



# BOARD OF ADMINISTRATION

## Meeting Minutes - Final Federated City Employees' Retirement System and Federated City Employees' Health Care Trust

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Thursday, May 18, 2023

8:30 AM

1737 North First Street, Suite 580, San  
Jose CA 95112

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### HYBRID MEETING

#### PHYSICAL LOCATION:

ORS, 1737 N. 1st Street.Ste 580, San Jose, Ca 95112

#### ZOOM INFORMATION:

zoom.us

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

Meeting ID: 932 3650 5824

Pass Code: 431304

#### **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)*  
*Mark Keleher, Trustee (Term Expires 11/30/23)*  
*Mark Linder, Trustee (Term Expires 11/30/24) -- 706 Liberty Court, Rohnert Park, CA 94928*

#### **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*

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**Present:** 7 - Anurag Chandra, Mark Linder, Prachi Avasthy, Debbie Abbott, Mark Keleher, Julie Jennings and Spencer Horowitz

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, May 18, 2023, at 8:30 a.m. Chair Horowitz called the meeting to order at 8:31 a.m. followed by roll call.

**Board Members Present:** Spencer Horowitz, Prachi Avasthy, Anurag Chandra, Debbie Abbott, and Mark Keleher.

**Board Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules:** Julie Jennings, Mark Linder.

**Retirement Staff Present:** Roberto L. Peña, Barbara Hayman, Jay Kwon, Sherrell Aledo, Mallory Vidal, Michelle San Miguel, Christina Wang, Chris Ha, Dhinesh Ganapathiappan, Eric Tsang and Ron Kumar.

**Retirement Staff Present via Zoom:** Prabhu Palani, David Aung, Arun Nallasivan, Benjie Chua-Foy, Ellen Lee, Houman Boussina, Shilpi Dwivedi, Sandra Castellano, Julie He, and Deborah Sattler.

**Also Present:** Laura Wirick, Meketa Investment Group; Maytak Chin, Harvey Leiderman, General and Fiduciary Counsel; Douglas Andrey, Candidate; Julian Vogel, Candidate; Dev Davis, City Council Liaison and Jana Kadah, Journalist.

**Also Present via Zoom:** Mathew Faulkner, Candidate; Joe Ebisa, Journalist; Cheryl Parkman, OER; Jared Pratt, Meketa Investment Group; Kaci Boyer, Neuberger Berman.

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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.

No action was taken for this agenda item.

**CEREMONIAL ITEM**

Presentation of a commendation to Mark Keleher for his service as Trustee to the Federated City Employees' Retirement Systems Board of Administration.

Chair Horowitz presented a commendation to Trustee Mark Keleher for his service as Trustee to the Federated City Employees' Retirement System Board of Administration.

**OPEN SESSION**

• **ORDERS OF THE DAY**

Chair Horowitz read the following into the record:

**A FEW GROUND RULES FOR THIS MEETING**

- 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.
- All votes will be roll call votes.

**Orders of the Day**

- Time Certain – To be heard at 10:00 a.m.
- Item 5d – Trustee Interviews to Recommend to Council a Public Board Member to 7th seat of the Board for an unexpired term ending November 20, 2023; and a full-term beginning December 1, 2023 and ending November 30, 2027.
- Investment Item 3c will be heard before 3b.

A motion was made to approve the Orders of the Day.

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

**WAIVE SUNSHINE (amended/attachments POSTED late):**

- 5d. Trustee Interviews to Recommend to Council a Public Board Member to 7th seat of the Federated Board (Late attachment - Cover Memo)

A motion was made to waive Sunshine on item 5d.

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

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

None.

**1. CONSENT CALENDAR**

A motion was made to approve the Consent Calendar.

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

**1.1 Approval of Service Retirements**

- a. **David H. Amjadi**, Librarian II, Library Department, effective May 27, 2023; 5.89\* years of service. **(Tier 2B)**
- b. **Shu-Fen Chen**, Librarian II, Library Department, effective June 3, 2023; 7.98\* years of service. **(Tier 2B)**
- c. **Eva S. Chun**, Latent Fingerprint Examiner III, Police Department, effective April 29, 2023; 21.28\* years of service.
- d. **Nancy R. Fernandez**, Public Safety Communications Specialist, Police Department, effective June 10, 2023; 26.26\* years of service.
- e. **Melina (Lindy) Stankov**, Environment Service Specialist, Environmental Services Department, effective May 27, 2023; 9.73\* years of service. **(Tier 2A)**
- f. **Lisa L. Yarwasky**, Senior Analyst, Parks, Recreation and Neighborhood Services Department, effective June 10, 2023; 22.15\* years of service.

