



BOARD OF ADMINISTRATION

Meeting Agenda - Final

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

Thursday, October 19, 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: 978 4993 7147

Pass Code: 845166

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)

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

- A. CLOSED SESSION:** CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a). Agency designated representatives: Spencer Horowitz, Board Chair and Anurag Chandra, Investment Committee Chair. Unrepresented employees: Chief Executive Officer and Chief Investment Officer.
- B. CLOSED SESSION:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Chief Executive Officer and Chief Investment Officer.
- C. CLOSED SESSION:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Chief Executive Officer and counsel.

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. CONSENT CALENDAR

1.1 Approval of Service Retirements

- a. Cynthia Harlin**, Staff Specialist, Police Department, effective November 11, 2023; 15.00* years of service.
- b. Paul Nunez**, Heavy Equipment Operator, Department of Transportation, effective October 14, 2023; 24.47* years of service.
- c. Shivaun Nurre**, City Council Police Auditor, Mayor & City Council Office, effective November 11, 2023; 27.38* years of service. (*With Reciprocity - 17.13341 CSJ + 10.24900 PERS = 27.38241 YOS*)
- d. Chyi Hsyam Tu**, Accountant II, Housing Department, effective October 28, 2023; 31.70* years of service. (*With Reciprocity - 15.18401 CSJ + 16.525 PERS = 31.70901 YOS*)

1.2 Approval of Deferred Vested

- a. Greg C. Rose**, Geographic Information System Specialist II, Planning Building and Code Enforcement, effective November 14, 2023; 10.02* years of service.

1.3 Approval of Board Minutes

- a. Approval of the Board Minutes of September 21, 2023.

Attachments: [1.3a - FED Board 9-21-23 Minutes-Final.pdf](#)

1.4 Approval of Return of Contributions

- a. Voluntary | Involuntary

Attachments: [1.4a - ROC Review - September 2023.pdf](#)

1.5 Acceptance of Communication/Information Reports

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

Attachments: [1.5a\(1\) - Fed June 2023 Monthly Expenses Report.pdf](#)
 [1.5a\(2\) - Fed August 2023 Monthly Expenses Report.pdf](#)

- b. Q4 FY 22-23 Budget to Actual Quarterly Budget Reports.

Attachments: [1.5b - Q4 FY22-23 Fed Budget Report.pdf](#)

- c. Report out of closed session from the January 19, 2023 and August 17, 2023 Federated Board meetings.

Attachments: [1.5c - Fed Report out of Closed Session.pdf](#)

1.6 Approval of Travel / Conference Attendance

- a. Anurag Chandra, Trustee
- The 2023 Pension Bridge Alternatives, The Westin Times Square, New York City, New York, October 10-11, 2023
- b. Prabhu Palani, CIO
- 2023 Stanford Family Office Investor Forum, Stanford University, Palo Alto, November 8-9, 2023

1.7 Alternate Beneficiary Designation

- a. Approval of Alternate Payee Benefit election of Unreduced Lifetime Monthly Payment Option to be paid to Donna Storz, ex-spouse of Associate Civil Engineer, **Roger Storz** to be effective September 5, 2023, under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

Attachments: [1.7a - DRS430 - Donna Storz.pdf](#)

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a. Notification of the death **Ronald G. Baldwin**, Senior Maintenance Worker II, retired February 2, 2002, died August 18, 2023. Survivorship benefits to Darla Baldwin, spouse.
- b. Notification of the death **Josephine E. Berton**, Secretary, retired September 18, 1995, died August 28, 2023. No survivorship benefits.
- c. Notification of the death **Jose L. Garcia**, Principal Accountant, retired March 25, 2006, died August 17, 2023. Survivorship benefits to Jane Garcia, spouse.
- d. Notification of the death **Robert D. Garcia**, Plumber, retired January 10, 1997, died August 29, 2023. No survivorship benefits.
- e. Notification of the death of **Kathleen E. Rogers**, Street Sweeper Operator, retired October 11, 2003, died August 30, 2023. No survivorship benefits.
- f. Notification of the death of **William Rudman**, Sanitary Engineer, retired October 17, 2003, died August 23, 2023. No survivorship benefits.
- g. Notification of the death of **Betty Z. Scott**, Library Technical Assistant, retired April 7, 1981, died May 19, 2023. No survivorship benefits.
- h. Notification of the death of **Leo B. Taa**, Custodian, retired September 6, 2011, died July 30, 2023. Survivorship benefits to Thelma Taa, spouse.
- i. Notification of the death of **Jeb Welsh**, Maintenance Supervisor, active, died July 19, 2023. Survivorship benefits to Lola Kay Welsh, Ava Lynne Welsh and Ry Michael Cruz Welsh, children.

