



BOARD OF ADMINISTRATION

Meeting Agenda - Final-revised Federated City Employees' Retirement System and Federated City Employees' Health Care Trust

Thursday, April 18, 2024

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: 919 0491 0446

Passcode: 867537

BOARD MEMBERS

Spencer Horowitz, Chair (Term Expires 11/30/24)
Julie Jennings, Vice-Chair (Term Expires 11/30/27) -- 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

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)

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.

CLOSED SESSION

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

II. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS

A. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION: Consideration of initiation of litigation pursuant to Government Code section 54956.9(d)(4): Two Cases.

B. CLOSED SESSION: THREAT TO PUBLIC SERVICES OR FACILITIES Consultation with: City's Chief Information Security Officer pursuant to Government Code section 54957(a).

OPEN SESSION - will reconvene following Closed Session, estimated to be 10:00 a.m.

• ORDERS OF THE DAY

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

1. Application for a Service-Connected Disability

a. Eunice Wilson, Analyst II, Office of Economic Development, Request for Change of Status to Service-Connected Disability Retirement, effective October 7, 2017; 27.71* years of Service. (*Staff Disability Committee Recommendation: Denial*)

2. CONSENT CALENDAR

2.1 Approval of Service Retirements

a. Lisa M. Perez, Division Manager, Police Department, effective May 10, 2024; 33.98* years of service. (*With Reciprocity - 17.77 CSJ + 16.25 PERS = 34.03 YOS*)

b. Laurence J. Wagner, Parking & Traffic Control Officer, Department of Transportation, effective April 13, 2024; 15.61* years of service.

2.2 Approval of Deferred Vested

a. Russell Hansen, Arborist, Department of Transportation, effective April 10, 2024; 21.55* years of service.

b. Cecilia Horlick, Senior Office Specialist, Planning, Building and Code Enforcement, effective April 26, 2024; 21.74* years of service.

c. Patrick J. Keating, Video/Multimedia Producer, City Manager's Office, effective March 25, 2024;

5.87* years of service.

- d. **Scott J. Riddle**, Senior Property Manager I, Airport Department, effective May 15, 2024; 21.15* years of service.

2.3 Approval of Board Minutes

- a. Approval of the Board Minutes of March 21, 2024.

Attachments: [2.3a - FED Board 3-21-24 Minutes-Final.pdf](#)

2.4 Approval of Return of Contributions

- a. Voluntary | Involuntary

Attachments: [2.4a - FED ROC Review - March 2024.pdf](#)

2.5 Approval of Administrative Matters

- a. Fiduciary Insurance and Waiver of Resource Fees for Policy Year March 2024-2025.

Attachments: [2.5a - Fiduciary Insurance Invoice for Trustees-FED FY 2024-2025.pdf](#)

2.6 Acceptance of Communication/Information Reports

- a. **Educational Travel Reports:**

- CALAPRS, General Assembly 2024, Rancho Mirage, CA, March 2 - 5, 2024 - by Mark Linder.
- CALAPRS Advanced Principles for Trustees, UCLA Luskin Conference Center, Los Angeles, CA, March 27 - 29, 2024 - by Mark Linder.

Attachments: [2.6a\(1\) - Mark Linder CALAPRS Travel Content Report.pdf](#)

[2.6a\(2\) - Mark Linder CALAPRS Travel Content Report.pdf](#)

- b. ORS's Quarterly Newsletter - The Retirement Connection: April 2024 Edition.

Attachments: [2.6b - ORS Newsletter - April 2024 Edition.pdf](#)

2.7 Approval of Travel / Conference Attendance

- a. Prabhu Palani, CIO

- Antler's European Founder Conference, London, UK, June 20, 2024.

3. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a. Notification of the death of **Mollie Dent**, Senior Deputy City Attorney, retired March 31, 2012, died February 6, 2024. No survivorship benefits.

- b. Notification of the death of **Gary Eaton**, Senior Inspector, retired February 14, 2004, died March 12, 2024. Survivorship benefits to Kathleen Eaton, spouse.
- c. Notification of the death of **William Ernest**, Plant Operator, retired September 9, 1999, died January 8, 2024. No survivorship benefits.
- d. Notification of the death of **Martha C. Gibson**, Office Automation Specialist, retired April 11, 2002, died February 19, 2024. No survivorship benefits.
- e. Notification of the death of **John A. Lo Franco**, Code Compliance Inspector, retired November 11, 2004, died February 11, 2024. Survivorship benefits to Marilyn Lo Franco, spouse.
- f. Notification of the death of **Donald Pabst**, Principal Engineer Technician, retired March 2, 1985, died February 27, 2024. No survivorship benefits.
- g. Notification of the death of **Peggy Rudd**, Park Facility Supervisor, retired March 28, 2015, died March 6, 2024. No survivorship benefits.
- h. Notification of the death of **Elizabeth C. Zavala**, Administrative Assistant, retired February 7, 2004, died March 6, 2024. No survivorship benefits.

4. INVESTMENTS

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.
- b. Discussion and action on the Plan's Strategic Asset Allocation by Meketa Investment Group.

Attachments: [4b\(1\) - 24-02-20 Asset Allocation Analysis-SJ FED.pdf](#)
 [4b\(2\) - Asset Allocation 2 Percent IBG to LTGB-SJ FED ERS.pdf](#)
- c. Discussion and action on fiscal year 2024-2025 private markets pacing plan by Dhinesh Ganapathiappan, Senior Investment Officer.

Attachments: [4c - FED FY 2024-2025 Private Markets Pacing Plan.pdf](#)
- d. Discussion and action to hire Meketa Investment Group for general investment consulting services and authorizing the Secretary to negotiate and execute a five-year contract not-to-exceed \$700,400/year (shared 50/50 with P&F Plan).

