



BOARD OF ADMINISTRATION

Meeting Agenda - Final-revised Federated City Employees' Retirement System and Federated City Employees' Health Care Trust

Thursday, March 18, 2021

8:30 AM

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

zoom.us

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

Meeting ID: 930 7206 2009

Password: 956103

BOARD MEMBERS

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

COVID-19 NOTICE

Consistent with the California Governor's Executive Order No. N-29-20, Resolution No. 79485 from the City of San José and the Santa Clara County Health Officer's March 16, 2020 Shelter in Place Order, the Office of Retirement Services and City Hall will not be physically open to the public and the Board Members will be teleconferencing from remote locations.

How to observe the Meeting (no public comment):

- 1) Cable Channel 26,
- 2) <https://www.sanjoseca.gov/news-stories/watch-a-meeting>, or
- 3) <https://www.youtube.com/CityofSanJoseCalifornia>

How to submit written Public Comment:

- 1) By email to retirement.department@sanjoseca.gov by 5:00 p.m. the day before the meeting.
- 2) By phone +1 669 900 9128. Meeting ID: 930 7206 2009. The Chair will recognize public comment after each item and will be notified to speak.
- 3) By online <https://sanjoseca.zoom.us>

- a. Use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause an audio feedback.
- b. When the Chair calls for the item on which you wish to speak, click on "Raise Hand." Speakers will be notified shortly before they are called to speak.
- c. When called, please limit your remarks.

AGENDA

CALL TO ORDER AND ROLL CALL

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: CONFERENCE WITH LEGAL COUNSEL - SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d) (2) (ONE MATTER).**

OPEN SESSION - will reconvene following Closed Session, estimated to be 9:00 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. **Jo L. Andrade-Bunnell**, Environmental Laboratory Supervisor, Environmental Services Department, effective March 27, 2021; 28.27* years of service.
- b. **Santos P. Armendariz**, Senior Maintenance Worker, Department of Transportation, effective March 20, 2021; 32.16* years of service. *(With Reciprocity CSJ YOS 30.82 + PERS YOS 1.34)*
- c. **Brian J. Birmingham**, Senior Maintenance Worker, Department of Transportation, effective March 21, 2021; 29.50* years of service.
- d. **Guixiang Chen**, Senior Engineer, Department of Transportation, effective March 20, 2021; 24.93* years of service.
- e. **Kenneth O. Davies**, Deputy Director, Environmental Services Department, effective March 20, 2021; 21.41* years of service.
- f. **Valerie R. Esquivel**, Investigator Collector II, Finance Department, effective March 27, 2021; 30.45* years of service.
- g. **James B. Goulding**, Public Safety Communication Specialist, Police Department, effective March 18, 2021; 30.45* years of service.
- h. **Stella Guterrez**, Gerontology Specialist, Parks, Recreation and Neighborhood Services Department, effective March 27, 2021; 13.75* years of service.
- i. **Lawrence J. Hartman**, Associate Construction Inspector, Public Works Department, effective April 3, 2021; 30.64* years of service.
- j. **Desiree Jaffries**, Program Manager, Information Technology Department, effective March 20, 2021; 14.27* years of service.
- k. **Fathy M. Kamshoshy**, Associate Engineer, Planning, Building and Code Enforcement Department, effective March 20, 2021; 27.37* years of service. *(With Reciprocity CSJ YOS 24.55 + PERS YOS 2.82)*
- l. **Daniel R. Kelley**, Gardener, Parks, Recreation and Neighborhood Services Department, effective March 27, 2021; 21.29* YOS
- m. **Tinlan Li**, Senior Accountant, Environmental Services Department, effective March 20, 2021; 26.85* years of service.
- n. **Gwendolyn G. Lum-Duffy**, Code Enforcement Inspector II, Planning, Building and Code Enforcement Department, effective March 31, 2021; 25.94* years of service. *(With Reciprocity CSJ YOS 21.30 + PERS YOS 24.63)*
- o. **John Meltzer**, Senior Construction Inspector, Department of Transportation, effective March 27, 2021; 32.85* years of service. *(With Reciprocity CSJ YOS 19.71 + PERS YOS 13.14)*
- p. **Jeanette C. Mondala**, Analyst II, Planning, Building and Code Enforcement Department, effective March 31, 2021; 21.53* years of service.
- q. **Edmundo Moran**, Assistant City Attorney, City Attorney's Office, effective March 20, 2021; 31.62*

years of service.

