BOARD OF ADMINISTRATION

Meeting Agenda - Final-revised

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

Thursday, April 16, 2020 **8:30 AM**

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION
Dial-In: 1-888 788 0099
Meeting ID: 767 636 573
Password: 004045

BOARD MEMBERS

Jay Castellano, Chair
Anurag Chandra, Vice-Chair
Spencer Horowitz, Trustee
Julie Jennings, Trustee
Mark Keleher, Trustee
Elaine Orr, Trustee
Qianyu Sun, Trustee

CITY COUNCIL LIAISON TO THE BOARD
Dev Davis

COUNSEL
Harvey Leiderman, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

AGENDA

CALL TO ORDER AND ROLL CALL

OPEN SESSION

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. **Rosemary P. Barnes**, Public Information Manager, Airport Department, effective March 31, 2020; 31.03* years of service. *(With Reciprocity CSJ YOS 16.16 + PERS YOS 14.86)*

b. **Nellita Burnett**, Public Safety Communication Specialist, Police Department, effective March 21, 2020; 15.18* years of service.

c. **Eric Chen**, Principal Engineer, Public Works Department, effective March 28, 2020; 15.40* years of service.

d. **Michael C. D'Arcy**, Wastewater Operations Superintendent II, Environmental Services Department, effective March 21, 2020; 20.81* years of service.

e. **Fidel De Castro**, Senior Construction Inspector, Public Works Department, effective March 21, 2020; 20.92* years of service.

f. **Joseph Flores**, Maintenance Worker II, Department of Transportation, effective March 21, 2020; 22.32* years of service.

g. **Wilson G. Galiguis**, Senior Office Specialist, Police Department, effective March 21, 2020; 23.08* years of service. *(With Reciprocity CSJ YOS 22.80 + PERS YOS 0.27)*

h. **Lori Gallardo**, Public Safety Communications Specialist, Police Department, effective March 28, 2020; 29.86* years of service.

i. **Catherine Hoang-Mendoza**, Senior Environmental Inspector, Environmental Services Department, effective March 21, 2020; 30.05* years of service.

j. **Jane A. Lawson**, Senior Park Ranger, Parks, Recreation and Neighborhood Services, effective March 22, 2020; 29.78* years of service.

k. **Sylvia Lopez**, Analyst II, Police Department, effective March 21, 2020; 16.44* years of service.

l. **Ray B. Martin**, Instrument Person, Public Works Department, effective March 21, 2020; 29.73* years of service. *(With Reciprocity CSJ YOS 20.32 + PERS YOS 9.41)*

m. **Kathleen McLeod**, Division Manager, Planning, Building and Code Enforcement Department, effective March 21, 2020; 21.74* years of service.

n. **Carla R. Mehrkens**, Contract Maintenance Supervisor, Airport Department, effective March 21, 2020; 21.17* years of service.

o. **Robert S. Meineke**, Public Safety Radio Dispatcher, Fire Department, effective March 21, 2020; 29.59* years of service.

p. **Rebecca Nunez**, Library Clerk, Library Department, effective March 21, 2020; 25.33* years of service.

q. **Varsha Patel**, Environmental Inspector, Environmental Services Department, effective March 21, 2020; 29.95* years of service.

r. **David C. Pentacoff**, Public Safety Radio Dispatcher, Police Department, effective April 4, 2020;

29.84* years of service.

s. **Pascal Roubineau**, Assistant Environmental Inpector, Environmental Service Department, effective March 21, 2020; 29.28* years of service.

t. **Alexander Shkouratoff**, Senior Civil Engineer, Department of Transportation, effective April 18, 2020; 30.01* years of service.

u. **Hyun Soo Son,** Deputy Director, Planning, Building and Code Enforcement Department, effective March 28, 2020; 21.34* years of service.

v. **Lisa C. Taitano**, Assistant Director, Finance Department, effective March 21, 2020; 18.15* years of service. *(With Reciprocity CSJ YOS 15.07 + PERS YOS 3.08)*

w. **Catherine L. Tran**, Senior Office Specialist, Information Technology Department/City Manager's Office, effective March 21, 2020; 27.32* years of service.

x. **Trenna Wardel,** Analyst II, Fire Department, effective March 21, 2020; 29.62* years of service.

y. **Charles L. Willis**, Program Manager, Planning, Building and Code Enforcement, effective May 16, 2020; 21.92 years of service.

z. **Carolyn M. Workover**, Senior Office Specialist, Planning, Building and Code Enforcement Department, effective March 21, 2020; 12.98* years of service.

aa. **Pey Hwa Yang**, Enterprise Supervising Technology Analyst, Information Technology Department, effective March 21, 2020; 30.59* years of service.

bb. **Tina M. L. Yu**, Office Specialist II, Environmental Services Department, effective March 28, 2020; 30.02* years of service.

