



# BOARD OF ADMINISTRATION

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

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Thursday, March 17, 2022

8:30 AM

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

**zoom.us**

**Dial In: +1 669 219 2599 US (San Jose)**

**Meeting ID: 936 9219 8246**

**Password: 938327**

**BOARD MEMBERS**

*Spencer Horowitz, Chair (Term Expires 11/30/24)*  
*Julie Jennings, Vice-Chair (Term Expires 11/30/23)*  
*Anurag Chandra, Trustee (Term Expires 11/30/22)*  
*Mark Keleher, Trustee (Term Expires 11/30/23)*  
*Elaine Orr, Trustee (Term Expires 11/30/22)*  
*Mark Linder, Trustee (Term Expires 11/20/24)*  
*Vacant, Trustee*

**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*

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**\* COVID-19 NOTICE \***

Consistent with AB 361 and City of San Jose Resolution Nos. 79485, 80237, 80266, 80290, 80323, 80343, 80363 and 80400 this meeting 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](mailto:retirement.department@sanjoseca.gov) by 5:00 p.m. the day before the meeting.
- 2) By phone +1 669 219 2599 . Meeting ID 936 9219 8246. 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**

**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. **Martin Aguirre**, Senior Maintenance Worker, Environmental Services Department, effective March 26, 2022; 32.70\* years of service.
- b. **Dorothy W. Barney**, Program Manager, Public Works Department, effective March 19, 2022; 21.64\* years of service.
- c. **Colleen D. Brennan**, Senior Executive Analyst, Office of Economic Development, effective March 19, 2022; 26.24\* years of service.
- d. **Charmaine T. Caward**, Librarian, Library Department, effective March 20, 2022; 27.96\* years of service. (*With Reciprocity CSJ YOS 15.32 + PERS YOS 12.64*)

- e. **Benson Cho**, Wastewater Mechanic II, Environmental Service Department, effective March 19, 2022; 15.24\* years of service.
- f. **Dean A. Depasquale**, Investor Collector II, Finance Department, effective March 29, 2022; 20.57\* years of service.
- g. **Heidi K. Geiger**, Division Manager, Fire Department, effective March 31, 2022; 27.95\* years of service.
- h. **Barbara Gregory**, Analyst II C, City Clerk's Office, effective March 19, 2022; 21.01\* years of service.
- i. **Samuel F. Grimaldo**, Maintenance Worker II, Department of Transportation, effective March 19, 2022; 24.10\* years of service. (*With Reciprocity CSJ YOS 23.62 + PERS YOS 0.48*)
- j. **David C. Johnson**, Senior Permit Specialist, Fire Department, effective March 19, 2022; 8.52\* years of service.
- k. **Paula M. Jones**, Airport Operations Supervisor, Airport Department, effective March 31, 2022; 32.22\* years of service.
- l. **Dede K. Kelez**, Public Safety Communications Specialist, Police Department, effective March 5, 2022; 18.73\* years of service.
- m. **Veronica P. Kortright**, Associate Engineer, Department of Transportation, effective March 19, 2022; 23.64\* years of service.
- n. **Donald G. Lindsey**, Building Inspector Supervisor Certified II, Planning, Building and Code Enforcement Department, effective March 19, 2022; 21.05\* years of service.
- o. **Robert K. Lockhart**, Deputy Director, Airport Department, effective March 19, 2022; 27.12\* years of service.
- p. **Cong D. Mai**, Senior Engineer, Public Works Department, effective March 19, 2022; 7.19\* years of service.
- q. **Huong N. Nguyen**, Senior Account Clerk, Finance Department, effective May 14, 2022; 17.25\* years of service.
- r. **Rocky J. Padilla**, Wastewater Maintenance Superintendent, Environmental Services Department, effective March 31, 2022, 17.31\* years of service.
- s. **Victor M. Perez**, Maintenance Supervisor, Airport Department, effective March 31, 2022; 15.08\* years of service.
- t. **Rodney E. Rapson**, Division Manager, Public Works Department, effective March 19, 2022; 25.32\* years of service.
- u. **Krishna Sastry**, Enterprise Principal Technician Analyst, Information Technology Department, effective March 31, 2022; 19.49\* years of service.
- v. **Carolina Sgambati**, Code Enforcement Inspector II, Planning, Building and Code Enforcement

