



BOARD OF ADMINISTRATION

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

Thursday, September 21, 2023

11:30 AM

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

or immediately following the conclusion of the FCERS Board meeting

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: 953 1979 4533

Pass Code: 127012

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 -- 7425 Nassau Point Road, Cutchogue, NY 11935

Dave Wilson, Trustee

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

The Federated Audit Committee and Police and Fire Audit Committee met in person at City Hall, Wing Rooms 118-120, 200 E. Santa Clara St., San Jose, CA 95113 and via Zoom on Thursday, September 21, 2023. The Police and Fire Audit Committee meeting was called to order at 12:37 p.m. by Chair Ganapati. The Federated Audit Committee meeting was called to order at 12:38 p.m. by Chair Avasthy followed by roll call vote.

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

FCERS Committee Members Present: Prachi Avashty and Debbie Abbott.

Committee Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: Howard Lee and Julie Jennings.

Retirement Staff Present: Roberto L. Peña, Barbara Hayman, Houman Boussina, Shilpi Dwivedi, Chris Ha, Sherrell Aledo and Edith Aldama.

Retirement Staff Present via Zoom: Linda Alexander, Christina Wang, Ron Kumar, Benjie Chua-Foy, Deborah Sattler and Gina Rios.

Also Present: Maytak Chin and Harvey Leiderman, General and Fiduciary Counsel; Cheryl Parkman, OER; Joe Rios, Allison Pauly, Michael O'Connell and Maria Valle, City Auditor's Office.

Also Present via Zoom: Rob Lloyd, Information Technology Department; and Kevin Baload, Journalist.

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**

Chair Ganapati 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.

A motion was made to amend orders of the day to hear items 2A and 3B together.

Police and Fire Committee Approved. (M.S.C. Wilson/Ganapati 3-0-0). The motion passed by roll call vote.

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 May 18, 2023 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 Ganapati 3-0-0). The motion passed by roll call vote.

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

2. Old Business

- a. Discussion and action on ORS Management's Response to "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023.

This item was heard after Orders of the Day, and items 2a & 3b were heard together.

CEO Roberto Pena, Deputy Director Barbara Hayman, Senior Internal Auditor Houman

Boussina, and Account Division Manager Benjie Chua-Foy, Counsel Chin and Leiderman spoke to the item and answered questions from the Committee.

Deputy Director, Barbara Hayman, provided an amended ORS Management Response and Recommendations.

A motion was made to approve and adopt the amended ORS Management Response and Recommendations, as provided by Deputy Director, Barbara Hayman.

Police and Fire Committee Approved. (M.S.C. Wilson/Lee 3-0-0). The motion passed by roll call vote.

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

3. New Business

- a. Receive and file Memorandum from City Auditor entitled "Internal Control Risks Regarding the Office of Retirement Services," dated May 11, 2023.

City Auditor Memorandum entitled "Internal Control Risks Regarding the Office of Retirement Services" was received and filed.

- b. Discussion and action for Joint Audit Committee to make recommendation to Board to engage Cortex Consulting Inc. to conduct an evaluation of ORS policies on procurement and contract issues.

Items 2a & 3b were heard together after Orders of the Day.

A motion was made to approve on the recommendation to engage Cortex Consulting Inc. to conduct an evaluation of ORS policies on procurements and contract issues.

Police and Fire Committee Approved. (M.S.C. Wilson/Ganapati 3-0-0). The motion passed by roll call vote.

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

- c. Discussion with City Auditor regarding City's Audit of Office of Retirement Services.

Joe Rios, City Auditor, presented the item. Mr. Rios reported that in August a memo from the Mayor & City Council directed him to audit ORS, which included an evaluation of ORS process control, purchasing and procurement issues. Mr. Rios conducted the audit and his audit report will be published on October 13, 2023 and will be presented to City Council on October 24, 2023. He also answered questions from the Committee, and noted that the last City Audit of ORS was in 2017.

• Public Comments

None.

- **Proposed Agenda Items**

None.

- **Adjournment**

The meeting was adjourned at 2:22 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

Roberto L. Peña, CEO, Office of Retirement Services