



BOARD OF ADMINISTRATION

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

Thursday, April 21, 2022

8:30 AM

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: 955 9972 4851

Password: 477854

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 11/30/24)
Prachi Avasthy, Trustee (Term Expires 11/30/25)

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

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, April 21, 2022 at 8:30 a.m. Chair Horowitz called the meeting to order at 8:34 a.m. followed by roll call.

Present: 6 - Spencer Horowitz, Mark Keleher, Julie Jennings, Elaine Orr, Mark Linder and Prachi Avasthy

Absent: 1 - Anurag Chandra

Retirement Staff Present via Zoom: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Christina Wang, Jay Kwon, Dhinesh Ganapathiappan, David Aung, Arun Nallasivan, Ron Kumar, Ellen Lee, Eric Tsang, Houman Boussina, Sachin Sadana, Julie He, Benjie Chua-Foy, Deborah Sattler, Linda Alexander and Michelle San Miguel.

Also Present via Zoom: Harvey Leiderman, General and Fiduciary Counsel; Jared Pratt, Meketa; Laura Wirick, Meketa; Ashley Dolinda; Public Member; Donald Ludwig, Public Member; Jay Castellano, Retiree Member; Brad Imamura, Retiree Member; Jill Borders, Public Member; and Joe Ebisa, Journalist.

CLOSED SESSION

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

The Board went into Closed Session at 8:36 a.m.

I. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS

- A. **CLOSED SESSION**: CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a). *WILLIAMS V. BOARD OF ADMINISTRATION OF THE FEDERATED EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF SAN JOSE, ET AL.*, SANTA CLARA COUNTY SUPERIOR COURT, ACTION NO. 21CV376950

The Board came out of Closed Session at 8:47 a.m.

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

Open Session re-convened at 8:48 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

Chair Horowitz read the following ground rules into the record:

- We are continuing to meet virtually at this meeting and are doing so pursuant to AB 361.
- All votes will be roll call votes.
- If you are not speaking, please be on mute to cut background noise.
- For discussion items, each trustee will have a turn to speak in roll call order, more than once if desired.
- The public will have an opportunity to speak on each item after trustees.
- The public will also have an opportunity to speak again at the end of the meeting on any other item not on the agenda that is within the subject.
- There will be a break at 10:00 a.m.
- There will be a recess from 1:00 p.m.-1:05 p.m. to accommodate Civic CenterTV's

broadcasting process.

• Board Members please stay on this Zoom meeting call after the regular meeting ends - The public special meetings for each Committee to address California Assembly Bill No. 361 will take place using the same Zoom meeting ID and password.

A motion was made to approve Orders of the Day.

Approved. (M.S.C. Keleher/Linder 6-0-0). The motion passed unanimously by roll call vote. Trustee Chandra was absent.

• **PUBLIC/RETIREE/GENERAL COMMENTS - Non-Related to A Specific Agenda Item**

Retiree and Public Members commented during this item.

1. CONSENT CALENDAR

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Keleher/Linder 6-0-0). The motion passed unanimously by roll call vote. Trustee Chandra was absent.

1.1 Approval of Service Retirements

- a. **Jaime A. Avalos**, Environment Inspector, Environmental Services Department, effective May 14, 2022; 24.82* years of service.
- b. **Sandra L. Avila-Diaz**, Crime Prevention Specialist, Police Department, effective April 16, 2022; 29.09* years of service.
- c. **Jennifer K. Burnham**, Supervising Public Safety Dispatcher, Fire Department, effective May 15, 2022; 25.24* years of service.
- d. **Wayne E. Newton**, Building Inspector Combo, Planning, Building and Code Enforcement Department, effective April 16, 2022; 15.92* years of service.
- e. **Gary Patellaro**, Gardener, Parks, Recreation and Neighborhood Services Department, effective April 30, 2022; 21.23* years of service.
- f. **Chia-Lung Peng**, Associate Engineer, Department of Transportation, effective April 30, 2022; 24.50* years of service.
- g. **Paul W. Stillwell**, Building Inspector Combo Certified I, Planning, Building and Code Enforcement Department, effective March 19, 2022; 5.07* years of service.
- h. **Shirley Tanase**, Librarian II, Library Department, effective May 14, 2022; 9.07* years of service.

- i. **Laurie Willis**, Senior Librarian, Library Department, effective April 16, 2022; 8.0* years of service.

