional changes. Trustee Faulkner, Trustee Abbott, and Trustee Avasthy added additional comments.

Following a lengthy discussion, the item was deferred to the meeting scheduled for June 26, 2025.

- c. Discussion and action on fiscal year 2025-2026 private markets pacing plan by Dhinesh Ganapathiappan, Senior Investment Officer.

This item was heard after item 3a.

CIO Palani introduced the item. Dhinesh Ganapathiappan, Senior Investment Officer, presented the item and answered questions from the Board. CIO Palani and Eileen Neill, Verus Investments, assisted in answering questions from the Board.

A motion was made to approve the fiscal year 2025-2026 private markets pacing plan.

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

Vice-Chair Chandra was absent.

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS-NONE

5. NEW BUSINESS

- a. Oral update from the CEO of Retirement Services, John Flynn.

The CEO updated the board on the following topics:

- ORS Staffing
- Federated Tier 2 Handbook published
- Trustee Waiver of Recourse Feeds
- Procurements and contracting
- Office space buildout
- The Retirement Workshop on May 8, 2025 had 48 attendees. The next workshop is scheduled on August 14, 2025. Members can sign up at the ORS Website.
- Rollout of updated Trustee devices and enrollment in Mobile Device Management
- All Staff meeting
- ORS offices will be closed on Monday, May 26, 2025, for the Memorial Day holiday
- Reminder that June's meeting will be held a week later than normal due to the Juneteenth Holiday

CEO Flynn answered questions from the Board. Chair Horowitz and Trustee Linder added comments.

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

Vice-Mayor and City Council Liaison Pam Foley updated the Board on pending matters before the Council, and provided an update on the City's projected budget shortfall. She also responded to questions from Board. Chair Horowitz added comments.

- c. Discussion and action of standing committee assignments.

Chair Horowitz presented the item. He proposed releasing Trustee Linder from the Governance Committee and appointing him to the Audit Committee. The Board discussed appointing Trustee Abbott as the new Chair of the Governance Committee. And adding Trustee Nakagawa to both the Disability and Governance Committees. All trustees accepted their new committee assignments and roles.

A motion was made to move Trustee Linder from the Governance Committee to the Audit Committee, appoint Trustee Abbott as Chair of the Governance Committee, and to add Trustee Nakagawa to the Disability and Governance Committees.

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

Vice-Chair Chandra was absent.

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Horowitz, Faulkner)

Last Meeting: April 22, 2025 Next Meeting: June 24, 2025

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

Trustee Horowitz provided a brief update.
- b. Minutes of the Joint Investment Committee meeting from February 25, 2025. Receive and file.

The Minutes were received and filed.

6.2 Audit Committee (Avasthy, Abbott, Vacant)

Last Meeting: February 20, 2025 Next Meeting: May 15, 2025

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

Chair Avasthy announced that the next meeting had been scheduled for 12:30 p.m.

6.3 Governance Committee (Linder, Abbott, Avasthy)

Last Meeting: March 14, 2025 Next Meeting: June 5, 2025

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

Chair Linder updated the Board on the matters discussed at the last meeting. CEO Flynn said the next meeting will be in August.

6.4 FCERS Disability Committee (Linder, Vacant, Faulkner)

Last Meeting: May 6, 2025 Next Meeting: June 3, 2025

- a. Oral update from the Chair of the Disability Committee.
 - Federated Quarterly Disability Retirement Applications Dashboard.Chair Linder updated the Board on the matters discussed at the last meeting.
- b. Minutes of the Federated Disability Committee meeting from February 4, 2025. Receive and file.

The Minutes were received and filed.

6.5 Joint Personnel Committee (Chandra, Horowitz, Linder)

Last Meeting: April 2, 2025 Next Meeting: August 18, 2025

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

CEO Flynn updated the Board on the matters discussed at the last meeting. Chair Horowitz added comments.

6.6 Legal Services Joint Adhoc Committee (Abbott, Chandra)

- a. Oral update from the Legal Services Joint Adhoc Committee.

This item was presented together with Item 6.7a.

CEO Flynn updated the Board on the progress discussed at the last meeting.

6.7 Actuarial Services Joint Adhoc Committee (Avasthy)

- a. Oral update from the Actuarial Services Joint Adhoc Committee.

This item was presented together with Item 6.6a.

CEO Flynn updated the Board on the progress discussed at the last meeting and answered questions from Chair Horowitz.

7. EDUCATION & TRAINING

The Education & Training was received and filed.

The Board took a break from 9:48 a.m. to 10:01 a.m.

- a. The Cortex Report - May 2025 Conferences, Seminars and Educational Programs.
- b. CALAPRS 2025 Program Calendar.
- c. CALAPRS Virtual Trustees' Round Table, May 30, 2025.
- d. CALAPRS Virtual Administrators' Round Table, June 6, 2025.
- e. SACRS Public Pension Investment Management Program, Claremont Club & Spa, A Fairmont Hotel, Berkeley, CA, July 13 - 16, 2025.
- f. NCPERS Public Pension Funding Forum, University of Chicago-David Rubenstein Forum, Chicago, IL, August 17 - 19, 2025.

- g. SACRS Fall Conference 2025, Hyatt Regency Huntington Beach Resort & Spa, Huntington Beach, CA, November 11 - 14, 2025.

- **PROPOSED AGENDA ITEMS**

Final revisions on the Investment Policy Statement (IPS).

- **ADJOURNMENT**

The meeting adjourned at 10:56 a.m.

- **Next FCERS Board Meeting: June 26, 2025**

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

SPENCER HOROWITZ, CHAIR
BOARD OF ADMINISTRATION

ATTEST:

JOHN FLYNN, CEO
OFFICE OF RETIREMENT SERVICES