



BOARD OF ADMINISTRATION

Action Minutes

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

Thursday, February 20, 2025

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: +1 669-219-2599 US (San Jose)

Meeting ID: 979 0100 0463

BOARD MEMBERS

Spencer Horowitz, Chair (Term Expires 11/30/28)

Anurag Chandra, Vice-Chair (Term Expires 11/30/26)

Deborah Abbott, Trustee (Term Expires 11/30/26)

Prachi Avasthy, Trustee (Term Expires 11/30/25)

Matthew Faulkner, Trustee (Term Expires 11/30/27) -- 109 Tuckerman Avenue, Middletown, RI 02842

Julie Jennings, Trustee (Term Expires 11/30/27)

Mark Linder, Trustee (Term Expires 11/30/28)

CITY COUNCIL LIAISON TO THE BOARD

Pam Foley

COUNSEL

Maytak Chin, General and Fiduciary Counsel

John Flynn, CEO, Office of Retirement Services

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, February 20, 2025 at City Hall, Wing Rooms 118-120, 200 E. Santa Clara St., San Jose, CA 95113 and via Zoom at 8:30 a.m. Chair Horowitz called the meeting to order at 8:31 a.m. followed by roll call.

Board Members Present: Deborah Abbott, Prachi Avasthy, Anurag Chandra, Spencer Horowitz, Julie Jennings, and Mark Linder.

Board Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: Matthew Faulkner. Counsel Fairley questioned Trustee Faulkner on whether he met the qualifications to teleconference under the Brown Act, and Trustee Faulkner responded in the affirmative.

City Council Liaison Pam Foley arrived at 10:07 a.m.

Retirement Staff Present: John Flynn, Prabhu Palani, Barbara Hayman, Sandra Castellano, Sherrell Aledo, Edith Aldama, Gabriela Romero-Castrejon, Chris Ha, Christina Wang, Jay Kwon, Harrison Pierce, and David Aung.

Retirement Staff Present via Zoom: Dhinesh Ganapathiappan, Shilpi Dwivedi, Benje Chua-Foy, Nam Cao, Ellen Lee, and Veronica Solorio.

Also Present: Pam Foley, City Council Liaison; Maytak Chin and Mariah K. Fairley, General and Fiduciary Counsel; Russ Richeda, Disability Counsel; Bryan Chi, Finance Department; Bill Gold, Office of Employment Relations; and Nate Nakagawa, Environmental Services Department.

Also Present via Zoom: Matthew Faulkner, Trustee; Laura Wirick, Ian Schirato, and Colin Kowalski, Meketa Investment Group; Eileen Neill, Verus; and Brett Johnson, Public Member.

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)

THE LEVINE ACT

The Levine Act requires a Party in a Proceeding before the City of San José that involves any action related to their contract, license, permit, or use entitlement to disclose any campaign contributions to City elected or appointed officials totaling more than \$500 within the 12 months prior to the City decision. A Participant to a Proceeding may voluntarily report a campaign contribution on the form located on the Levine Act webpage.

** 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.

AGENDA

CALL TO ORDER AND ROLL CALL

CEREMONIAL ITEM

- a. Presentation of a commendation to Julie Jennings for her service as Vice-Chair and Trustee to the Federated City Employees' Retirement Systems Board of Administration.

This item was heard immediately after roll call attendance. Chair Horowitz presented the commendation to Trustee Jennings for her service. Trustee Jennings said a few comments and thanked the Board and the Federated Retirement Plan. Chair Horowitz, Vice-Chair Chandra, Trustee Avasthy, Trustee Linder, Trustee Abbott, CIO Palani, and CEO Flynn said a few kind words.

CLOSED SESSION

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

Closed session was heard immediately after the Ceremonial Item. The Board entered into Closed Session at 8:45 a.m.

I. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS

- A. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION (GOVERNMENT CODE SECTION 54956.9(d)(4)). *LACERA v. County of Los Angeles* - Supreme Court of California.**

There was a reportable action for this item from Closed Session.