- r. **Michael A. O'Connell**, Deputy Director, Public Works Department, effective March 20, 2021; 29.73* years of service.
- s. **Alex P. Pearson**, Park Manager, Parks, Recreation and Neighborhood Services Department, effective March 20, 2021; 23.27* years of service.
- t. **Michael C. Petrachich**, Communication Technician, Public Works Department, effective March 20, 2021; 30.39* years of service.
- u. **Betty B. Ramirez**, Youth Outreach Specialist, Parks, Recreation and Neighborhood Services Department, effective March 29, 2021; 20.45* years of service.
- v. **Patricia C. Steinfurth**, Staff Specialist, Police Department, effective March 30, 2021; 9.13* years of service.
- w. **Patrick R Tonna**, Deputy Director of Aviation, Airport Department, effective March 27, 2021; 21.62* years of service.
- x. **Tammy K. Turnipseed**, Economic Development Manager, Office of Economic Development, effective March 20, 2021; 30.27* years of service.
- y. **Kimberly A. Walesh**, Deputy City Manager, City Manager's Office, effective March 30, 2021; 18.30* years of service.

1.2 Approval of Deferred Vested

- a. **Bonnie D. Snyder**, Public Safety Radio Dispatcher, Police Department, effective April 13, 2021; 6.3* years of service.

1.3 Approval of Board Minutes

- a. Approval of the Board Minutes of February 18, 2021.

Attachments: [1.3a - 2-18-21 - Fed Minutes - Final](#)

1.4 Approval of Return of Contributions

- a. Voluntary | Involuntary.

Attachments: [1.4a - Agenda ROC Review - FED End of FEB' 21](#)

1.5 Acceptance of Communication/Information Reports

- a. Report of the Plan Expenses for January 2021. Receive and file.

Attachments: [1.5a - Fed January Board Expenses Reports](#)

- b. **Revised** 2021 Scheduled Board and Standing Committee Meetings. Receive and file.

Attachments: [1.5b - Revised 2021 Meeting Schedule MEMO - FCERS 3.18.21-signed](#)

c. Educational Travel Report:

- HBS: Alternative Investments, Virtual Program - January 27 - February 24, 2021 - by Spencer Horowitz.

Attachments: [1.5c - Federated Travel Content Report - S. Horowitz - HBS](#)

d Fiduciary Insurance and Waiver of Recourse Fees for Policy Year March 2021 - 2022.

Attachments: [1.5d - Fiduciary Insurance Invoice for Trustees - Fed 2021-2022](#)

e. Presentation of Actuarial Valuations results for City Council meeting on March 16th.

Attachments: [1.5e - Presentation of 6.30.20 Actuarial Valuations to City Council v3](#)

1.6 Approval of Travel / Conference Attendance

a. Jay Castellano, Trustee

- SACRS Virtual Spring Conference, May 11- 14, 2021.

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

a. Notification of the death of **Donald J. Blake**, Administrative Analyst III, retired March 31, 1979, died December 13, 2020. No survivorship benefits.

b. Notification of the death of **James R. Daniels**, Director, retired January 11, 1992, died November 25, 2020. No survivorship benefits.

c. Notification of the death of **Alicia F. Garcia**, Office Specialist II, retired January 13, 2006, died January 23, 2021. Survivorship benefits to Andres Garcia, Sr., Spouse.

d. Notification of the death of **Patricia Grisham**, Librarian II, retired November 11, 1995, died January 16, 2021. Survivorship benefits to Arthur Grisham, Spouse.

3. INVESTMENTS

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

b. Presentation of Calendar 3rd Quarter 2020 Private Equity Report by Neuberger Berman.

Attachments: [3b - 09-30-2020 FOIA Investment Report for San Jose Federated City Employee](#)

c. Presentation of Calendar 3rd Quarter 2020 Private Markets Report by Meketa Investment Group.

Attachments: [3c - Q3 2020 PM Report SJ FED Public](#)

d. Presentation of Calendar 4th Quarter 2020 Performance Report for Pension Plan by Meketa Investment Group.

Attachments: [3d - 4Q20_Performance Report_SJ Fed ERS](#)

- e. Presentation of Calendar 4th Quarter 2020 Performance Report for Health Care Trust by Meketa Investment Group.

Attachments: [3e - 4Q20_Performance Report_SJ Fed HCT](#)

- f. Discussion and action on Strategic Asset Allocation by Meketa Investment Group.