1.2 Approval of Deferred Vested

- a. **Dinia G. Beltramo**, Senior Office Specialist, Human Resources Department, effective May 17, 2022; 10.65* years of service.
- b. **Caesar De La Pena**, Senior Office Specialist, Information Technology Department, effective March 18, 2022; 17.11* years of service.
- c. **Gina L. Ferreira**, Public Safety Radio Dispatcher, Police Department, effective April 10, 2022; 18.54* years of service. (*With Reciprocity CSJ YOS 16.73 + PERS YOS 1.80*)
- d. **Jenele R. Smith**, Public Safety Radio Dispatcher, Police Department, effective April 4, 2022; 24.63* years of service.
- e. **Lenette M. Solis**, Secretary, Public Works Department, effective May 15, 2022; 5.98* years of service.
- f. **Jose Trejo**, Custodian, Convention, Arts and Entertainment Department, effective April 7, 2022; 9.89* years of service.

1.3 Approval of Board Minutes

- a. Approval of the Board Minutes of March 17, 2022.
- b. Approval of the Board Minutes of February 17, 2022.

1.4 Approval of Return of Contributions

- a. Voluntary/Involuntary.

1.5 Acceptance of Communication/Information Reports

- a. Report of the Plan Expenses for January and February 2022. Receive and file.
- b. Office of Retirement Services' Quarterly Newsletter - The Retirement Connection.

c. Educational Travel Reports:

- CALAPRS General Assembly, Mission Bay Resort, San Diego, CA - March 5 - 8, 2022 - by Spencer Horowitz.

1.6 Approval of Travel / Conference Attendance

a. Anurag Chandra, Trustee

- Pension Bridge Annual, Westin St. Francis, San Francisco, CA - April 18 - 20, 2022.

b. Prabhu Palani, CIO

- Transpose Platform Ecosystem Days, San Francisco, CA - September 27 - 28, 2022 (Panel Speaker).
- Milken Institute Global Conference, The Beverly Hilton, Beverly Hills, CA - May 1- 4, 2022 (Panel Speaker).
- Accel Virtual Leaders 4, Virtual Conference, March 30, 2022.

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

The Chair asked for a moment of silence for those who served and passed away.

- a.** Notification of the death of **Sharon Borden**, Administrative Officer, retired September 29, 2001, died February 25, 2022. Survivorship benefits to Jerry Borden, Spouse.
- b.** Notification of the death of **Stella Ordonez**, Custodial Supervisor, retired November 4, 1996, died February 8, 2022. No survivorship benefits.
- c.** Notification of the death of **Margaret Wisinski**, Executive Administrative Secretary, retired October 24, 1998, died March 21, 2022. No survivorship benefits.

3. INVESTMENTS

- a.** Oral update by CIO, Prabhu Palani.

CIO Palani updated the Board on the following:

-FYTD as of 4/19 the Pension Plan is up 2 basis points

-S&P is down 7% roughly

-Pension Bridge conference was well attended, energetic and informative. CIO Palani spoke on a panel.

- b.** Discussion and action on Strategic Asset Allocation for the Healthcare Trust by Meketa Investment Group.

Laura Wirick spoke to the Strategic Asset Allocation for the Healthcare Trust and answered

questions from the Board. CIO Palani also spoke to the item and answered questions. Meketa Investment Group believes that the current Trust allocation, adopted in March 2021, remains reasonable. The Board could also consider the other Mix A presented.

A motion was made to move to 'Mix A' for the Strategic Asset Allocation for the Health Care Trust.

Approved. (M.S.C. Jennings/Orr 6-0-0) The motion passed unanimously by roll call vote. Trustee Chandra was absent.

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS - None.

5. NEW BUSINESS

- a. Oral update from the CEO of Retirement Services, Roberto L. Peña.

CEO Peña updated the Board on the following:

- Staff has been in the office 2 days a week on a hybrid approach.
- Soft opening of the office occurred. The office is open from 9-4 daily. Members are encouraged to call ahead and make appointments.
- The quarterly Newsletter was sent out via email last week and regular mail this week. CEO Peña thanked staff that works on the Newsletter and pointed out CIO Palani's accomplishment highlighted in the newsletter.
- COLA for FED retirees will be seen in the April paycheck.
- The new Network Technician started last month.
- IT Manager recruitment is in its last stages, an offer has been made.
- The City revoked the mandatory masking policy.
- Racial equity training coming soon city-wide.
- Form 700's were due April 1st.
- CEO Peña encouraged Trustees to pay the Fiduciary Insurance Waiver of Recourse premium.

- b. Oral update from the City Council Liaison to the Board.

