



# Memorandum

**TO: The Board of Administration  
Federated City Employees Retirement System**

**FROM: Roberto L. Peña**

**SUBJECT: PROPOSED TOPICS, GOALS AND  
OBJECTIVES FOR FED BOARD RETREAT**

**DATE: June 20, 2019**

At the May 16, 2019 Federated City Employees' Retirement System Board meeting, Chair Loesch requested that the topics for the Board retreat scheduled for September 19, 2019, be added to the June agenda for discussion.

To that extent, the Chair stated that he would like to see an item regarding what is next for Tier 2, and Fiduciary Counsel Leiderman suggested holding a session on data security.

Furthermore, the Chair asked Trustee Castellano to help with the planning of the retreat and Trustee Sun to assist with the agenda. To provide background for your discussion, we have included below the agenda topics discussed at the last Federated Board retreat.

## June 8, 2017 Phase I

1. Basic Funding Principles
  - a. Accumulating assets by retirement
  - b. Adjusting for gains and losses (and assumption/benefit changes)
  - c. Smoothing
2. Sources of risk
  - a. Assumptions vs. experience (investment and demographic)
  - b. Changing economic environments
3. Affordability of risks
  - a. Size of plan compared to contribution base
  - b. City responsibility (Tier 1) vs. City/member responsibility (Tier 2)

## September 14, 2017 Phase II

1. Summary of Session I by Cheiron
2. Risk Management Framework
  - a. "Risk-free model and variations
  - b. Expected savings vs. affordability of risk
3. Board Options
  - a. Tier 1
  - b. Tier 2
4. Discussion of the course forward.

Sincerely,

Roberto L. Peña  
Chief Executive Officer  
Office of Retirement Services