1.2 Approval of Deferred Vested

a. **Khushvinder Dhanota**, Associate Construction Inspector, Department of Transportation, effective March 27, 2020; 13.32* years of service.

b. **Russell A. Dilley**, Park Ranger, Parks, Recreation and Neighborhood Services Department, effective April 15, 2020; 11.99* years of service.

c. **Edward M. Escalante**, Maintenance Worker II, Department of Transportation, effective March 31, 2020; 20.63* years of service.

d. **Dennis Richardson**, Deputy Director, Planning, Building and Code Enforcement Department, effective March 15, 2020; 22.67* years of service. *(With Reciprocity CSJ YOS 2.75 + PERS YOS 16.88 + SCER 3.03)*

e. **Karen A. Rodriguez**, Custodian, Environmental Services Department, effective April 10, 2020; 18.38* years of service.

f. **Sandra J. Stewart**, Senior Librarian, Library Department, effective March 15, 2020; 15.10* years of service.

1.3 Approval of Board Minutes

a. Approval of the Board Minutes of February 20, 2020.

Attachments: 1.3 - 2-20-2020 FED MINUTES - Final

b. Approval of the Special Board Meeting Minutes of March 27, 2020.

Attachments: 1.3b - 3.27.2020 FCERS Special Meeting Minutes - FINALv2.pdf

1.4 Approval of Return of Contributions

a. Voluntary | Involuntary.

Attachments: 1.4a(1) - Return of Contributions - February
1.4a(2) - Return of Contributions - March

1.5 Acceptance of Communication/Information Reports

a. Report of the Plan Expenses for January and February 2020. Receive and file.

Attachments: 1.5a(1) - Fed Jan 2020 Monthly Board Expense
1.5a(2) - Fed February Expenses Report

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

Attachments: 1.5b - City Auditor Recommendations 17-06 Retirement 1.31.20

c. Response to Civil Grand Jury letter dated January 24, 2020 requesting information on the Joint Personnel Committee (JPC) development of performance metrics for the CEO and CIO positions as part of the Grand Jury recommendation 4b of their report, San Jose-Unfunded Pension Liabilities: A Growing Concern, dated June 19, 2019.

Attachments: 1.5c - Civil Grand Jury Letter and Response

d. ORS's Quarterly Newsletter - The Retirement Connection.

Attachments: 1.5d - 64056 City of SJ Retirement Newsletter.FINAL

e. Educational Travel Reports:

- CalAPRS General Assembly, Omni Rancho Las Palmas Resort, Rancho Mirage, CA March 7 - 10, 2020 - by Spencer Horowitz.

Attachments: 1.5e - Travel Content Report - S. Horowitz

1.6 Approval of Travel / Conference Attendance

a. Elaine Orr, Trustee

- TRAVEL CANCELLED BY TRAVELER - CALAPRS General Assembly, Omni Rancho Mirage Resort & Spa, Rancho Mirage, CA - March 7 - 10, 2020.
- TRAVEL CANCELLED BY ORGANIZER - Impact Capitalism Summit, Le Meridien Downtown Denver, Denver, CO - March 31 - April 1, 2020.
- TRAVEL CANCELLED BY TRAVELER - 2020 Pension Bridge Annual Conference, The Westin St. Francis Hotel, San Francisco, CA April 14 - 15, 2020.
- TRAVEL CANCELLED BY TRAVELER - SACRS Fall Conference, Renaissance Esmeralda Resort, Indian Well, CA - November 10 - 13, 2020.

b. Roberto Peña, CEO

- TRAVEL CANCELLED BY TRAVELER - CALAPRS General Assembly, Omni Rancho Mirage Resort & Spa, Rancho Mirage, CA - March 7 - 10, 2020.
- TRAVEL CANCELLED BY ORGANIZER - SACRS Spring 2020 Conference, Paradise Point Resort & Spa, San Diego, CA - May 12 - 15, 2020.

c. Qianyu Sun, Trustee

- SACRS/UC Berkeley Program: Public Pension Investment Management Program, UC Berkeley HAAS School of Business, Berkeley, CA, July 26 - 29, 2020.

