



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, August 15, 2019

8:30 AM

NOTE MEETING LOCATION CHANGE:
1737 N. First Street, Suite 580
5th Floor Board Room
San Jose, CA 95112

BOARD MEMBERS

Matt Loesch, Chair
Jay Castellano, Vice-Chair
Anurag Chandra, Trustee
Elaine Orr, Trustee
Qianyu Sun, Trustee
Vacant, Trustee
Vacant, Trustee

CITY COUNCIL LIAISON TO THE BOARD

Dev Davis

COUNSEL

Harvey Leiderman, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

CLOSED SESSION

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

I CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS

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

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

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ORDERS OF THE DAY

1. Change In Status to Service-Connected Disability

- a. **Vito Maletta**, Alarm Technician, Police Department, Request for a Change in Status to a Service-Connected Disability Retirement, effective June 30, 2011; 15.01* years of service. *(Disability Committee Recommendation: Denial)* **(TIME CERTAIN: 11:00 A.M.)**

2. CONSENT CALENDAR

2.1 Approval for a Service-Connected Disability

- a. **Miguel Serrano**, Water Systems Operator II, Environmental Services Department, Request for a Service-Connected Disability Retirement, effective November 15, 2018; 28.93* years of service. *(Disability Committee Recommendation: Approval)*

2.2 Approval for a Change in Status to Service-Connected Disability

- a. **Dwayne Hearn**, Community Coordinator, Parks, Recreation and Neighborhood Services Department, Request for a Change in Status to a Service-Connected Disability Retirement, effective August 24, 2003; 5.50* years of service. *(Disability Committee Recommendation: Approval)*

2.3 Approval of Service Retirements

- a. **Brent Andrew Erkel**, Construction Manager, Public Works Department, effective September 7, 2019; 30.33* years of service.
- b. **Marc Estensen**, Maintenance Worker II, Department of Transportation, effective October 5, 2019; 30.09* years of service.
- c. **Carolyn Galdo**, Police Data Specialist II, Police Department, effective October 5, 2019; 29.78* years of service. *(With Reciprocity - 20.72 CSJ YOS + 9.05 PERS YOS)*
- d. **Joseph Jones**, Mechanic II, Environmental Services Department, effective July 25, 2019; 12.90* years of service.
- e. **Henry Juarez Jr.**, Building Inspector Combination, Planning, Building and Code Enforcement Department, effective August 10, 2019; 30.53* years of service. *(With Reciprocity - CSJ YOS 19.22 + 11.30 PERS YOS)*
- f. **Charles J. McClain**, Instrument Controls Technician, Environmental Services Department, effective October 19, 2019; 5.19* years of service.
- g. **Maria J. Murillo**, Analyst II, City Manager's Office, effective August 10, 2019; 30.04* years of service.
- h. **Tony Murphy**, Senior Mechanic, Public Works Department, effective August 10, 2019; 31.01* years of service.
- i. **Evin D. Ngo**, Senior Engineering Technician, Public Works Department, effective October 5, 2019;

30.01* years of service.

- j. **Ricardo Perez**, Maintenance Worker II, Department of Transportation, effective August 10, 2019; 30.56* years of service.
- k. **Ruben E. Reyes**, Maintenance Worker II, Department of Transportation, effective October 5, 2019; 30.02* years of service.
- l. **Maggie Suson-Nale**, Planning Technician, Planning, Building and Code Enforcement Department, effective August 24, 2019; 30.00* years of service.
- m. **Wes Tanaka**, Senior Engineering Technician, Environmental Services Department, effective October 19, 2019; 22.00* years of service.
- n. **Jeanette Warne**, Planner II, Planning, Building and Code Enforcement Department, effective August 24, 2019; 11.00* years of service.
- o. **Peter Williams**, Senior Air Conditioning Mechanic, Environmental Services Department, effective September 7, 2019; 20.48* years of service. (*With Reciprocity - CSJ YOS 18.65 + 1.83 PERS YOS*)
- p. **Kenney Wright**, Senior Office Specialist, Parks, Recreation and Neighborhood Services Department, effective June 22, 2019; 28.22* years of service.

