



BOARD OF ADMINISTRATION

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

Thursday, April 11, 2024

12:00 PM

1737 North First Street, Suite 580
San Jose, CA 95112

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: 979 2794 7656

Passcode: 773620

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:

Howard Lee, Chair

Sunita Ganapati, Trustee

Dave Wilson, Trustee

Present: 4 - Dave Wilson, Debbie Abbott, Prachi Avasthy and Howard Lee

Absent: 1 - Sunita Ganapati

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 Thursday, April 11, 2024. The Police and Fire Audit Committee meeting was called to order at 12:04 p.m. by Chair Lee. The Federated Audit Committee meeting was called to order at 12:04 p.m. by Chair Avasthy followed by roll call vote.

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

Federated City Employees Retirement System (FCERS) Committee Members Present: Prachi Avasthy 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: Roberto Peña, Barbara Hayman, Benjie Chua-Foy, Sherrell Aledo, Chris Ha, Cynthia Ayala and David Torres.

Also Present: Maytak Chin, General and Fiduciary Counsel; and Joe Rois, Allison Pauly, Michael O'Connell and Maria Valle, City Auditor's Office.

Retirement Staff Present via Zoom: Linda Alexander and Ron Kumar.

Also Present via Zoom: Sunita Ganapati, Public Attendee.

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. The following Trustee(s) have requested 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**

Chair Lee 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

- None

WAIVE SUNSHINE (amended/attachments POSTED late):

- Late Attachment: Item 2a - Retirement Services: The Office Had Not Consistently Followed City Procurement Policies and Standard Practices.

A motion was made to waive sunshine on the attachment item 2a.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 2-0-0). Trustee Ganapati was absent.

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

JOINT AUDIT COMMITTEE

1. CONSENT CALENDAR

a. Approval of the Minutes of the March 1, 2024 Joint Audit Committee meeting for the Federated City Employee’s Retirement System and the Police and Fire Department Retirement Plan.

A motion was made to approve the Consent Calendar.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 2-0-0). Trustee Ganapati was absent.

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

2. OLD BUSINESS

- a. Discussion regarding City Auditor's Report regarding audit of ORS compliance with City policies and procedures for purchasing and contracting.

Joseph Rois, City Auditor, presented this item and answered questions from the committee. CEO Peña, Counsel Chin, and Benjie Chua-Foy, Accounting Division Manager, also assisted in answering questions from the committee. Sunita Ganapati, public attendee, thanked Joseph Rois and made a few comments.

- b. Discussion and action on revised Internal Auditor Charter to reflect changes discussed on March 1, 2024 Joint Audit Committee Meeting.

Chair Avasthy introduced the item. Counsel Chin led the discussion and answered questions from the committee. CEO Peña also assisted in answering questions from the committee.

A motion was made to approve the revised Internal Auditor Charter to reflect changes discussed on March 1, 2024 Joint Audit Committee Meeting.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 2-0-0). Trustee Ganapati was absent.

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

- c. 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.

Chair Avasthy introduced the item. CEO Peña provided an update to the committee and also answered questions from committee.

3. NEW BUSINESS

- a. Discussion and action for process for hiring a new Internal Auditor for Office of Retirement Services.

CEO Peña spoke to the item and answered questions from the committee. Counsel Chin, Benjie Chua-Foy, Accounting Division Manager, Barbara Hayman, Deputy Director, also assisted in answering questions from the committee. Sunita Ganapati, public attendee, made a few comments.

After a lengthy discussion, a motion was made to create an ad hoc committee comprising Trustee Wilson from the Police and Fire Board and Trustee Abbott from the Federated Board to serve in an advisory role to the CEO and to assist in the evaluation of the finalist candidates for the Internal Auditor position until the position is filled, at which point the ad hoc committee would dissolve.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 2-0-0). Trustee Ganapati was absent.

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

- **Proposed Agenda Items**

Direction to Plan Counsel to revise the Internal Auditor Charter to reflect that: (1) the Joint Audit Committee will participate in the performance evaluation of the Internal Auditor and (2) to add the ad hoc committee procedure approved in item 3a above for Internal Auditor candidate selection.

- **Public Comments**

None.

- **Adjournment**

The meeting was adjourned at 1:56 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

Roberto L. Peña, CEO, Office of Retirement Services