Counsel Chin reported out of closed session that the Board voted unanimously to authorize legal counsel to sign on behalf of the Board a common interest privilege agreement in the *LACERA v. County of Los Angeles* pending before

the Supreme Court of California.

Ayes: Chair Horowitz, Trustee Jennings, Trustee Faulkner, Trustee Linder,
Vice-Chair Chandra, and Trustee Abbott.

Noes: Trustee Avasthy
Abstained. None

The Board also voted unanimously for the Federated Board to join the Police
and Fire Board in filing an amicus brief as presented in the LACERA litigation.

Ayes: Chair Horowitz, Trustee Jennings, Trustee Faulkner, Trustee Linder,
Vice-Chair Chandra, and Trustee Abbott.

Noes: Trustee Avasthy
Abstained. None

B.

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL - PENDING
LITIGATION (GOVERNMENT CODE SECTION 54956.9(a)). *Shahrivar v.*
City of San Jose, et al, Sixth Appellate District of the California Court of Appeal,
Case No. H052803.

There was no reportable action for this item from Closed Session.

The Board came out of Closed Session at 9:49 a.m.

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

Open Session re-convened at 9:56 a.m.

• **ORDERS OF THE DAY**

This item was heard immediately after roll call attendance.

Chair Horowitz read the following into the record:

- 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.

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

None.

1. **Application for a Change of Status to Service-Connected Disability Retirement**

- a. **Theresa Lannigan**, Senior Analyst, Police Department, Request for Change of Status to Service-Connected Disability Retirement, effective February 22, 2020; 11.24* years of service. (*Staff Disability Committee Recommendation: Denial*)

This item was heard after Closed Session.

This item was presented.

A motion was made to approve the Disability Committee's recommendation to deny the applicant's request for a Change of Status to Service-Connected Disability Retirement.

Approved. (M.S.C. Chandra/Jennings 7-0-0). The motion passed by roll call vote.

2. Rescission of Application for a Change of Status to Service-Connected Disability Retirement

This item was presented.

A motion was made to accept the Federated Disability Committee recommendation to the Board to acknowledge and accept the withdrawal of the application for a Change of Status to Service-Connected Disability Retirement.

Approved. (M.S.C. Chandra/Linder 7-0-0). The motion passed by roll call vote.

- a. **Mark Kuebler**, Maintenance Worker I, Department of Transportation, Request for Change of Status to Service-Connected Disability Retirement, effective November 5, 2016; 17.78* years of Service. (*Staff Recommendation: Board to acknowledge and accept the withdrawal of the application for Disability*)

3. CONSENT CALENDAR

Chair Horowitz presented this item and Item 3.10 was pulled from the Consent Calendar for discussion.

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Linder/Abbott 7-0-0). The motion passed by roll call vote.

3.1 Approval for a Change in Status to Service-Connected Disability Retirement

- a. **William E. Danko Jr.**, Industrial Electrician, Environmental Services Department, Request for Change of Status to Service-Connected Disability Retirement, effective January 10, 2025; 15.69* years of Service. (*Staff Disability Committee Recommendation: Approval*)

- b. **Judith Roberto**, Entertainment Coordinator, Parks, Recreation and Neighborhood

Services, Request for Change of Status to Service-Connected Disability Retirement, effective November 16, 2018; 7.61* years of service. *(Staff Disability Committee Recommendation: Approval)*

