



BOARD OF ADMINISTRATION

City Hall
Wing Rooms 118-120
200 East Santa Clara
Street,
San Jose, CA 95113

Meeting Agenda - Final

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

Thursday, February 21, 2019

8:30 AM

City Hall, Wing Rooms 118-120

BOARD MEMBERS

Matt Loesch, Chair
Jay Castellano, Vice-Chair
Kurt Billick, Trustee
Anurag Chandra, Trustee
Marty Dirks, Trustee
Elaine Orr, Trustee
Qianyu Sun, Trustee

CITY COUNCIL LIAISON TO THE BOARD
Dev Davis

COUNSEL
Jeff Rieger, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

CLOSED SESSION

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

CLOSED SESSION AGENDA ITEMS II. AND III. WILL BE HEARD AFTER ITEM 7.

I. CLOSED SESSION

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

OPEN SESSION - will reconvene following Closed Session, estimated to be 8:45 a.m.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call Marti Zarate (408) 794-1112 as soon as possible, but at least three business days before the meeting.

ORDERS OF THE DAY

1. CONSENT CALENDAR

1.1 Approval of Service Retirements

- a. **Bijan Abouzia**, Associate Structural/Land Designer, Public Works Department, effective March 9, 2019; 17.55* years of service.
- b. **Adelmo Carreon**, Senior Construction Inspector, Public Works Department, effective February 9, 2019; 30.00* years of service.
- c. **George K. Cowl III**, Building Inspector Supervisor, Planning, Building and Code Enforcement Department, effective February 9, 2019; 20.28* years of service.
- d. **Stephen E. Cross**, Wastewater Operator III, Environmental Services Department, effective March 23, 2019; 20.51* years of service. (*With Reciprocity - CSJ YOS 18.32 + PERS 2.19*)
- e. **Tony Finch**, Wastewater Superintendent, Environmental Services Department, effective March 23, 2019; 28.59* years of service
- f. **Nancy Giannoccaro**, Senior Office Specialist, Police Department, effective February 23, 2019; 15.08* years of service.
- g. **Gregory A. Lawrence**, Associate Construction Inspector, Public Works Department, effective March 9, 2019; 29.36* years of service.
- h. **Marty Jo Luis**, Senior Analyst, Police Department, effective March 9, 2019; 30.00* years of service.
- i. **Nandita Modak**, Analyst II, Human Resources Department, effective February 23, 2019; 5.22* years of service.
- j. **Lenora Morris**, Library Clerk, Library Department, effective March 9, 2019; 25.30* years of service.
- k. **Kim N. Hung Nguyen**, Senior Librarian, Library Department, effective March 9, 2019; 23.38* years of service.
- l. **Leonard Perez**, Warehouse Supervisor, Airport Department, effective March 9, 2019; 31.18* years of service.
- m. **Jon Max Reger**, Environmental Inspector II, Environmental Services Department, effective January 10, 2019; 26.69* years of service.
- n. **Corrie Santo**, Accounting Technician, Airport Department, effective February 23, 2019; 29.71* years of service.
- o. **Anthony J. Sedillo**, Gardener, Parks, Recreation, Neighborhood Services Department, Effective March 9, 2019; 22.36* years of service.
- p. **Rick Talamantes**, Senior Facility Attendant, Public Works Department, effective February 23, 2019; 30.05* years of service.
- q. **Pamela Taylor**, Library Clerk, Library Department, effective March 9, 2019; 29.27* years of

service.

- r. **Peter Testa**, Associate Engineer, Public Works Department, effective March 9, 2019; 29.55* years of service.

1.2 Approval of Deferred Vested

- a. **Frank Gaska**, Concrete Finisher, Department of Transportation, effective February 9, 2019; 22.56* years of service.
- b. **Sandra Gates**, Senior Analyst, Planning, Building and Code Enforcement Department, effective February 13, 2019; 28.83* years of service. (*With Reciprocity - CSJ YOS 22.83 + PERS YOS 6.00*)
- c. **FanLang Kong**, Senior Engineer, Planning, Building and Code Enforcement Department, effective February 20, 2019; 16.33* years of service.

1.3 Approval of Board Minutes

- a. Approval of the Board Minutes of January 17, 2019

Attachments: [1.3a 1-17-2019 FED minutes - FINAL](#)

1.4 Approval of Return of Contributions

- a. Voluntary | Involuntary.

Attachments: [1.4a - Return of Contributions](#)

1.5 Acceptance of Communication/Information Reports

- a. Matrix of City Auditor's Recommendations from the 2017 Audit. Receive and file.

Attachments: [1.5a - City Auditor Recommendations 17-06 Retirement 1.24.19](#)

- b. Report of the Plan Expenses for December 2018. Receive and file.

Attachments: [1.5b - Fed Dec 2018 Expenses](#)

- c. Report of the Budget vs. Actual Expenses for 2nd Quarter FY 18-19. Receive and file.

Attachments: [1.5c - Fed Q2 FY 18-19 Budget Report](#)

- d. Revised 2019 Scheduled Board and Standing Committee meetings.

Attachments: [1.5d - FED 2019 Scheduled Meetings - Revised](#)

1.6 Approval of Travel / Conference Attendance

- a. Roberto L. Peña, CEO
 - CalAPRS Administrator's Round Table, Marriott Burbank Airport, Burbank, CA - January 25,

2019.

- CalAPRS General Assembly, Monterey Marriott, Monterey, CA - March 2-5, 2019.

b. Elaine Orr, Trustee

- CalAPRS General Assembly, Monterey Marriott, Monterey, CA - March 2-5, 2019.
- 12th Annual Women's Private Equity Summit, Monarch Beach Resort, Dana Point, CA - March 12-15, 2019.
- Pension Bridge Annual 2019, Westin St. Francis Hotel, San Francisco, CA - April 9-10, 2019.

c. Qianyu Sun, Trustee

- CalAPRS Advanced Principles of Pension Management for Trustees, UCLA Luskin Conference Center, Los Angeles, CA - March 27-29, 2019.

