



BOARD OF ADMINISTRATION

Meeting Agenda - Final

Federated City Employees' Retirement System and Federated City Employees' Health Care Trust

Thursday, June 15, 2023

8:30 AM

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

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: +1 669 900 9128 US (San Jose)

Meeting ID: 979 5032 4269

Pass Code: 478765

BOARD MEMBERS

Spencer Horowitz, Chair (Term Expires 11/30/24)
Julie Jennings, Vice-Chair (Term Expires 11/30/23) -- 855 E. Hilton Dr., Boulder Creek, CA 95006
Deborah Abbott, Trustee (Term Expires 11/30/26)
Prachi Avasthy, Trustee (Term Expires 11/30/25)
Anurag Chandra, Trustee (Term Expires 11/30/26)
Matthew Faulkner, Trustee (Term Expires 11/30/27)
Mark Linder, Trustee (Term Expires 11/30/24)

CITY COUNCIL LIAISON TO THE BOARD

Dev Davis

COUNSEL

Harvey Leiderman and Maytak Chin, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

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)

**** 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.

CLOSED SESSION

CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.

I. CLOSED SESSION NEW BUSINESS

- A. CLOSED SESSION:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Positions: Chief Executive Officer, Chief Investment Officer

OPEN SESSION - will reconvene following Closed Session, estimated to be at 9:30 a.m.

• ORDERS OF THE DAY

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

1. CONSENT CALENDAR

1.1 Approval of Service Retirements

- a. Tad D. Campbell**, Public Safety Communications Specialist, Police Department, effective July 8, 2023; 31.56* years of service.
- b. Gregory L. Dominguez**, Senior Maintenance Worker, Department of Transportation, effective July 8, 2023; 26.28* years of service.
- c. Napp Fukuda**, Assistant Director, Environmental Services Department, effective August 5, 2023; 29.73* years of service.
- d. Rhonda Hadnot**, Mayor Executive Officer, City Clerk's Office, effective July 8, 2023; 20.33* years of service. (*With Reciprocity - 15.06 CSJ YOS + 5.26 PERS YOS*)
- e. Kenneth W. Johnson**, Community Coordinator, Parks, Recreation and Neighborhood Services Department, effective June 24, 2023; 22.44* years of service.
- f. Edgar M. Martinez**, Analyst II, Fire Department, effective July 8, 2023; 30.03* years of service.
- g. Laura J. Martinez**, Accounting Technician, Library Department, effective July 22, 2023; 22.36* years of service.
- h. Jacqueline Morales-Ferrand**, Director, Housing Department, effective July 14, 2023; 15.70* years of service.
- i. Jose B. Uribe**, Senior Construction Inspector, Public Works Department, effective July 22, 2023; 20.79* years of service.

- j. **Paul Whited**, Maintenance Worker I, Department of Transportation, effective August 5, 2023; 24.15* years of service.

1.2 Approval of Deferred Vested

- a. **Christine A. Aragona**, Accountant I, Finance Department, effective August 17, 2023; 5.18* years of service.
- b. **Patricia A. Cannon**, Division Manager, Public Works Department, effective June 23, 2023; 18.09* years of service.
- c. **Rafael Gomez**, Landscape Maintenance Manager, Parks, Recreation and Neighborhood Services Department, effective August 6, 2023; 25.41* years of service.
- d. **Margaret A. Lafferty**, Code Enforcement Supervisor, Planning, Building and Code Enforcement Department, effective June 22, 2023; 14.32* years of service.
- e. **Maria N. Pineda**, Library Clerk, Library Department, effective May 18, 2023; 18.84* years of service.
- f. **Sylvia Rios Valentine**, Parking Traffic Control Officer, Department of Transportation, effective May 31, 2023; 12.24* years of service.

1.3 Approval of Board Minutes

- a. Approval of the Board Minutes of May 18, 2023.

Attachments: [1.3a - FCERS Minutes 5-18-23 Final.pdf](#)

1.4 Approval of Return of Contributions

- a. Voluntary | Involuntary

Attachments: [1.4a - FED ROC - May 2023.pdf](#)

1.5 Acceptance of Communication/Information Reports

- a. Report of the Monthly Board Expenses for April 2023. Receive and file.

Attachments: [1.5a - FED April 2023 Monthly Expenses Report.pdf](#)

- b. 5-Year and 20-Year Budget Projections for Federated.