1.7 Alternate Beneficiary Designation

a. Approval of Alternate Payee Benefit election of Unreduced Lifetime Monthly Option to be paid to Delia Reyes, ex-spouse of Network Technician II, **Randall Reyes** to be effective February 11, 2020 under Part 23 Section 3.28 of the San Jose Municipal Code.

Attachments: 1.7a - Alternate Payee Benefit - R. Reyes

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

a. Notification of the death of **John H. Atkinson**, Communications Director, retired October 12, 1991, died February 13, 2020. No survivorship benefits.

b. Notification of the death of **Beatrice Dolan**, Steno Clerk III, retired March 1, 1980, died January 22, 2020. No survivorship benefits.

c. Notification of the death of **Mark Forry**, Public Safety Dispatcher II, Fire Department, retired March 27, 2014, died February 7, 2020. Survivorship benefits to Linda Nakai, Spouse.

d. Notification of the death of **Steven P. Garcia**, Senior Maintenance Worker, retired June 26, 2010, died December 19, 2019. Survivorship benefits to Nadine Garcia, Spouse.

e. Notification of the death of **Ty Mayfield**, Senior Analyst, retired June 28, 2010, died January 24, 2020. No survivorship benefits.

f. Notification of the death of **Helen Rao**, Library Clerk, retired October 16, 1993, died January 24, 2020. No survivorship benefits.

g. Notification of the death of **Richard South**, Director of Finance, retired July 13, 1990, died January 17, 2020. Survivorship benefits to Ruth South, Spouse.

h. Notification of the death of **Margaret Ann Terry**, Police Data Specialist II, retired July 5, 1992, died February 16, 2020. Survivorship benefits to Glenn Terry, Spouse.

i. Notification of the death of **Edmund Vasquez**, Senior Equipment Service Worker, retired September 22, 1984, died January 30, 2020. Survivorship benefits to Angela Vasquez, Spouse.

3. INVESTMENTS

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

Attachments: 3a(1) - Fixed Income Structuring

b. Presentation of Calendar 3rd Quarter 2019 Private Equity Report by Neuberger Berman.

Attachments: 3b - 09-30-2019 FOIA Investment Report for San Jose Federated City Employe

c. Presentation of Calendar 3rd Quarter 2019 Private Markets Report by Meketa Investment Group.

Attachments: 3c - Q3 19 Interim Report_SJ FED_Public

d. Presentation of Calendar 4th Quarter 2019 Performance Report for Pension Fund by Meketa Investment Group.

Attachments: 3d - 4Q19_Performance Report_SJ Fed ERS

e. Presentation of Calendar 4th Quarter 2019 Performance Report for Health Care Trust by Meketa Investment Group.

Attachments: 3e - 4Q19_Performance Report_SJ Fed RHC

f. Discussion and Action on updates to Investment Policy Statement by Meketa Investment Group.

Attachments: 3f - April 2020 IPS

g. Discussion and Action on the City's Prefunding Option for Fiscal Year 2020-21.

Attachments: 3g(1) - Prefunding memo 04.13.2020 updated (with signature)
3g(2) - Prefunding memo from Counsel
3g(3) - Prefunding Risk Mitigation Process Recommendation-1

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 the Office of Retirement Services proposed administrative budget for FY 2020-2021.

Attachments: 4c(1) - Fed Proposed Budget FY2021
4c(2) - FED 2020-21 budget presentation 4.16.20

d. Discussion and action on extending the term date of the agreement between the Boards of Administration and LRWL/Segal.

Attachments: 4d - Memo RE 5th Amendment to LRWL agreement

e. Discussion and action on Fiduciary Insurance and Waiver Recourse Fees for Policy Year March 2020 - 2021.