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a.** Notification of the death of **Ernestine M. Allen**, Recreation Program Specialist, retired March 21, 2009, died December 26, 2018. No survivorship benefits.
- b.** Notification of the death of **Otto H. Chavez**, Groundskeeper, retired March 9, 1995, died September 20, 2018. No survivorship benefits.
- c.** Notification of the death of **Omar Hindiyeh**, Associate Civil Engineer, retired April 29, 1983, died January 15, 2019. No survivorship benefits.
- d.** Notification of the death of **Wilma J. Hyde**, Librarian, retired March 24, 1984, died October 6, 2018. No survivorship benefits.
- e.** Notification of the death of **C. Donald McBride**, Senior Deputy City Attorney, retired May 24, 2003, died July 31, 2018. No survivorship benefits.
- f.** Notification of the death of **Susan McCarthy**, Legal Analyst II, retired March 31, 2012, died December 12, 2018. Survivorship benefits to Joseph McCarthy, Spouse.
- g.** Notification of the death of **Paul Mula**, Building Inspector, retired February 8, 1997, died October 7, 2018. Survivorship benefits to Punboon Mula, Daughter.
- h.** Notification of the death of **John Oberg**, Civil Engineer, retired September 20, 2013, died December 26, 2018. No survivorship benefits.
- i.** Notification of the death of **Michael Rudd**, Accounting Technician, retired October 20, 2009, died September 20, 2018. No survivorship benefits.
- j.** Notification of the death of **Robert Watanabe**, Groundsworker, retired May 30, 1997, died December 14, 2018. Survivorship benefits to Mayko Watanabe, Spouse.

3. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- a.** Discussion and action on adoption of Resolution #8873 Reclassified Member Contribution Rates.
(TIME CERTAIN 9:00 A.M.)

Attachments: [3a\(1\) - contribution rates - rehired tier 1 members pension - jan 2019 #8873](#)
[3a\(2\) - Reclassified Member Rates Letter - Revised](#)

4. 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 compensation and benefits for the Office of Retirement Services's Chief Executive Officer (CEO).

Attachments: [4c - MPP Memo FY 2017-2018](#)

- d. Discussion on proposed topics for the April 25, 2019 Joint Meeting with the Retirement Boards and City Council.
- e. Discussion and action on the Municipal Code changes for both Boards regarding public member Trustee eligibility and the election process for the employees and retirees.
- f. Discussion and action on adoption of Resolution #8874 Cost of Living Adjustment rate for 415(b) Qualified Participants.

Attachments: [4f - Res #8874 COLA Rate for 415\(B\) Qualified Participants](#)

5. INVESTMENTS

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

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Loesch, Billick, Chandra)

Last Meeting: December 18, 2018 Next Meeting: March 26, 2019

- a. Oral update from the Chair of the Investment Committee.
- b. Minutes of the December 18, 2018 Federated Investment Committee meeting. Receive and file.

Attachments: [6.1b - 12.18.2018 Fed IC Minutes - Final - signed](#)

- c. Minutes of the December 18, 2018 Joint Investment Committee meeting. Receive and file.

Attachments: [6.1c - 12.18.2018 Joint IC Minutes - signed](#)

6.2 Governance Committee (Dirks, Orr, Sun)

Last Meeting: November 26, 2018 Next Meeting: March 7, 2019

- a. Oral update from the Chair of the Governance Committee.
- b. Discussion and action on cancelling an additional Board meeting during the calendar year, per the Federated Board Performance Evaluation/Assesment.

Attachments: [6.2b - Board Performance Eval - Meeting Frequency Memo](#)

6.3 Audit Committee (Castellano, Dirks, Orr)

Last Meeting: October 18, 2018

Next Meeting: February 21, 2019

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

6.4 Joint Personnel Committee (Dirks, Loesch, Chandra)

Last Meeting: February 20, 2019

Next Meeting: TBD

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

7. EDUCATION & TRAINING

- a. The Cortex Report January 2019 - Conferences, Seminars, and Educational Programs.

Attachments: [7a - The Cortex Report - San Jose - January 2019](#)

- b. CalAPRS 2019 Program Calendar.

Attachments: [7b - 2019 CALAPRS Calendar](#)

- c. The Pension Bridge Annual Conference, Westin St. Francis Hotel, San Francisco, CA - April 9-10, 2019.

Attachments: [7c - Pension Bridge Annual 2019 - Agenda](#)

CLOSED SESSION

II. CLOSED SESSION INVESTMENTS

- A. **CLOSED SESSION:** CONFERENCE WITH INVESTMENT CONSULTANT PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER PURCHASE OR SALE OF PARTICULAR PENSION FUND INVESTMENT (THREE INVESTMENTS).

III. CLOSED SESSION

- A. **CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1) - PENDING LITIGATION: PRESERVATION OF BENEFIT PLAN RETIREES ASSOCIATION V. CITY OF SAN JOSE,

ET AL., SANTA CLARA COUNTY SUPERIOR COURT NO. 17CV312610.

- B. CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.9(e)(3) - RECEIPT OF CLAIM PURSUANT TO THE GOVERNMENT CLAIMS ACT - ONE CLAIM: PRESERVATION OF BENEFIT PLAN RETIREES ASSOCIATION V. BOARD OF ADMINISTRATION OF THE FEDERATED EMPLOYEES RETIREMENT SYSTEM.

FUTURE AGENDA ITEMS

PUBLIC/RETIREE COMMENTS

ADJOURNMENT

*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.