3.2 Approval of Service Retirements

- a. **Victoria Ann Maria Bartz**, Analyst II, Police Department, effective March 15, 2025; 5.03* years of service.
- b. **Manuel A. Cota**, Parks Manager, Parks, Recreations and Neighborhood Services, effective March 16, 2025; 29.05* years of service.
- c. **Lisa M. Harding**, Analyst II, Human Resources Department, effective March 15, 2025; 29.87* years of service.
- d. **Julie A. Jennings**, Recreation Superintendent, Parks, Recreation and Neighborhood Services, effective March 1, 2025; 22.46* years of service.
- e. **David P. Nerhood**, Parking Manager I, Department of Transportation, effective March 15, 2025; 24.27* years of service.
- f. **German Sedano**, Enterprise Supervising Technology Analyst, Information Technology Department, effective February 1, 2025; 5.04* years of service.
- g. **Henrique M. Silva**, Parking & Traffic Control Officer, Department of Transportation, effective February 27, 2025; 24.63* years of service.
- h. **Debra M. Swain**, Accounting Technician, Parks, Recreations and Neighborhood Services, effective March 15, 2025; 23.55* years of service.
- i. **Rita Tabaldo**, Division Manager, Planning, Building and Code Enforcement, effective March 1, 2025; 18.23* years of service.
- j. **Lee T. Yokomizo**, Senior Office Specialist, Police Department, effective March 1, 2025; 18.23* years of service.

3.3 Early Retirement

- a. **Jung-Rern Pao**, Wastewater Facility Senior Engineer, Environmental Services Department, effective February 15, 2025; 7.48* years of service.

3.4 Approval of Deferred Vested

- a. **Todd J. Capurso**, Deputy Director, Public Works (General Services) Department,

effective March 8, 2025; 38.66* years of service. (*With Reciprocity - 21.75 CSJ + 16.90 PERS = 38.66 YOS*)

- b. **Robert L. Moreno**, Building Inspector Combination Certified I, Planning, Building and Code Enforcement, effective March 16, 2025; 10.98* years of service. (*With Reciprocity - 1.83 CSJ + 9.15 PERS = 10.98 YOS*)

3.5 Approval of Board Minutes

- a. Approval of the Board Minutes of January 16, 2025.

3.6 Approval of Return of Contributions

- a. Voluntary | Involuntary

3.7 Acceptance of Communication/Information Reports

- a. Report of the Monthly Board Expenses for December 2024. Receive and file.
- b. Report of the Budget vs. Actual Expenses for 2nd Quarter FY 2024 - 2025. Receive and file.
- c. ORS's Quarterly Newsletter - The Retirement Connection: January 2025 Edition.
- d. Report out of Closed Session from the October 17, 2024, Federated Board Meeting - Investments.

3.8 Approval of Travel / Conference Attendance

- a. Anurag Chandra, Vice Chair
- Equity Summit 2025, Tommy Bahama Miramonte Resort & Spa, Indian Wells, CA, March 18 - 20, 2025.
- b. John Flynn, CEO
- NCPERS 2025 Chief Officers Summit, New York Marriott Downtown, NY, June 16 - 18, 2025.
- c. Prabhu Palani, CIO
- Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24 - 26, 2025.

3.9 Alternate Beneficiary Designation

- a. Approval of Alternate Payee Benefit election of Lifetime Monthly Payment Option to be paid to **Victor Rodriguez**, ex-spouse of Staff Technician, Teresa A. Lewis to be effective April 4, 2025, under Chapter 3.28, Part 23 of the San Jose Municipal Code.

3.10 Approval of Updated City Policy

- a. City Policy Manual #3.2.4 - Employee Separations with Revised Date of January 22, 2025, for ORS Operations.
- b. City Policy Manual #4.1.3 - Bilingual Pay with Revised Date of January 22, 2025, for ORS Operations.
- c. City Policy Manual #4.2.2 - Military Leave with Revised Date of January 24, 2025, for ORS Operations.
- d. City Policy Manual #4.2.6 - Sick Leave with Revised Date of January 22, 2025, for ORS Operations.

4. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

Chair Horowitz asked for a moment of silence for those who served and passed away.

- a. Notification of the death of **Dennis Barrett**, Senior Electrician, retired March 25, 2006, died October 26, 2024. Survivorship benefits to Anne Barrett, spouse.
- b. Notification of the death of **Beatrice Braddock**, Senior Office Specialist, retired March 19, 2011, died January 14, 2025. Survivorship benefits to Larry Braddock, spouse.
- c. Notification of the death of **Richard Craig**, Equipment Mechanic Assistant, retired October 7, 2005, died November 28, 2024. No survivorship benefits.
- d. Notification of the death of **Mignon J. Gibson**, Administrative Officer, retired March 22, 2008, died November 23, 2024. No survivorship benefits.
- e. Notification of the death of **Anthony Granlund**, Air Conditioning Supervisor, retired January 22, 2015, died December 6, 2024. Survivorship benefits to Pamela Granlund, spouse.
- f. Notification of the death of **Violet Makishima**, Accounting Technician, retired November 7, 1992, died October 22, 2024. No survivorship benefits.

