



BOARD OF ADMINISTRATION

Meeting Minutes - Final

FCERS and Police&Fire Retirement Plan Audit Committee

Thursday, October 20, 2022

12:10 PM

or immediately following the Special Federated Governance Committee meeting

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

zoom.us

Dial In: +1 669 900 9128 US (San Jose)

Meeting ID: 985 7646 2867

Pass Code: 709882

FCERS Committee Members:

Mark Keleher, Chair

Julie Jennings, Trustee

Prachi Avasthy, Trustee

Police and Fire Committee Members:

Sunita Ganapati, Chair

Howard Lee, Trustee

Dave Wilson, Trustee

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

The Joint Federated and Police and Fire Audit Risk/Committee met via Zoom meeting on Thursday, October 20, 2022. The meeting was called to order at 12:39 p.m. by Chair Keleher on the Federated side and at 12:40 p.m. by Chair Ganapati.

Staff Present via Zoom: Roberto Peña, Barbara Hayman, Benjie Chua-Foy, Houman Boussina, Linda Alexander, Michelle San Miguel, Marti Zarate, Khadijah Onyeije, Ron Kumar and Julie He.

Others Present via Zoom: Maytak Chin, General Counsel; John Caldwell, Grant Thornton; Dana Canterbury, Grant Thornton and Kevin Balaol, Journalist with Intelligence.

- Call To Order and Roll Call
- Orders of the Day

FEDERATED AUDIT COMMITTEE

1. Consent Calendar

- a. Approval of the Minutes of the Special Federated Audit Committee meeting from September 15, 2022.

A motion was made to approve the Minutes of the Special Federated Audit Committee meeting from September 15, 2022.

Approved. (M.S.C. Jennings/Avasthy 2-0-0). The motion passed unanimously by roll call vote.

- b. Approval of the 4/1/22 - 6/30/22 Quarterly Travel and attendance for Federated. *(Deferred from August 18, 2022 Joint Audit Committee meeting.)*

This item was deferred.

- c. Approval of the 7/1/21 - 9/30/21 Quarterly Travel and attendance for Federated.

This item was deferred.

2. New Business

- a. Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures.

Counsel Chin spoke to the item and explained the contents of the memo submitted to the Board regarding evidentiary support for the Board's consideration of factual findings necessary for election to adopt AB 361's abbreviated teleconferencing procedures, which included:

- (1) Governor's proclamation on the continued state of emergency due to the ongoing COVID-19 pandemic; and
(2) the City Council's recent resolution that continued to impose and recommend social distancing in City facilities.

A motion was made to adopt the Committee's factual findings under AB361 to allow the Committee to continue meeting virtually for the next 30 days.

Approved. (M.S.C. Jennings/Avasthy 3-0-0) The motion passed unanimously by roll call vote.

POLICE AND FIRE AUDIT COMMITTEE

3. Consent Calendar

- a. Approval of the 4/1/22 - 6/30/22 Quarterly Travel and attendance for Police & Fire. *(Deferred from the August 18, 2022 Joint Audit Committee meeting.)*

This item was deferred.

- b. Approval of the 7/1/21 - 9/30/21 Quarterly Travel and attendance for Police & Fire.

This item was deferred.

JOINT AUDIT COMMITTEE

4. Consent Calendar

Trustee Avasthy requested staff check the contents of the August Minutes.

A motion was made to approve the Minutes of the August 18, 2022 Joint Audit Committee meeting.

Approved by Federated. (M.S.C. Jennings/ 2-0-1). The motion passed by roll call vote. Trustee Avasthy abstained.

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

- a. Approval of the Minutes of the August 18, 2022 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan.

5. New Business

- a. Update on the City Auditor's Recommendation to the Office of Retirement Services.

CEO Peña and Benjie Chua-Foy spoke to the item and provided the Committees with an update on the recommendations from the Audit conducted by City Auditor in 2017. CEO Peña reported that Recommendation #15 is partially implemented.

- b. 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 Grant Thornton, LLP (GT) the Plan's external auditor:

- a. Independent auditor's report on the internal control over financial reporting and on compliance and other matters based on an Audit of Financial Statements performed in accordance with Government Auditing Standards and Management comments and recommendations.

- b. Required communications.

Benjie Chua-Foy introduced John Caldwell and Dana Canterbury from Grant Thornton, LLP. Ms. Chua-Foy thanked Grant Thornton for their 8th year of excellent service. John Caldwell spoke to the attached presentation and answered questions from the Committees.

A motion was made to forward to the Boards with a recommendation for approval.

Approved by Federated. (M.S.C. Jennings/Keleher 3-0-0). The motion passed unanimously by roll call vote.

Approved by Police & Fire. (M.S.C. Lee/Ganapati 3-0-0). The motion passed unanimously by roll call vote.

- c. Discussion and action on the approval of the Federated City Employees' Retirement System's and the Police and Fire Department Retirement Plan's Comprehensive Annual Financial Reports for the Fiscal Year 2021-2022.

Benjie Chua-Foy introduced and briefly spoke to the Annual Comprehensive Financial Report (ACFR) for the respective retirement funds and answered questions from the Committees.

A motion was made to forward to the Boards with a recommendation for approval.

Approved by Federated. (M.S.C. Jennings/Keleher 3-0-0). The motion passed unanimously by roll call vote.

Approved by Police & Fire. (M.S.C. Lee/Ganapati 3-0-0). The motion passed unanimously by roll call vote.

- d. Presentation of the Member Contribution Rates Audit by Internal Auditor, Houman Boussina.

Houman Boussina, ORS Internal Auditor, introduced and presented the attached results of the Member Contribution Rates audit and answered questions form the Committees.

- **Proposed Agenda Items**

None.

- **Public Comments**

None.

- **Adjournment**

The Federated meeting adjourned at 1:50 p.m.
The Police and Fire meeting adjourned at 1:50 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

Roberto L. Peña, CEO, Office of Retirement Services