



# BOARD OF ADMINISTRATION

## Meeting Minutes - Final

### FCERS and Police&Fire Retirement Plan Audit Committee

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Thursday, October 31, 2024

10:00 AM

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

95112

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#### 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: 993 6327 6809

Passcode: 460535

#### *FCERS Committee Members:*

*Prachi Avasthy, Chair (Term Expires 11/30/25)*

*Debbie Abbott, Trustee (Term Expires 11/30/26)*

*Julie Jennings, Trustee (Term Expires 11/30/27) -- 855 E. Hilton Dr., Boulder Creek, CA 95006*

#### *Police and Fire Committee Members:*

*Howard Lee, Chair (Term Expires 11/30/26)*

*Sunita Ganapati, Trustee (Term Expires 11/30/26)*

*Dave Wilson, Trustee (Term Expires 11/30/25)*

**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 Thursday, October 31, 2024. The Police and Fire Audit Committee meeting was called to order at 10:01 a.m. by Chair Lee followed by roll call. The Federated Audit Committee meeting was called to order at 10:01 a.m. by Chair Avasthy followed by roll call.

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

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. All votes for Federated were taken as roll call votes.

Retirement Staff Present: John Flynn, Benjie Chua-Foy, Chris Ha, Edith Aldama, Cynthia Ayala, Sherrell Aledo, and Gabriela Romero-Castrejon.

Also Present: Craig Harner and Yia Yang, Macias Gini & O'Connell (MGO).

Retirement Staff Present via Zoom: Linda Alexander, Barbara Hayman, Ron Kumar, and Nam Cao.

Also Present via Zoom: Maytak Chin, General and Fiduciary Counsel.

**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.

**JOINT AUDIT COMMITTEE**

- **Call To Order and Roll Call**

- **Orders of the Day**

This item was heard immediately after roll call attendance.

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):**

- None.

**1. CONSENT CALENDAR**

- a. Approval of the Minutes of the August 15, 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. Ganapati/Lee 2-1-0).**

**Ayes: Sunita Ganapati and Howard Lee**

**Abstain: Dave Wilson**

**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.**

**2. NEW BUSINESS**

- a.** Discussion and action regarding communication to the Board of Administration of the City of San Jose Police and Fire Department Retirement Plan and the Federated City Employees' Retirement System from Macias Gini & O'Connell (MGO), the Plan's external auditor:

- a. Independent auditor's report on the internal control over financial reporting, compliance and other matters based on an Audit of Financial Statements performed.
- b. Independent auditor's Management Letter comments and recommendations regarding audit findings.

**Chair Avasthy introduced the item. Benjie Chua-Foy, Accounting Division Manager, introduced Craig Harner and Yia Yang of Macias Gini & O'Connell (MGO). Craig Harner presented the item and answered questions from the Committee. CEO Flynn, Benjie Chua-Foy, Accounting Division Manager, and Counsel Chin assisted in answering questions from the Committee. Chair Lee and Chair Avasthy thanked Macias Gini & O'Connell (MGO) for their presentation. Chair Avasthy also thanked Benjie Chua-Foy and her staff, as well as CEO Flynn, for all their work and input on the presentation.**

**A motion was made to do the following: (1) to accept item 2a.a, the draft Independent auditor's report on the internal control over financial reporting, compliance and other matters based on an Audit of Financial Statements performed, and present it to the full Police and Fire Board, and (2) provisionally accept item 2a.b, the Independent auditor's Management Letter with comments and recommendations regarding audit findings, which will also be presented to the full Police and Fire Board for the December meeting when it is ready.**

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

**A motion was made to approve item 2a.a and move it to the Federated Board in November, while item 2a.b provisionally submitted to the Federated Board for approval in December when it is ready.**

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

- b.** Discussion and action on the approval of the Federated City Employees' Retirement System's and the Police and Fire Department Retirement Plan's Annual Comprehensive Financial Reports for the Fiscal Year 2023-2024.

**Chair Avasthy introduced the item. Benjie Chua-Foy, Accounting Division Manager, presented the item and answered questions from the Committee. Craig Harner, Macias Gini & O'Connell (MGO), assisted in answering questions from the Committee. CEO Flynn made a few comments.**

**A motion was made to approve the recommendation of the Police and Fire Department Retirement Plan's Annual Comprehensive Financial Reports (ACFR) for the Fiscal Year 2023-2024 to the Police & Fire Board.**

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

**A motion was made to approve the recommendation of the Federated City Employees' Retirement System's Annual Comprehensive Financial Reports (ACFR) for the Fiscal Year 2023-2024 to the Federated Board.**

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

- C. Discussion of CEO's assessment of ORS staff positions, including but not limited to the Senior Internal Auditor position.

Chair Avasthy introduced the item. CEO Flynn spoke to the item and answered questions from the Committee. Trustees Jennings, Wilson, Ganapati, and Avasthy made a few comments. Benjie Chua-Foy, Accounting Manager also made a few comments. Trustee Jennings and Counsel Chin assisted in answering questions from the Committee. CEO Flynn thanked Trustee Jennings and the Committee for their support and guidance.

- **Proposed Agenda Items**

None.

- **Public Comments**

None.

- **Adjournment**

The Federated Committee adjourned at 11:36 a.m.

The Police & Fire Committee adjourned at 11:36 a.m.

Minutes Recorded, Prepared and Respectfully submitted by,

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John Flynn, CEO, Office of Retirement Services