2.4 Approval of Deferred Vested

- a. **Low Cary Baumad**, Senior Sanitary Engineer, Environmental Services Department, effective September 14, 2019; 29.57* years of service. (*With Reciprocity - CSJ YOS 7.07 + 22.5 PERS YOS*)
- b. **Debra Caldon**, Supervising Environmental Service Specialist, Environmental Services Department, effective July 6, 2019; 23.38* years of service. (*With Reciprocity - CSJ YOS 6.08 + 17.30 PERS YOS*)
- c. **Rajiv Das**, City Physician, Human Resources Department/Office of Retirement Services, effective August 7, 2019; 11.42* years of service.
- d. **Rebecca L. Lorente**, Senior Public Safety Dispatcher, Police Department, effective September 17, 2019; 23.72* years of service. (*With Reciprocity - CSJ YOS 21.82 + 1.9 PERS YOS*)
- e. **Vivian Pham Nguyen**, Senior Account Clerk, Finance Department, effective September 1, 2019; 24.73* years of service. (*With Reciprocity - CSJ YOS 4.31 + 20.42 PERS YOS*)
- f. **Steve Solidarias**, Video/Multimedia Producer, Police Department, effective July 25, 2019; 16.36* years of service.
- g. **John Snyder**, Associate Construction Inspector, Department of Transportation, effective June 7, 2019; 6.14* years of service.
- h. **Jeffery David Vierra**, Electrician II, Department of Transportation, effective July 3, 2019; 8.69*

years of service.

2.5 Approval of Board Minutes

- a. Approval of the Board Minutes of June 20, 2019.

Attachments: [2.5a- 6-20-2019 FED Minutes -FINALv1](#)

2.6 Approval of Return of Contributions

- a. Voluntary | Involuntary.

Attachments: [2.6a - Return of Contributions](#)

2.7 Acceptance of Communication/Information Reports

- a. Report of the Plan Expenses for May 2019. Receive and file.

Attachments: [2.7a - Fed May 2019 Monthly Board Expense](#)

- b. **REVISED** 2019 Scheduled Board and Standing Committee Meetings.

Attachments: [2.7b - 2019 Scheduled Meetings - Revised](#)

- c. 2020 Scheduled Board and Standing Committee Meetings

Attachments: [2.7c - 2020 Scheduled Meetings](#)

- d. Communication regarding new Retiree Medical Plans for 2020.

Attachments: [2.7d - New Retiree Medical Plans 2020](#)

- e. **Educational Travel Reports:**

CALAPRS Trustees' Roundtable, Los Angeles Marriott Burbank Airport, Burbank, CA - June 7, 2019 - by Jay Castellano

Attachments: [2.7e - Travel Content Report -J. Castellano](#)

- f. Matrix of the City Auditor's Recommendations from the 2017 Audit.

Attachments: [2.7f - City Auditor Recommendations 17-06 Retirement 7.12.19](#)

2.8 Approval of Travel / Conference Attendance

- a. Roberto L. Peña, CEO

- CalAPRS Administrators Institute, Quail Lodge, Carmel, CA - September 25-27, 2019.
- SACRS Fall Conference, Hyatt Regency Monterey Hotel & Spa, Monterey, CA - November 12-15, 2019.
- Reimbursement of travel expenses for business meetings in Oakland, CA - June 25-26, 2019.

- b. Prabhu Palani, CIO
 - 2019 Summer Roundtable, Chicago, IL - July 10 - 12, 2019.

2.9 Approval of Change in Retirement Date

- a. Approval for a change in effective date for **Todd B. Lewis** from June 6, 2019 to June 7, 2019 for a Deferred Vested Retirement with reciprocity, approved at the May 16, 2019 Board meeting.

Attachments: [2.9a - Change of Ret. Eff. Date - T. Lewis](#)

2.10 Report out of Closed Session

- a. Report out of Closed Session investments approved at February 21, 2019 (GIP IV), March 21, 2019 (Cross Ocean III), and June 20, 2019 (Neuberger Berman) Federated Board meetings.

Attachments: [2.10a - Report Out of Closed Session - Investments](#)

3. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a. Notification of the death of **Mary Cabral**, Office Specialist II, retired March 31, 2007, died June 21, 2019. No survivorship benefits.
- b. Notification of the death of **Alec Covich**, Architect II, retired February 23, 1985, died June 23, 2019. Survivorship benefits to Thelma Covich, Spouse.
- c. Notification of the death of **Charles M. Del Re**, Investigator/Collector, retired October 5, 1996, died June 10, 2019. Survivorship benefits to Frances De Re, Spouse.
- d. Notification of the death of **Gary Huntley**, Equipment Maintenance Supervisor, retired September 26, 1992, died May 23, 2019. Survivorship benefits to Lillian Huntley, Spouse.
- e. Notification of the death of **Marlene Komrosky**, Office Specialist II, retired July 2, 2005, died April 24, 2019. No survivorship benefits.
- f. Notification of the death of **Albert D. Lopez**, Maintenance Worker II, retired October 28, 2000, died June 11, 2019. No survivorship benefits.
- g. Notification of the death of **Alice McCann**, Executive Secretary, retired March 22, 1986, died July 11, 2019. No survivorship benefits.
- h. Notification of the death of **Thomas Pratt**, Personnel Analyst IV, retired April 24, 1985, died June 2, 2019. Survivorship benefits to Clair Pratt, Spouse.
- i. Notification of the death of **C. William Rose**, Plant Shift Supervisor, retired August 29, 1992, died July 8, 2019. No survivorship benefits.
- j. Notification of the death of **Wilma Schultz**, Records Clerk, retired March 29, 1980, died June 20, 2019. No survivorship benefits.
- k. Notification of the death of **Sandra Tyson**, Senior Analyst, retired January 31, 1998, died June 28,