Attachments: [4d - RFP Memo 04.12.24 FED Board.pdf](#)
- e. Discussion and action to hire Verus Advisory, Inc. for risk consulting services and authorizing the Secretary to negotiate and execute a five-year contract not-to-exceed \$200,000/year (shared 50/50 with P&F Plan).

Attachments: [4e - RFP Memo 04.12.24 FED Board.pdf](#)
- f. Discussion and action to hire Albourne America, LLC for alternative investments consulting services and authorizing the Secretary to negotiate and execute a five-year contract not-to-exceed

\$258,000/year (shared 50/50 with P&F Plan).

Attachments: [4f - RFP Memo 04.12.24 FED Board.pdf](#)

5. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- a. Discussion and action on the proposed administrative budget for fiscal year 2024-2025.

Attachments: [5a\(1\) - FED FY 24-25 Budget Presentation 3.21.24.pdf](#)

[5a\(2\) - FED Proposed Admin Budget for FY2025.pdf](#)

[5a\(3\) -Fed 24-25 budget presentation 4.18.24.pdf](#)

- b. Discussion and action on proposed City Ordinance to amend San Jose Municipal Code Part 4.12 and Sections 3.28.155 and amendments to Section 7 of the City's Sunshine Resolution.

Attachments: [5b - Memo re Proposed Amendment - Signed.pdf](#)

6. NEW BUSINESS

- a. Oral update by CEO, Roberto L. Peña.

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

- c. Discussion and action regarding Resolution No. 9117 Federated Tier 1 and Resolution No. 9118 Federated Tier 2 Contribution Rates / Amounts for FY 2024-2025.

Attachments: [6c\(1\) - FED Contributions Resolutions Cover Memo and Exhibits.pdf](#)

[6c\(2\) - Contribution Rates-FED Tier 1 Pension-June 2024 Res No 9117.pdf](#)

[6c\(3\) - Contribution Rates-FED Tier 2 Pension-June 2024 Res No 9118.pdf](#)

- d. Discussion and action on authorizing the secretary to negotiate and execute the second amendment to the agreement with Cortex Consulting for governance consulting services to increase the compensation payable under the agreement by \$25,000 to a not to exceed amount of \$75,000.

Attachments: [6d - Cortex 2nd Amendment for Term Date & Additional Funds 04-12-24.pdf](#)

- e. Discussion and action on authorizing the CEO to negotiate and execute a fifth amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2025.

Attachments: [6e - Fifth Amendment to Agreement with Marty Boyer, Board Comm.pdf](#)

7. COMMITTEES/REPORTS/RECOMMENDATIONS

7.1 Investment Committee (Chandra, Horowitz, Faulkner)

Last Meeting: April 10, 2024 Next Meeting: August 20, 2024

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

7.2 Audit Committee (Avasthy, Jennings, Abbott)

Last Meeting: April 11, 2024 Next Meeting: May 16, 2024

- a. Oral update from the Chair of the Audit/Risk Committee.
- b. Approval of the Minutes of the March 1, 2024 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Department Retirement Plan. Receive and file.
Attachments: [7.2b - JAC 3-1-24 Minutes-Final.pdf](#)
- c. Presentation and discussion by City Auditor, Joseph Rios, regarding Retirement Services: The Office Has Not Consistently Followed City Procurement Policies and Practices.
Attachments: [7.2c - ORS Has Not Consistently Followed City Proc Policies & Std Practices.pc](#)
- d. Discussion and action on revised Internal Auditor Charter to reflect changes discussed on March 1, 2024 Joint Audit Committee Meeting.
Attachments: [7.2d - SJ Plan Proposed Changes to ORS Internal Audit Charter 04.2024.pdf](#)
- e. Update on status of request to custodian bank (Bank of New York Mellon) to correct fiscal years 2016-2023 Pension Plans' returns based on the results of the Agreed Upon Procedures work completed by Macias Gini & O'Connell LLP audit firm.
- f. Discussion and action for process for hiring a new Internal Auditor for Office of Retirement Services.

7.3 Governance Committee (Linder, Abbott, Avasthy)

Last Meeting: March 7, 2024 Next Meeting: June 20, 2024

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

7.4 FCERS Disability Committee (Linder, Jennings, Faulkner)

Last Meeting: April 2, 2024 Next Meeting: June 5, 2024

- a. Approval of the Minutes of the Federated Disability Committee meeting from March 5, 2024. Receive and file.
Attachments: [7.4a - FED DC 3-5-24 Minutes-Final.pdf](#)

7.5 Joint Personnel Committee (Chandra, Horowitz, Linder)

Last Meeting: April 5, 2024 Next Meeting: April 25, 2024

- a. Minutes of the Joint Personnel Committee meeting from March 19, 2024. Receive and file.

Attachments: [7.5a - JPC 3-19-24 Minutes-Final.pdf](#)

8. EDUCATION & TRAINING

- a. The Cortex Report - May 2024, Conferences, Seminars and Educational Programs.

Attachments: [8a - San Jose Cortex Report - May 2024 Edition.pdf](#)

- b. CALAPRS, 2024 Management/Leadership Academy, The Westin Hotel, Pasadena, CA, April 22 - 23, June 10 - 12, and July 22 - 24, 2024.

Attachments: [8b - CALAPRS 2024 Management Leadership Academy.pdf](#)

- c. SACRS Spring Conference 2024, Hilton Santa Barbara Beachfront Resort, Santa Barbara, CA, May 7 - 10, 2024.

Attachments: [8c - SACRS Annual Spring Conference 2024 Preliminary Agenda.pdf](#)

• PROPOSED AGENDA ITEMS

• ADJOURNMENT

• Next FCERS Board Meeting: May 16, 2024

*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>

0) 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.