Department, effective March 19, 2022; 30.01\* years of service

- w. **Albert J. Smith**, Associate Landscape Architect, Public Works Department, effective March 19, 2022; 21.15\* years of service.
- x. **Vera Todorov**, Senior Deputy City Attorney, City Attorney's Office, effective March 31, 2022; 33.93\*years of service. *(With Reciprocity CSJ YOS 19.54 + PERS YOS 14.39)*
- y. **Kevin R. Wright**, Wastewater Mechanic II, Environmental Services Department, effective March 5, 2022; 25.86\* years of service.

### **1.2 Approval of Deferred Vested**

- a. **Scott A. Alao**, Associate Civil Engineer, Public Works Department, effective February 23, 2022; 11.50\* years of service.
- b. **Diane Lai**, Senior Librarian, Library Department, effective March 31, 2022; 26.23\* years of service. *(With Reciprocity CJS YOS 15.77 + PERS YOS 10.45)*
- c. **Kelly A. Trevillian**, Animal Shelter Coordinator, Public Works Department, effective February 16, 2022; 10.73\* years of service.
- d. **Mary Jo Zientek**, Deputy Director, Environmental Service Department, effective March 31, 2022; 26.86\* years of service. *(With Reciprocity CSJ YOS 22.19 + PERS YOS 4.66)*

### **1.3 Approval of Board Minutes**

- a. Approval of the Board Minutes of January 20, 2022.

**Attachments:**      [1.3a - 1-20-22 - Fed Minutes - Final](#)

### **1.4 Approval of Return of Contributions**

- a. Voluntary | Involuntary.

**Attachments:**      [1.4a - ROC](#)

### **1.5 Approval of Travel / Conference Attendance**

- a. Julie Jennings, Trustee
  - Cancelled by Trustee - Harvard Kennedy School, Virtual, Mobilizing Your Non-Profit Board, March 7 - May 6, 2022.
- b. Elaine Orr, Trustee
  - Re-Scheduled by Facilitator - Women's Venture Capital Summit 2022, Ritz-Carlton, Half Moon Bay, CA - February 3-4, 2022.
  - Women's Venture Capital Summit 2022, Ritz-Carlton, Half Moon Bay, CA - May 5-6, 2022.

### **1.6 Approval of Change in Retirement Date**

- a. Approval for a change in effective date for **Glenn Schwarzbach**, from February 17, 2022 to February 19, 2022 for a Service Retirement approved at the February 17, 2022 Board meeting.

**Attachments:**      [1.6a -Memo Schwarzbach](#)

### **1.7 Report out of Closed Session**

- a. Report out of Closed Session from the December 16, 2021 Board Meeting.

**Attachments:**      [1.7a - Fed Report out of Closed Session](#)

## **2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)**

- a. Notification of the death of **Robert Black**, Emergency Preparedness Specialist, retired July 11, 1987, died January 18, 2022. No survivorship benefits.
- b. Notification of the death of **David Gallegos**, Senior Office Specialist, retired March 31, 2015, died January 28, 2022. Survivorship benefits to Cathie Hamilton, Spouse.
- c. Notification of the death of **Rodney Lucero**, Maintenance Worker I, active employee, died December 15, 2021. Survivorship benefits to Stephanie Lucero, Spouse.
- d. Notification of the death of **Lois Powell**, Gerontology Specialist, retired March 12, 2014, died June 17, 2021. No survivorship benefits.
- e. Notification of death of **Gerald Salac**, Parking Control Officer, retired April 14, 2001, died January 6, 2022. Survivorship benefits to Gloria Salac, Spouse.
- f. Notification of the death of **Ronald C. Seymour**, Principal Engineering Technician, retired April 22, 2000, died December 15, 2021. Survivorship benefits to Jeanne L. Seymour, Spouse.
- g. Notification of the death of **Anita Squeglio**, Stenographer Clerk II, retired November 12, 1988, died January 27, 2022. No survivorship benefits.
- h. Notification of the death of **Irving Tosk**, Senior Property Manager, retired May 18, 2019, died January 2, 2022. Survivorship benefits to Regina Tosk Spouse.