3. INVESTMENTS

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

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. Presentation by Bill Hallmark from Cheiron on revisions to actuarial standards affecting public pensions plans.

Attachments: [5c - SJFCERS0P ASOP 4 Changes 2023.10.10.pdf](#)

- d. Discussion and action on Pension economic assumptions for the June 30, 2023 Actuarial Valuation to be presented by Cheiron.

Attachments: [5d - SJFCERS 2023 Economic Assumptions Review 2023.10.19.pdf](#)

- e. Discussion of Board's scope of legal authority under governing Plan provisions regarding ORS

operations, presented by counsel Reed Smith.

Attachments: [5e - Memo to Boards re Jurisdiction and Authority.pdf](#)

- f. Discussion and Action to amend contract with external auditors, Macias Gini & O'Connell LLP, to include an "agreed-upon procedures" engagement to audit the inclusion of invoice management fees in the Plans' investment performance, with fees not to exceed \$25,000.
- g. Discussion and action on authorizing the CEO to negotiate and execute a first amendment with Cortex Consulting Inc., to extend the term of the agreement through December 31, 2024, for a total NTE amount of \$50,000.
- h. Discussion and action on merit increase and executive days for the CIO position.

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Horowitz, Faulkner)

Last Meeting: August 29, 2023 Next Meeting: December 19, 2023

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

6.2 Governance Committee (Linder, Abbott, Avasthy)

Last Meeting: February 16, 2023 (Special) Next Meeting: TBD

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

6.3 Audit Committee (Avasthy, Jennings, Abbott)

Last Meeting: September 21, 2023 Next Meeting: October 19, 2023

- a. Oral update from the Chair of the Audit/Risk Committee.
- b. Minutes of the FCERS Audit Committee meeting from May 18, 2023. Receive and file.

Attachments: [6.3b - JAC 5-18-23 Minutes-Final.pdf](#)

- c. Discussion and action on ORS Management's Response to "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023.

Attachments: [6.3c - 2023 JAC Response to Findings 10012023.pdf](#)

- d. Memorandum from City Auditor entitled "Internal Control Risks Regarding the Office of Retirement Services," dated May 11, 2023. Receive and file.

Attachments: [6.3d - 5.11.23 City Auditor memo - internal control risks regarding ORS.pdf](#)

- e. Discussion and action for the Board to engage Cortex Consulting Inc. to conduct an evaluation

of ORS policies on procurement and contract issues.

6.4 FCERS Disability Committee (Linder, Jennings, Faulkner)

Last Meeting: October 2, 2023 Next Meeting: November 7, 2023

- a. Oral update from the Chair of the Disability Committee.
- b. Minutes of the FCERS Disability Committee meeting from August 11, 2023. Receive and file.

Attachments: [6.4b - FED DC 8-11-23 Minutes-Final.pdf](#)

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.

7. EDUCATION & TRAINING

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

Attachments: [7a - San Jose Cortex Report - November 2023 Edition.pdf](#)

- b. CALAPRS 2023 Program Calendar.

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

- c. SACRS Annual Fall Conference 2023, Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, CA - November 7 - 10, 2023.

Attachments: [7c - SACRS Fall Conference - November 2023.pdf](#)

• PROPOSED AGENDA ITEMS

• ADJOURNMENT

Next FCERS Board Meeting: November 16, 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>)

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.