2019. Survivorship benefits to Dale Tyson, Spouse.

- I. Notification of the death of **Ilse Werdermann**, Development Specialist, retired May 7, 2005, died July 1, 2019. No survivorship benefits.

4. INVESTMENTS

- a. Oral update from Brian Starr, Senior Investment Officer.
- b. Discussion on the Calendar Year 2018 Investment Fee Report to be presented by Investment Staff.

Attachments: [4b - Fed Annual Fee Report 2018 - Rev.](#)

5. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- a. Discussion and action regarding the repayment of the workers' compensation offset for Danny Horning. (*Deferred from April agenda*) (**TIME CERTAIN: 10:30 A.M.**)

Attachments: [5a - Danny Horning - Revised2](#)

- b. Discussion and action on the draft agenda for the September Federated Board Retreat.

Attachments: [5b\(1\) - FED Board Retreat - Memo](#)

[5b\(2\) - FED Board Retreat Agenda - DRAFT](#)

- c. Update on the Pension Administration System implementation project. *Audit Committee* (**TIME CERTAIN: 11:30 A.M.**)

Attachments: [5c - PAS Update 8.15.19](#)

6. 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 appropriate response to the County of Santa Clara Civil Grand Jury report.

Attachments: [6c\(1\) - 2 Day - Federated City Employees' Retirement System - 06.14.19](#)

[6c\(2\) - San José - Unfunded Pension Liabilities](#)

- d. Discussion and action on proposed annual member statement for reclassified members from Tier 2 to Tier 1 to be prepared by the Board's actuary.

Attachments: [6d - Reclassified Tier 1 Annual Statements Memo dated 7.24.19](#)

- e. Approval of the Minutes of the May 16, 2019 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. *Audit Committee* (**TIME CERTAIN: 11:30 A.M.**)

Attachments: [6e - 5-16-19 - Minutes - Joint Audit Com - Final](#)

- f. Approval of the 4/1/19 -6/30/19 Quarterly Travel and Attendance Analysis for Federated. *Audit Committee* (TIME CERTAIN: 11:30 A.M.)

Attachments: [6f - Trustee Travel Analysis FED 4-1-2019-6-30-2019](#)

- g. Discussion and action on the Internal Audit Charter and the Internal Audit Plan for 2019-2024. *Audit Committee* (TIME CERTAIN: 11:30 A.M.)

Attachments: [6g\(1\) - Internal Audit Charter Cover Memo](#)
 [6g\(2\) - ORS Internal Audit Charter](#)
 [6g\(3\) - Internal Audit Plan Cover Memo](#)
 [6g\(4\) - ORS Five-Year Internal Audit Plan](#)

7. COMMITTEES/REPORTS/RECOMMENDATIONS

7.1 Investment Committee (Loesch, Chandra, Vacant)

Last Meeting: May 28, 2019 Next Meeting: August 27, 2019

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

7.2 Governance Committee (Orr, Sun, Vacant)

Last Meeting: November 26, 2018 Next Meeting: September 5, 2019

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

7.3 Audit Committee (Castellano, Orr, Vacant)

Last Meeting: May 16, 2019 Next Meeting: October 17, 2019

7.4 Joint Personnel Committee (Loesch, Chandra, Vacant)

Last Meeting: August 6, 2019 Next Meeting: TBD

- a. Oral update from the Chair of the Joint Personnel Committee.
- b. Minutes of the February 20, 2019 Joint Personnel Committee. Receive and file.

Attachments: [7.4b - 2-20-19 JPC Minutes - Final](#)

8. EDUCATION & TRAINING

- a. The Cortex Report September 2019 - Conferences, Seminars, and Education Programs.

Attachments: [8a - San Jose Cortex Report - Sept 2019](#)

- b. CALAPRS 2019 Program Calendar.

Attachments: [8b - 2019 CalAPRS Calendar](#)

- c. 2019 Pension Bridge Alternatives Conference, The Beverly Wilshire, Beverly Hills, CA - October 28 - 29, 2019.

Attachments: [8c -2019-Pension Bridge Alternatives](#)

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.