## **3. INVESTMENTS**

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.
- b. Presentation of Calendar 3rd Quarter 2021 private equity report by Neuberger Berman.

**Attachments:**      [3b - 09-30-2021 FOIA Investment Rptt-SJ FCERS-Legacy](#)

- c. Presentation of Calendar 3rd Quarter 2021 private markets report by Meketa Investment Group.

**Attachments:**      [3c - Q3 2021 PM Report SJ FED\\_Public](#)

- d. Presentation of Calendar 4th Quarter 2021 performance report for Pension Plan by Meketa Investment Group.

**Attachments:**      [3d - 4Q21\\_Performance Report\\_SJ Fed ERS v2](#)

- e. Presentation of Calendar 4th Quarter 2021 performance report for Health Care Trust by Meketa Investment Group

**Attachments:**      [3e - 4Q21\\_Performance Report\\_SJ Fed HCT](#)

- f. Discussion and action on asset allocation by Meketa Investment Group.

**Attachments:**      [3f\(1\) - Asset Allocation Analysis\\_SJ Fed v2](#)  
[3f\(2\) - Verus-SJ Fed Risk Allocation Pres v2](#)

- g. Discussion and action on the City's prefunding option for fiscal year 2022 - 2023.

**Attachments:**      [3g\(1\) - Prefunding Cover Memo -- Fed Board](#)  
[3g\(2\) - Prefunding Risk Mitigation Process Update](#)  
[3g\(3\) - Prefunding Risk Mitigation Process Recomm-1](#)  
[3g\(4\) - Prefunding Memo - Reed Smith](#)

#### **4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS**

- a. Discussion and action on Cheiron's response to Segal's Actuarial Audit Report of the Other Post Employment Benefits (OPEB) Valuation Report as of June 30, 2021 prepared by Cheiron.

**Attachments:**      [4a - CASJCICW Response to Segal Audit Report\\_2022-03-08s](#)

- b. Discussion and action on the revised Other Post Employment Benefits (OPEB) Valuation Report as of June 30, 2021 prepared by Cheiron.

**Attachments:**      [4b\(1\) - CASJCICW 2021 OPEB Fund AVR\\_Rev\\_2022-03-08s](#)  
[4b\(2\) - SJFCERS\\_CASJCICW 2021 5-Year Fed Proj\\_Rev](#)

- c. Discussion of legal issues raised by Pension Valuation Audit, presented by Fiduciary and General Counsel, Reed Smith LLP.

**Attachments:**      [4c - Memo - Reed Smith](#)

#### **5. NEW BUSINESS**

- a. Oral update from the CEO of Retirement Services, Roberto L. Pena.
- b. Oral update from the City Council Liaison to the Board.
- c. Discussion and action regarding approval to increase the FY21-22 administrative budget for

professional services by \$200,000 to a total of \$1,015,000.

**Attachments:**      [5c - Professional Services Budget Increase 3.17.22](#)

- d. Discussion and action on the Office of Retirement Services proposed administrative budget for FY 2022 - 2023.

**Attachments:**      [5d\(1\) - FED 22-23 budget presentation 3.17.22](#)

[5d\(2\) - 1. Fed Proposed Budget for FY2023](#)

[5d\(3\) - 2. Fed Proposed Budget for FY2023](#)

- e. Discussion and action regarding the use of the Board Medical Advisor, Work Health Solutions, for pending disability applications.

**Attachments:**      [5e - WHS Pend Disabilities Memo](#)

- f. Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures

**Attachments:**      [5f - AB 361 Memo and Exhibits](#)

## **6. COMMITTEES/REPORTS/RECOMMENDATIONS**

### **6.1 Investment Committee (Chandra, Horowitz, Orr)**

**Last Meeting: February 22, 2022**  
**(Regular)**

**Next Meeting: April 26, 2022**  
**(Regular)**

- a. Oral update from the Chair of the Investment Committee.
- b. Minutes of the August 24, 2021 Federated Investment Committee meeting. Receive and file.