Attachments: [1.5b - FED 5-YR & 20-YR Budget Projections.pdf](#)

1.6 Approval of Change in Retirement Date

- a. Approval for a change in effective date for **Shu-Fen Chen**, Librarian II, Library Department, from June 3, 2023, to June 10, 2023, for a Service Retirement approved at the May 18, 2023 Board

meeting.

Attachments: [1.6a - Change RetDate Memo-Chen.pdf](#)

1.7 Approval of Travel / Conference Attendance

- a. Prabhu Palani, CIO
 - 2nd Annual Southern California Institutional Forum, Maybourne Beverly Hills, Beverly Hills, CA, June 7, 2023.
 - Transpose Platform Ecosystem Day 2023, Julia Morgan Ballroom, 465 California Street, San Francisco, CA, June 20 - 22, 2023.
 - Due Diligence trip to Boston, MA, June 12 - 14, 2023.

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a. Notification of the death of **Suzanne F. Cirerol**, Senior Staff Analyst, retired October 4, 1987, died May 18, 2023. No survivorship benefits.
- b. Notification of the death of **Jesse Maldonado**, Senior Recreation Leader, retired February 13, 2016, died March 5, 2018. No survivorship benefits.
- c. Notification of the death of **Richard Marston**, City Attorney, retired May 8, 1988, died April 23, 2023. No survivorship benefits.
- d. Notification of the death of **Jeffrey Nuse**, Senior Maintenance Worker, retired September 25, 2004, died April 4, 2023. No survivorship benefits.
- e. Notification of the death of **Pamela M. Perry**, Recreation Supervisor retired January 4, 2003, died April 1, 2023. No survivorship benefits.
- f. Notification of the death of **Nelso Petroni**, Principal Engineer/Architect, active, died April 10, 2023. Survivorship benefits to Hong Sok Petroni, spouse.
- g. Notification of the death of **Donna O. Staudemaier**, Accountant, retired November 28, 1987, died May 5, 2023. No survivorship benefits.
- h. Notification of the death of **Mamerto Torres**, Development Specialist, retired April 10, 2008, died March 22, 2023. Survivorship benefits to Jacqueline Torres, spouse.
- i. Notification of the death of **Alton Wright**, Building Inspector, retired March 2, 2002, died April 9, 2023. Survivorship benefits to Jessie Wright, spouse.

3. INVESTMENTS

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.
- b. Presentation of Calendar 4th Quarter 2022 Private Equity report by Neuberger Berman.

Attachments: [3b - Q4 2022 Private Equity Report - Neuberger Berman - Legacy.pdf](#)

- c. Presentation of Calendar 4th Quarter 2022 Private Markets report by Meketa Investment Group.

Attachments: [3c - Q4 FY22 Annual Report - FED Public.pdf](#)

- d. Presentation of Calendar 1st Quarter 2023 Performance report for Pension Plan by Meketa Investment Group.

Attachments: [3d - 1Q FY23 Performance Report - FED ERS v3.pdf](#)

- e. Presentation of Calendar 1st Quarter 2023 Performance report for Health Care Trust by Meketa Investment Group.

Attachments: [3e - 1Q FY23 Performance Report - FED HCT v2.pdf](#)

- f. Discussion and action on risk tolerance, with presentation of Risk Tolerance Survey Results by Verus Consulting.

Attachments: [3f - FED FY22-23 Risk Survey Presentation&Recommendations Final.pdf](#)

- g. Discussion and action to add funds for one year of additional services to the following investment related subscription agreements:

- BCA Research (NTE \$14,300)
- Burgis (NTE \$20,000)
- Bloomberg Finance (NTE \$155,000)
- Bloomberg Index Service (NTE \$15,000)
- eVestment (NTE \$27,000)
- JP Morgan Index (NTE \$12,000)
- Pitchbook (NTE \$30,000)

All cost shared 50/50 with the Police and Fire Plan.

Attachments: [3g - FED Subscriptions Renewals FY23-24 .pdf](#)

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS - NONE

5. NEW BUSINESS

- a. Oral update from the CEO of Retirement Services, Roberto L. Peña.

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

- c. Discussion and action on Committee Assignments.

Attachments: [5c\(1\) - BDCmtMembers-FED - Updated 6.5.23.pdf](#)

[5c\(2\) - ProposedBDCmtAssignments - 6.15.23.pdf](#)

- d. Discussion and action on recommended incentive compensation ranges as follows, subject to further terms and conditions as set forth in the final Incentive Compensation Policy:

- A maximum of 50% of base salary for Chief Investment Officer position
- A maximum of 40% of base salary for Senior Investment Officer position
- A maximum of 30% of base salary for the Investment Officer position

Attachments: [5d\(1\) - Considerations for Incentive Compensation Program.pdf](#)
[5d\(2\) - SBCERA Incentive Compensation.pdf](#)
[5d\(3\) - OCERS Incentive Compensation Policy.pdf](#)

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Horowitz, Vacant)

Last Meeting: April 27, 2023 Next Meeting: August 22, 2023

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

6.2 Governance Committee (Jennings, Vacant, Linder)

Last Meeting: February 16, 2023 (Special) Next Meeting: September 7, 2023

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

6.3 Audit Committee (Vacant, Jennings, Avasthy)

Last Meeting: May 18, 2023 Next Meeting: August 17, 2023

- a. Oral update from the Chair of the Audit Committee.
- b. Minutes of the February 16, 2023 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

Attachments: [6.3b - FCERS-PF JAC 2.16.23 Minutes-Final.pdf](#)

- c. Update on the City Auditor's Recommendation to the Office of Retirement Services. Receive and file.

Attachments: [6.3c - CARecs 17-06 Retirement 5.5.23.pdf](#)

- d. Discussion and action on the Committees' recommendation to approve the FY 22-23 Office of Retirement Services Plans Audit Plan by Macias Gini & O'Connell LLP (MGO).

Attachments: [6.3d - FY 22-23 Audit Plan MGO.pdf](#)

6.4 FCERS Disability Committee (Linder, Jennings, Vacant - Alt: Avasthy)

**Last Meeting: April 20, 2023 Next Meeting: August 23, 2023 (June 21, 2023
MEETING CANCELLED)**

- a. Oral update from the Chair of the FCERS Disability Committee.

6.5 Joint Personnel Committee (Chandra, Horowitz, Jennings)

Last Meeting: May 11, 2023 Next Meeting: TBD

- a. Oral update from the Chair of the Joint Personnel Committee.
- b. Minutes of the April 3, 2023 Joint Personnel Committee. Receive and file.

Attachments: [6.5b - JPC 4.3.23 Minutes-Final.pdf](#)

7. EDUCATION & TRAINING

- a. The Cortex Report - July 2023, Conferences, Seminars and Educational Programs.

Attachments: [7a - The Cortex Report - July 2023 Edition.pdf](#)

- b. CalAPRS 2023 Program Calendar.

Attachments: [7b - CalAPRS Program 2023 Calendar.pdf](#)

- c. CalAPRS Summer 2023 Newsletter.

Attachments: [7c - CalAPRS Summer 2023 Newsletter.pdf](#)

- d. CalAPRS Principles of Pension Governance for Trustees 2023, Pepperdine University, Malibu, CA, August 28 - 31, 2023.

Attachments: [7d - CalAPRS PPG for Trustees - August 2023.pdf](#)

• PROPOSED AGENDA ITEMS

• ADJOURNMENT

Next FCERS Board Meeting: August 17, 2023

*Estimated

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of Retirement Services, 1737 N. First Street, Suite 600, San José CA 95112 at the same time that the public records are distributed or made available to the legislative body.

Access the video or audio, the agenda and related reports for this meeting by visiting the Retirement Services website at <http://sjrs.legistar.com/calendar.aspx>. If you have any questions, please contact the Office of Retirement Services at (408) 794 - 1000.

The Code of Conduct

(<https://www.sanjoseca.gov/home/showpublisheddocument/12901/63667000496663000>) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:

- a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
- b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
- c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
- d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
- e) Persons in the audience will not place their feet on the seats in front of them.
- f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
- g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

2. Signs, Objects or Symbolic Material:

- a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions: § No objects will be larger than 2 feet by 3 feet.
 - No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - The items cannot create a building maintenance problem or a fire or safety hazard.
- b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
- c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and

antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Committee, Board or Commission:

- a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
 - b) Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the total amount of time allocated for public testimony for each public speaker or for an agenda item is in the discretion of the Chair of the meeting and may be limited when appropriate. (California Government Code Section 54954.3; Council Policy 0-37) Applicants and appellants in land use matters are usually given more time to speak. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Council, Committee, Board or Commission.
 - c) Speakers should discuss only the agenda item when called to speak for that item, and only topics related to City business when called to speak during open forum on the agenda.
 - d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
 - e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
 - f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
 - g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.
- Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.