**1.2 Approval of Deferred Vested**

- a. **Lisa M. Edwards**, Arborist Technician, Department of Transportation, effective June 11, 2023; 5.11\* years of service.
- b. **Elia M. Escobar**, Administrative Assistant, Parks, Recreation and Neighborhood Services Department, effective May 27, 2023; 26.23\* years of service. *(With Reciprocity - 17.33 CSJ YOS+ 8.89 PERS YOS)*
- c. **Cindy M. Escobar**, Staff Technician, City Council, effective May 27, 2023; 27.10\* years of service.

**1.3 Approval of Board Minutes**

- a. Approval of the Board Minutes of April 20, 2023.

#### 1.4 Approval of Return of Contributions

- a. Voluntary | Involuntary.

#### 1.5 Acceptance of Communication/Information Reports

- a. Report of the Monthly Board Expenses for March 2023. Receive and file.
- b. Report of the Budget vs. Actual Expenses for 3rd Quarter FY 2022-2023. Receive and file.
- c. Revised 2023 Scheduled Board and Standing Committee Meetings. Receive and file.

#### 1.6 Approval of Change in Retirement Date

- a. Approval for a change in effective date for **Douglas K. Dubois**, Real Property Agent II, from April 23, 2023, to April 24, 2023, for a Service Retirement approved at the April 20, 2023 Board meeting.

#### 1.7 Approval of Travel / Conference Attendance

- a. Anurag Chandra, Trustee
  - Wharton - University of Pennsylvania Online, Asset and Portfolio Management (2023) course.
  - 2023 Pension Bridge Private Equity Exclusive, Loew's Hotel, Chicago, IL - July 24-26, 2023.

#### 2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

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

- a. Notification of the death of **Betty A. Atkins**, Typist Clerk II, retired June 1, 1993, died April 6, 2023. No survivorship benefits.
- b. Notification of the death of **Cheryl Chandler**, Investigator Collector, Deferred Vested, died October 29, 2020. No survivorship benefits.
- c. Notification of the death of **Don A. Klein**, Electrical Superintendent, retired July 26, 2008, died April 2, 2023. Survivorship benefits to Mary Lyn Klein, spouse.

- d. Notification of the death of **Gene A. Langley**, Communications Technician, retired June 21, 2003, died March 14, 2023. No survivorship benefits.
- e. Notification of the death of **Richard A. Murray**, Program Manager I, retired May 26, 2012, died March 18, 2023. Survivorship benefits to Angelita L. Murray, spouse.
- f. Notification of the death of **Michael Noble**, Senior Painter, retired January 8, 2011, died February 17, 2023. Survivorship benefits to Valorie Noble, spouse.
- g. Notification of the death of **R. Diane White**, Librarian II, retired March 31, 2012, died April 6, 2023. No survivorship benefits.

**At this time, the Chair recognized newly appointed Trustee, Deborah Abbott and welcomed her to the Board. The Chair also noted that this would be Trustee Keleher's last Board meeting.**

### **3. INVESTMENTS**

- a. Oral update by CIO, Prabhu Palani.

**CIO Palani thanked Mark Keleher for his work as a trustee.**

**CIO Palani updated the Board and on the following unaudited estimated performance and answered questions:**

- For FYTD through May 16, 2023, the Pension Plan was up 4.3%.
- For FYTD through May 16, 2023, the Health Care Trust was up 4.9%.

- b. Discussion and action on strategic asset allocation by Meketa Investment Group.

**CIO Palani introduced Laura Wirick, Meketa Investment Group, who spoke to the Strategic Asset Allocation and answered questions from the Board.**

**A motion was made to approve the current asset allocation.**

**A substitute motion was made to adopt "Mix C" as identified by Meketa.**

**Failed. (M.S.C. Abbott/Horowitz 2-5-0). The substitute motion failed by roll call vote.**

**Aye: Abbott, Horowitz**

**Nay: Chandra, Jennings, Keleher, Linder, Avasthy**

**The main motion was taken up next.**

**Approved. (M.S.C. Jennings/Linder 5-2-0) The motion passed by roll call vote.**

**Aye: Chandra, Jennings, Keleher, Linder, Avasthy**

**Nay: Abbott, Horowitz**

- c.** Discussion and action on fiscal year 2023-2024 private markets pacing plan by Dhinesh Ganapathiappan, Senior Investment Officer.