- g.** Notification of the death of **Melissa Monsees**, Gerontology Specialist, retired February 18, 2023, died December 31, 2024. Survivorship benefits to Kelly Johnson, spouse.
- h.** Notification of the death of **Robert Nanez**, Groundswoker, retired March 31, 2011, died April 5, 2024. No survivorship benefits.
- i.** Notification of the death of **Le-vy Nguyen**, Computer Operator II, retired July 1, 1995, died January 10, 2025. No survivorship benefits.
- j.** Notification of the death of **David Termenal**, Groundswoker, retired April 13, 2000, died November 27, 2024. Survivorship benefits to Irene Burgos, spouse.
- k.** Notification of the death of **Betzabeth Vega**, Senior Accountant, retired September 1, 1986, died January 5, 2025. No survivorship benefits.
- l.** Notification of the death of **Thomas Joseph Vizcay**, Air Conditioning Mechanic, retired November 19, 2018, died January 17, 2025. Survivorship benefits to Angela Vizcay, spouse.
- m.** Notification of the death of **Douglas Wachter**, Principal Engineering Technician, retired September 19, 1998, died December 8, 2024. Survivorship benefits to Sheryl Wachter, spouse.

5. INVESTMENTS

- a.** Oral update from the CIO of Retirement Services, Prabhu Palani.

CIO Palani updated the Board.
- b.** Discussion and approval of the revised Investment Policy Statement for San Jose Federated City Employees' Retirement System and approval of Resolution No. 9122.

This item was presented.

A motion was made to amend the Investment Policy Statement (IPS) for the San Jose Federated City Employees' Retirement System as presented and to delegate authority for Venture Capital.

Approved. (M.S.C. Linder/Jennings 7-0-0). The motion passed by roll call vote.
- c.** Discussion and approval of the revised Federated City Employees' Retirement System Investment Committee Charter.

This item was presented.

A motion was made to amend the Federated City Employees' Retirement System Investment Committee Charter and to delegate authority for Venture Capital.

Approved. (M.S.C. Chandra/Linder 7-0-0). The motion passed by roll call vote.

6. OLD BUSINESS-DEFERRED/CONTINUED ITEMS-NONE

7. NEW BUSINESS

- a.** Oral update from the CEO of Retirement Services, John Flynn.

CEO Flynn updated the Board.

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

City Council Liaison Pam Foley updated the Board on pending matters before the Council that are relevant to the Board. Vice-Mayor Foley also thanked Trustee Jennings for her service to the community and the City of San Jose. Trustee Jennings announced that she will retire on March 1.

- c.** Discussion and action on adoption of Resolution No. 9121 Cost of Living Adjustment rate for 415(b) Qualified Participants under the Grandfather Rule for members retired prior to January 1, 1990.

This item was presented.

A motion was made to approve the adoption of Resolution No. 9121, establishing the Cost of Living Adjustment rate for 415(b) Qualified Participants under the Grandfather Rule for members who retired prior to January 1, 1990.

Approved. (M.S.C. Chandra/Abbott 7-0-0). The motion passed by roll call vote.

- d.** Discussion and action to authorize CEO to negotiate and execute a lease agreement with Pacific Resources First America, LLC on behalf of the Federated City Employees' Retirement System's Board of Administration based on the proposed lease terms specified in Memo attached to Agenda Item 4e, with costs 50/50 split with Police and Fire Board.

This item was tabled until the next meeting.

- e.** Discussion and action to authorize the CEO to negotiate and execute the second amendment to the agreement ending on June 30, 2025, for legal services between the Board of Administration for the Federated City Employees' Retirement System (the Board) and Reed Smith to increase the not-to-exceed (NTE) by \$140,000 from \$1.6 million to \$1.74 million.