Attachments: [3f\(1\) - 2021 Asset Allocation Review_SJ Fed v2](#)
[3f\(2\) - City of San Jose Federated Risk Allocation - 03 2021 Final](#)

- g. Discussion and action on the City's prefunding option for fiscal year 2021 - 2022.

Attachments: [3g\(1\) -a Prefunding memo 2021 FED 02.11.21 with signature](#)
[3g\(2\) - Reed Smith memo on prefunding](#)
[3g\(3\) - Prefunding Risk Mitigation Process Recommendation](#)

- h. Approval to renew the following Board contracts:

Abel Noser
Klarity Fx
Dynamo Software

Attachments: [3h - FED Investment Related Contract Renewals 03-05-2021](#)

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. Discussion and action on the Office of Retirement Services proposed administrative budget for FY 2021 - 2022.

Attachments: [5c\(1\) - Fed Proposed Budget for FY2022](#)
[5c\(2\) - Fed FY21-22 Budget 3.18.21](#)
[5c\(3\) - Fed FY21-22 Budget Presentation 3.18.21](#)

- d. Discussion and action on exercising the first of two one-year options for fiscal year ending June 30, 2021 with Grant Thornton, LLP for audit services.

Attachments: [5d - Audit Services - Exercise Options GT Fed](#)

- e. Discussion and action on adoption of Resolution No. 9091 Cost of Living Adjustment rate for 415(b) Qualified Participants under the Grandfather Rule.

Attachments: [5e\(1\) - FED 415b COLA memo signed RLP. bh](#)
[5e\(2\) - FED 415 resolution 9091 march 2021](#)

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Orr, Keleher)

Last Meeting: February 23, 2021 Next Meeting: April 20, 2021

- a. Oral update from the Chair of the Investment Committee.
- b. Minutes from the December 22, 2020 Federated Investment Committee meeting. Receive and file.

Attachments: [6.1b - FED IC meeting minutes 12.22.20 \(signed\)](#)

- c. Minutes from the December 22, 2020 Joint Investment Committee meeting. Receive and file.

Attachments: [6.1c - Joint IC meeting minutes 12.22.20 \(signed\)](#)

6.2 Governance Committee (Horowitz, Castellano, Jennings)

Last Meeting: March 4, 2021 Next Meeting: June 17, 2021

- a. Oral update from the Chair of Governance Committee.
- b. Minutes of the December 17, 2020 Joint Governance Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

Attachments: [6.2b - JGC Minutes 12.17.20 - Final](#)

- c. Discussion and action on the memorandum regarding recommendation to reduce the required frequency for reviewing the governance policies and charters.

Attachments: [6.2c - FED Memo re Frequency of Policy Review](#)

6.3 Audit Committee (Keleher, Jennings, Horowitz)

Last Meeting: February 18, 2021 Next Meeting: May 20, 2021

- a. Oral update from the Chair of the Audit Committee.
- b. Minutes of the October 15, 2020 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

Attachments: [6.3b - 10-15-20 - Minutes - Joint Audit Committee - Final](#)

- c. 10/1/20-12/31/20 Quarterly Travel and attendance analysis for Federated. Receive and file.

Attachments: [6.3c - Trustee Travel Analysis 10-1-20-12-31-20-FED](#)

- d. Update on the City Auditor's Recommendations to the Office of Retirement Services. Receive and file.

Attachments: [6.3d - City Auditor Recommendations 17-06 Retirement 1.28.21 -formatted](#)

- e. Discussion on the 2020 Internal ORS staff survey by Office of Retirement Services, Senior Internal Auditor, Houman Boussina.

Attachments: [6.3e\(1\) - IAD Audit Committee 021821-Revised](#)
[6.3e\(2\) - FINAL_StaffSurvey_OR_2020](#)

- f. Discussion and action on the Assessment of the Internal Audit Division by Office of Retirement Services, Senior Internal Auditor, Houman Boussina.

Attachments: [6.3f - AnnualQA Memo 2020 FINAL](#)

- g. Discussion on the Status of Audit Recommendations by Office of Retirement Services, Senior Internal Auditor, Houman Boussina.

Attachments: [6.3g - InternalAudit 2021 RecommendationStatus Final](#)

6.4 Joint Personnel Committee (Orr, Castellano, Chandra)

Last Meeting: November 10, 2020 Next Meeting: TBD

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

7. EDUCATION & TRAINING

- a. The Cortex Report - March 2021, Conferences, Seminars and Educational Programs.

Attachments: [7a - San Jose Cortex Report – March 2021 Edition](#)

- b. CalAPRS Virtual Trustees Roundtable, May 10, 2021.

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.