**Attachments:**      [6.1b - Fed IC meeting minutes 08.24.21](#)

### **6.2 Governance Committee (Jennings, Keleher, Linder)**

**Last Meeting: February 17, 2022**  
**(Special)**

**Next Meeting: March 17, 2022**  
**(Special)**

- a. Oral update from the Chair of the Governance Committee.
- b. Minutes of the Special Governance Committee meeting from January 20, 2022. Receive and file.

**Attachments:**      [6.2b - 1-20-22 - SP GC - Final](#)

### **6.3 Audit Committee (Keleher, Jennings, Vacant)**

**Last Meeting: February 17, 2022**  
**(Regular)**

**Next Meeting: March 17, 2022**  
**(Special)**

- a. Oral update from the Chair of the Audit Committee.
- b. Minutes of the October 21, 2021 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 - 10-21-21 Joint AC Minutes - Final](#)
- c. Minutes of the Special Federated Audit Committee meeting from January 20, 2022. Receive and file.  
**Attachments:**     [6.3c - 1-20-22 - SP AC - Final](#)
- d. 10/1/21 - 12/31/21 Quarterly Travel and attendance for Federated. Receive and file.  
**Attachments:**     [6.3d - Travel Analysis FED 10-1-2021-12-31-2021](#)
- e. Update on the City Auditor's Recommendation to the Office of Retirement Services. Receive and file.  
**Attachments:**     [6.3e - City Aud Recomm 17-06 Retire 2.9.22](#)
- f. Benefits Audit: Pay Codes by Office of Retirement Services, Internal Auditor, Houman Boussina. Receive and file.  
**Attachments:**     [6.3f\(1\) - Presentation PayCodesAudit 02172022](#)  
                          [6.3f\(2\) - FINAL PayCode Audit Rpt 02172022\\_b](#)
- g. Status of Audit Recommendations by Office of Retirement Services, Internal Auditor, Houman Boussina. Receive and file.  
**Attachments:**     [6.3g\(1\) - Presentation RecomFU 02172022](#)  
                          [6.3g\(2\) - Report Recom FU 2022 Final](#)
- h. 2021 Internal ORS staff survey by Office of Retirement Services, Internal Auditor, Houman Boussina. Receive and file.  
**Attachments:**     [6.3h\(1\) - Presentation StaffSurvey 02172022](#)  
                          [6.3h\(2\) - FINAL StaffSurvey ORS 2021](#)

**6.4 Joint Personnel Committee (Orr, Chandra, Horowitz)**

**Last Meeting: March 4, 2022**  
**(Regular)**

**Next Meeting: TBD**

- a. Oral update from the Chair of the Joint Personnel Committee.
- b. Minutes of the February 4, 2022 JPC meeting. Receive and file.  
**Attachments:**     [6.4b - JPC Minutes 2.4.22 - Final](#)



- c. Discussion on the CIO performance process for feedback and potential revisions to the Policy and Procedures.

**Attachments:**      [6.4c\(1\) - Cover Memo CIO Perf Eval Process](#)  
[6.4c\(2\) - CIO Perf Eval Policy \(draft 4Mar2022\)](#)  
[6.4c\(3\) - CIO Perf Eval Policy \(tracked changes\)](#)  
[6.4c\(4\) - Procedures for CIO](#)  
[6.4c\(5\) - Procedures for CIO.Track Changes](#)

- d. Discussion and action on potential revisions to the performance evaluation for the CIO.

## **7. EDUCATION & TRAINING**

- a. The Cortex Report - March 2022, Conferences, Seminars and Educational Programs.

**Attachments:**      [7a - Cortex Report - March 2022](#)

- b. CALAPRS Advanced Principles of Pension Governance for Trustees, UCLA Luskin Conference Center, Los Angeles - March 30 - April 1, 2022.

**Attachments:**      [7b - CALAPRS UCLA 2022 Program](#)

## **• PROPOSED 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.

### The Code of Conduct

(<https://www.sanjoseca.gov/home/showpublisheddocument/12901/636670004966630000>) 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.