**Dinesh Ganapathiappan, Sr. Investment Officer, introduced and spoke to the item.**

**Mr. Ganapathiappan discussed the recommended pacing plan and answered questions from the board.**

**Laura Wirick, Meketa Investment Group, assisted in answering questions from the Board.**

**A motion was made to approve the Pacing Plan as recommended.**

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

**4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS-NONE**

**5. NEW BUSINESS**

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

**CEO Peña updated the Board on the following:**

- Executive Assistant, Isela Chapparo, left the ORS to pursue an opportunity outside the City.
- Michelle San Miguel is the interim Executive Assistant.
- Welcomed Sherrell Aldo as a permanent employee effective May 15, 2023.
- Additional administrative staff starts May 30, 2023.
- Accounting is working on filling a vacant position.
- Warned Trustees that 2023 meeting locations may vary. Ongoing City construction has forced us to relocate some meetings. He prompted trustees to please check calendar invites for updated location information.

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

**City Council Liaison updated the Board on pending matters before the Council. She suggested the Board look into alternate meeting space on the 18th floor of City Hall while construction was ongoing in the Wing Building.**

- c.** Discussion and action on authorizing the CEO to negotiate and execute a fourth amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2024, within previously approved NTE amount of \$75,000.

**Barbara Hayman, Deputy Director spoke to the item and provided background on the request.**

**A motion was made to authorize the CEO to negotiate and execute a fourth amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2024, within previously approved NTE amount of \$75,000.**

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



- d. Trustee Interviews to Recommend to Council a Public Board Member to 7th seat of the Board for an unexpired term ending November 20, 2023; and a full term beginning December 1, 2023 and ending November 30, 2027;

**Time Certain:** 10:00 a.m. or soon thereafter

Candidates:

- Douglas Andrey
- John Cleveland
- Matthew Faulkner
- Julian Vogel

The Board interviewed candidates and deliberated. Candidates Douglas Andrey, Mathew Faulkner, and Julian Vogel were present in person and/or via Zoom. Candidate John Cleveland was unable to attend the meeting but requested his application be deliberated on in absentia.

A motion was made to recommend Matthew Faulkner to the City Council.

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

Chair Horowitz informed the candidates of the Board's decision.

## **6. COMMITTEES/REPORTS/RECOMMENDATIONS**

### **6.1 Investment Committee (Chandra, Horowitz, Keleher)**

**Last Meeting: April 27, 2023 Next Meeting: June 20, 2023**

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

Chair Chandra updated the Board on the contents of the last Investment Committee meeting and noted the next scheduled meeting date.

- b. Minutes of the March 13, 2023 Federated Investment Committee meeting. Receive and file.

The minutes were received and filed.

### **6.2 Governance Committee (Jennings, Keleher, Linder)**

**Last Meeting: February 16, 2023 (Special) Next Meeting: June 15, 2023**

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

There was no update.

**6.3 Audit Committee (Keleher, Jennings, Avasthy)**

**Last Meeting: February 16, 2023 Next Meeting: May 18, 2023**

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

Chair Keleher noted that there is a Joint Audit Committee meeting following the conclusion of the Board meeting.

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

**Last Meeting: April 20, 2023 Next Meeting: June 21, 2023**

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

There was no update.

- b. Minutes of the Special Disability Committee meeting from February 16, 2023. Receive and file.

The minutes were received and filed.

**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.

Vice-Chair Chandra spoke to the last JPC meeting contents and the work that is continuing to be undertaken by the Committee.

**7. EDUCATION & TRAINING**

Received and filed.

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

- b. CalAPRS 2023 Program Calendar.

- c. Wharton - University of Pennsylvania Online, Asset and Portfolio Management (2023) course.

- **PROPOSED AGENDA ITEMS**

Committee Assignments.

- **ADJOURNMENT**

**Next FCERS Board Meeting: June 15, 2023**

The meeting was adjourned at 12:14 p.m.

\*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

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SPENCER HOROWITZ, CHAIR  
BOARD OF ADMINISTRATION  
ATTEST:

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ROBERTO L. PEÑA, CEO  
OFFICE OF RETIREMENT SERVICES