Attachments: 4e - Fiduciary Insurance Invoice for Trustees - Fed 2020-2021

f. Discussion and action on authorizing the Secretary to negotiate and execute the tenant lease agreement among Pacific Resources First American, LLC and the Board of Administration for the Police & Fire Department Retirement Plan and the Board of Administration for the Federated City Employees' Retirement System for a 5 year term ending March 31, 2025. Total cost to be split 50/50 with the Police & Fire Plan.

Attachments: 4f - ORS Lease memo

5. COMMITTEES/REPORTS/RECOMMENDATIONS

5.1 Investment Committee (Chandra, Orr, Sun – Alt: Keleher)

Last Meeting: March 24, 2020 Next Meeting: May 26, 2020

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

b. Minutes from the January 28, 2020 Federated Investment Committee meeting. Receive and file.

Attachments: 5.1b - 01.28.20 Federated IC meeting minutes

5.2 Governance Committee (Horowitz, Castellano, Keleher)

Last Meeting: March 5, 2020 Next Meeting: June 18, 2020

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

b. Minutes of the December 5, 2019 Joint Governance Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

Attachments: 5.2b - 12.5.19 JGC Minutes - Signed

5.3 Audit Committee (Keleher, Jennings, Sun)

Last Meeting: February 20, 2020 Next Meeting: May 21, 2020

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

b. Minutes of the October 17, 2019 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

Attachments: 5.3b - 10-17-19 - Joint AC Minutes - (Signed)

c. 10/1/19-12/31/19 Quarterly Travel and attendance analysis for Federated. Receive and file.

Attachments: 5.3c - Joint Audit FED Travel Analysis 10.1.2019.12.31.2019

d. Update on the Pension Administration System implementation project. Receive and file.

Attachments: 5.3d - PAS Update February 2020

e. Report on the Benefits Disbursement Process by Office of Retirement Services' Internal Auditor, Allain Mallari. Receive and file.

Attachments: 5.3e(1) - Benefits Disbursement Process
5.3e(2) - Benefits Disbursements Process with responses

f. Report on the Cash Disbursement Process by Office of Retirement Services' Internal Auditor, Allain Mallari. Receive and file.

Attachments: 5.3f(1) - Cash Disbursement Process
5.3f(2) - Cash Disbursement Process_with responses

5.4 Joint Personnel Committee (Castellano, Chandra, Orr)

Last Meeting: January 25, 2020 Next Meeting: TBD

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

b. Minutes of the October 28, 2019 Joint Personnel Committee. Receive and file.

Attachments: 5.4b - 10.28.19 JPC Minutes - Signed

6. EDUCATION & TRAINING

a. The Cortex Report - May 2020 - Conferences, Seminars, and Educational Programs.

Attachments: 6a - San Jose - Cortex Report - May 2020 Edition

b. CALAPRS 2020 Program Calendar.

Attachments: 6b - CALAPRS 2020 Program Calendar

c. SACRS Spring 2020 Conference, Paradise Point Resort & Spa, San Diego, CA - May 12-15, 2020 - **CANCELLED BY ORGANIZER.**

Attachments: 6c - SACRS Spring 2020 Conference - Cancelled

d. SACRS/UC Berkeley Program, UC Berkeley HAAS School of Business, Berkeley, CA - July 26 - 29, 2020.

Attachments: 6d - SACRS-UC Berkley Program

e. SACRS Fall 2020 Conference, Renaissance Indian Wells Resort & Spa, Indian Wells, CA -November 10 - 13, 2020.

Attachments: 6e- SACRS Fall 2020 Conference

f. Corporate Governance Roundtable Event, Waldorf Astoria, Beverly Hills, CA - June 16, 2020.

Attachments: 6f - Pomerantz June 2020 Roundtable Invite-Draft Agenda

g. NCPERS Trustee Education Seminar, Las Vegas, NV - May 9 - 10, 2020 - **CANCELLED BY ORGANIZER.**

Attachments: 6g - NCPERS - Cancelled

h. CALAPRS Overview Course in Retirement Planning Administration, May 8, 2020, 8:00am - 12:30pm, Now a Virtual Program FREE for members.

Attachments: 6h - CALAPRS - Overview Course in Retirement Plan. Admin.

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.