



BOARD OF ADMINISTRATION

City Hall
Wing Rooms 118-120
200 East Santa Clara
Street,
San Jose, CA 95113

Meeting Minutes - Final FCERS and Police&Fire Retirement Plan Audit Committee

Thursday, May 17, 2018

12:00 PM

City Hall Wing Rooms 118-120
San Jose, CA 95113

or immediately following the Federated City Employees Retirement System Board meeting.

FCERS Committee Members:

Mike Armstrong, Chair

Marty Dirks, Trustee

Jay Castellano, Trustee

Police and Fire Committee Members:

Andrew Lanza, Chair

Ghia Griarte, Trustee

Franco Vado, Trustee

Alternates:

Andrew Gardanier, Trustee

Call To Order

The Joint Federated and Police and Fire Audit/Risk Committee met on Thursday, May 17, 2018, at 12:00 p.m. at City Hall Wing Rooms, 118-120, 200 E. Santa Clara St., San Jose, CA. The meeting was called to order at 12:04 p.m. by Trustee Armstrong on the Federated side and 12:05 p.m. by Trustee Gardanier on the Police and Fire side. Jay Castellano joined the Federated Board as the Retiree Representative Trustee on May 17, 2018.

Staff Present: Roberto Peña, Donna Busse, Barbara Hayman, Benjie Chua-Foy, Elsa Jacobo, Linda Alexander, Michelle San Miguel and Marti Zarate.

Others Present: Harvey Leiderman, General and Fiduciary Counsel; Sue Ziegler, L.R. Weschler; and John Caldwell, Grant Thornton.

Present: 6 - Michael Armstrong, Andrew Lanza, Franco Vado, Ghia Griarte, Andrew Gardanier and Jay Castellano

Absent: 1 - Martin Dirks

FEDERATED AUDIT COMMITTEE

Consent Calendar

A motion was made to approve the Consent Calendar. Item #7 was heard after Item #1.

Approved. (M.S.C. Castellano/Armstrong 2-0-0) The motion passed unanimously.

1. Review of the 1/1/18-3/31/18 Quarterly Travel and attendance analysis for Federated.

JOINT AUDIT COMMITTEE

• New Business

2. Approval of the Minutes of the February 15, 2018 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan.

A motion was made to approve the Minutes of the February 15, 2018 Joint Audit Committee meeting.

Approved by Federated (M.S.C. Armstrong/Castellano 2-0-0) The motion passed unanimously.
Approved by Police and Fire (M.S.C. Gardanier/Griarte 2-0-0) The motion passed unanimously.

3. Discussion and action regarding the Financial Audit Plan.

John Caldwell from Grant Thornton presented the Financial Audit Plan and answered questions from the Committee. He outlined the responsibilities of the respective parties in the audit process and gave a brief timeline for the audit which will conclude in October. He also summarized the deliverables and noted the new Accounting Standards in the Appendix. Grant Thornton will be working on GASB 85 with Ms. Busse and Ms. Chua-Foy over the course of the audit which is the only standard that impacts the plan.

A motion was made to approve the Financial Audit Plan as presented.

Approved by Federated (M.S.C. Castellano/Armstrong 2-0-0) The motion passed unanimously.
Approved by Police and Fire (M.S.C. Griarte/Gardanier 2-0-0) The motion passed unanimously.

4. Update on the City Auditor's Recommendations to the Office of Retirement Services.

Benjie Chua-Foy spoke regarding the update on the City Auditor's Recommendations to the Office of Retirement Services. There are only 2 outstanding items regarding the Pensionable Earnings Corrections which is Item #6 on the agenda and will be discussed later in the meeting. CEO Peña answered questions from the Committee.

5. Update on the Pension Administration System.

Barbara Hayman and Sue Ziegler, from L.R. Weschler, gave a quarterly update and answered questions on the Pension Administration System. CEO Peña and Ms. Busse also spoke to the item and answered questions from the Committee. Roll out dates for members and Measure F information will be added to the Project Schedule Chart. Total budget projection cost will also be provided.

6. Update on the Pensionable Earnings Corrections.

Elsa Jacobo gave an update on the Pensionable Earnings Corrections and answered questions from the Committee. Staff needs direction from the Board on how and when to proceed with making the corrections. CEO Peña will invite the Finance Director to the next Federated Board meeting to answer questions. Staff will come back with a plan for the corrections at the October Joint Audit Committee meeting.

POLICE & FIRE AUDIT COMMITTEE

- Consent Calendar

A motion was made to approve the Consent Calendar. Item #7 was heard after Item #1.

Approved. (M.S.C. Gardanier/Griarte 2-0-0) The motion passed unanimously.

7. Review of the 1/1/18-3/31/18 Quarterly Travel attendance and analysis for Police and Fire.

- Adjournment

The Federated meeting adjourned at 1:51 p.m.

The Police and Fire meeting adjourned at 1:55 p.m.

Next Meeting: August 16, 2018

Minutes Recorded, Prepared and Respectfully submitted by,



Roberto L. Peña, CEO, Office of Retirement Services