This item was presented.

A motion was made to authorize the CEO to negotiate and execute the second amendment to the agreement ending on June 30, 2025, for legal services between the Board of Administration for the Federated City Employees' Retirement System (the Board) and Reed Smith to increase the not-to-exceed (NTE) by \$140,000 from \$1.6 million to \$1.74 million.

Approved. (M.S.C. Jennings/Avasthy 7-0-0). The motion passed by roll call vote.

8. COMMITTEES/REPORTS/RECOMMENDATIONS

8.1 Investment Committee (Chandra, Horowitz, Faulkner)

Last Meeting: December 11, 2024 Next Meeting: February 25, 2025

- a. Oral update from the Chair of the Investment Committee.
There was no update.

8.2 Audit Committee (Avasthy, Jennings, Abbott)

Last Meeting: August 15, 2024 Next Meeting: February 20, 2025

- a. Oral update from the Chair of the Audit/Risk Committee.
Chair Avasthy informed the Board that the next meeting would take place right after the Federated Board meeting.

8.3 Governance Committee (Linder, Abbott, Avasthy)

Last Meeting: December 19, 2024 Next Meeting: March 6, 2025

- a. Oral update from the Chair of the Governance Committee.
There was no update.

8.4 FCERS Disability Committee (Linder, Jennings, Faulkner)

Last Meeting: February 4, 2025 Next Meeting: TBD

- a. Oral update from the Chair of the Disability Committee.
Chair Linder informed the Board that the Committee is still determining a new date for its next meeting.

- b. Approval of the Minutes of the Federated Disability Committee meeting from November 20, 2024.

The Minutes were received and filed.

- c. Federated Quarterly Disability Retirement Applications Dashboard.

No action was taken on this item.

8.5 Joint Personnel Committee (Chandra, Horowitz, Linder)

Last Meeting: April 25, 2024 Next Meeting: April 2, 2025

- a. Oral update from the Vice-Chair of the Joint Personnel Committee.

There was no update.

8.6 Legal Services Joint Adhoc Committee (Abbott, Chandra)

Last Meeting: February 12, 2025 Next Meeting: TBD

- a. Oral update from the Legal Service Joint Adhoc Committee.

CEO Flynn updated the Board.

8.7 Actuarial Services Joint Adhoc Committee (Avasthy)

Last Meeting: December 9, 2024 Next Meeting: TBD

- a. Oral update from the Actuarial Services Joint Adhoc Committee.

CEO Flynn updated the Board.

9. EDUCATION & TRAINING

The Education & Training was received and filed.

- a. The Cortex Report - March 2025 Conferences, Seminars and Educational Programs.

- b. CALAPRS 2025 Program Calendar.

- c. CALAPRS General Assembly 2025, Silverado Resort, Napa, CA, March 2 - 5, 2025.

- d. Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24 - 26, 2025.
- e. SACRS Spring Conference 2025, Omni Rancho Palmas Resort & Spa, Rancho Mirage, CA, May 13 - 16, 2025.
- f. NCPERS Trustee Educational Seminars (TEDS), The Westin Seattle, Seattle, WA, May 17 - 18, 2025.
- g. NCPERS 2025 Annual Conference & Exhibition (ACE), Sheraton Denver Downtown Hotel, Denver, CO, May 17 - 21, 2025.
- h. CALAPRS On-line Trustees' Round Table, May 30, 2025.

- **PROPOSED AGENDA ITEMS**

Chair Horowitz requested that the review of procedure documents for the Investment staff on Venture Capital management allocation be agendized for the March meeting.

- **ADJOURNMENT**

The meeting adjourned at 10:57 a.m.

- **Next FCERS Board Meeting: March 20, 2025**

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

SPENCER HOROWITZ, CHAIR
BOARD OF ADMINISTRATION
ATTEST:

JOHN FLYNN, CEO
OFFICE OF RETIREMENT SERVICES