Council Liaison Davis updated the Board on pending matters before the Council. She confirmed that the Council was continuing its policy of social distancing at meetings.

- c. Discussion and action to authorize CEO to negotiate and execute the second amendment to an agreement between the Board of Administration for the Federated City Employees' Retirement System and Grant Thornton, LLP ("GT") for audit services ending June 30, 2022 for an additional \$50,000 to increase the maximum contract amount to \$550,000.

CEO Peña spoke to the request to increase Grant Thornton's compensation by \$50,000 and answered questions from the Board.

A motion was made to authorize the CEO to negotiate and execute the second amendment to an agreement between the Board of Administration for the Federated City Employees' Retirement System and Grant Thornton, LLP ("GT") for audit services ending June 30, 2022 for an additional \$50,000 to increase the maximum contract amount to \$550,000.

Approved. (M.S.C. Keleher/Linder 6-0-0) The motion passed unanimously by roll call vote.

Trustee Chandra was absent.

- d. Discussion and action on authorizing the CEO to negotiate and execute a third amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2023.

CEO Peña spoke to the third amendment to the agreement with Marty Boyer and answered questions from the Board. This is an extension of the term of the agreement; no additional funds are being requested.

A motion was made to authorize the CEO to negotiate and execute a third amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2023.

Approved. (M.S.C. Linder/Jennings 6-0-0) The motion passed unanimously by roll call vote. Trustee Chandra was absent

- e. Discussion on Fiduciary Insurance and Waiver of Recourse Fees for Policy Year March 2022-2023.

CEO Peña spoke to Fiduciary Insurance and Waiver of Recourse Fees and explained Trustee Insurance. Counsel Leiderman answered questions from the Board.

- f. Discussion and action on Committee Assignments.

Chair Horowitz proposed adding Trustee Avasthy to the Audit Committee.

A motion was made to add Trustee Avasthy to the Audit Committee.

Approved. (M.S.C. Keleher/Linder 6-0-0) The motion passed unanimously by roll call vote. Trustee Chandra was absent.

- g. Annual Board Fiduciary Education presented by Fiduciary and General Counsel.

Counsel Leiderman presented his fiduciary training and answered questions from the Board.

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

Chair Horowitz and Counsel Leiderman spoke to the item. Counsel Leiderman explained the contents of the memo submitted to the Board regarding evidentiary support for the Board's consideration of factual findings necessary for election to adopt AB 361's abbreviated teleconferencing procedures, which included:

- (1) Governor's proclamation on the continued state of emergency due to the ongoing COVID-19 pandemic; and
(2) the City Council's recent resolution that continued to impose and recommend social distancing in City facilities.**

A motion was made to adopt these as the Board's factual findings under AB361 to allow the Board to continue meeting virtually for the next 30 days.

Approved. (M.S.C. Jennings/Keleher 6-0-0) The motion passed unanimously by roll call vote.
Trustee Chandra was absent.

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Horowitz, Orr)

**Last Meeting: April 14, 2022
(Special)**

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

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

There was no update.

6.2 Governance Committee (Jennings, Keleher, Linder)

**Last Meeting: April 11, 2022
(Special)**

**Next Meeting: April 21, 2022
(Special)**

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

There was no update.

- b. Minutes of the Special Governance Committee meeting from February 17, 2022. Receive and file.

This Committees/Reports/Recommendations was received and filed

6.3 Audit Committee (Keleher, Jennings, Vacant)

**Last Meeting: April 14, 2022
(Special)**

**Next Meeting: April 21, 2022
(Special)**

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

There was no update.

6.4 Joint Personnel Committee (Orr, Chandra, Horowitz)

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

Next Meeting: TBD

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

Trustee Orr reported the JPC may need to meet in person to accept AB 361 if a meeting will be held prior to June. The Committee is also awaiting the compensation survey studies.

7. EDUCATION & TRAINING

- a. The Cortex Report - May 2022, Conferences, Seminars and Educational Programs.
- b. CalAPRS Special Virtual Trustee Roundtable, April 29, 2022.
- c. SACRS Spring Conference 2022, Las Palmas Resort & Spa, Rancho Mirage, CA - May 10-13, 2022.

• **PROPOSED AGENDA ITEMS**

Item on possibly forming a Federated Disability Committee.

• **ADJOURNMENT**

The meeting adjourned 11:36 a.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

SPENCER HOROWITZ, CHAIR
BOARD OF ADMINISTRATION
ATTEST:

ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES