BOARD OF ADMINISTRATION

Meeting Minutes - Final

FCERS and Police&Fire Retirement Plan Audit Committee

Thursday, May 18, 2023 | **12:30 PM** | **1737 North First Street, 5th Floor Board Room San Jose, 95112**

or immediately following the conclusion of the FCERS Board meeting

HYBRID MEETING

PHYSICAL LOCATION:
1737 North First Street, Suite 580
San Jose, Ca 95112

ZOOM INFORMATION:
zoom.us
Dial In: +1 669-219-2599 US (San Jose)
Meeting ID: 932 3650 5824
Pass Code: 431304

FCERS Committee Members:
Mark Keleher, Chair
Julie Jennings, Trustee -- 855 E. Hilton Dr., Boulder Creek, CA 95006
Prachi Avasthy, Trustee

Police and Fire Committee Members:
Sunita Ganapati, Chair
Howard Lee, Trustee
Dave Wilson, Trustee

Present: 5 - Mark Keleher, Julie Jennings, Sunita Ganapati, Prachi Avasthy and Howard Lee

Absent: 1 - Dave Wilson

The Federated Audit Committee and Police and Fire Audit Committee met in person at 1737 N. First St., Suite 580 and via Zoom on Thursday, May 18, 2023. The Federated Audit Committee meeting was called to order at 12:31 p.m. by Chair Keleher followed by roll call vote. The Police and Fire Audit Committee meeting was called to order at 12:33 p.m. by Chair Ganapati.

FCERS Committee Members Present: Mark Keleher and Prachi Avasthy.

Committee Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: Julie Jennings.

Police and Fire Committee Members Present: Sunita Ganapati and Howard Lee.

Trustee Dave Wilson was absent.

Retirement Staff Present: Roberto L. Peña, Barbara Hayman, Sandra Castellano, Benjie Chua-Foy, Houman Boussina, Jay Kwon, Ron Kumar, Michelle San Miguel, Sherrell Aledo and Mallory Vidal.

Retirement Staff Present via Zoom: Shilpi Dwivedi, Deborah Sattler and Gina Rios.

Also Present: Maytak Chin and Harvey Leiderman, General and Fiduciary Counsel; and Jana Kadah, Journalist.

Also Present via Zoom: Craig Harner and Chai Saechao, Macias, Gini & O'Connell (MGO); Pamela Swikart, Public Attendee; Gitu Mandrekar, Public Attendee; and Joe Ebisa, Journalist.

I. AB 2449 REMOTE APPEARANCE(S)

a. Just Cause Circumstance(s) (Gov't Code § 54953)

i. The following Trustee(s) have notified the Board of a "Just Cause" to attend this meeting via teleconference.

NONE

ii. Call for Trustee(s) who wish to notify the Board of a "Just Cause" to attend this meeting via teleconference.

b. Emergency Circumstance(s) (Gov't Code § 54953)

i. The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance".

NONE

ii. **Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance".**

iii. **Take action on request(s) for remote appearance.**

No action was taken for this agenda item.

- **Call To Order and Roll Call**

- **Orders of the Day**

Chair Keleher read the following into the record:

A FEW GROUND RULES FOR THIS MEETING

• As such, all votes will be roll call votes.
• We are holding this meeting as a hybrid meeting, and so those who are attending virtually, please mute yourself unless you are speaking and if you wish to speak, please raise your hand and staff will alert the Chair.

JOINT AUDIT COMMITTEE

1. Consent Calendar

a. Approval of the Minutes of the February 16, 2023 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 Consent Calendar.

FCERS Committee Approved. (M.S.C. Avasthy/Jennings 3-0-0). The motion passed unanimously by roll call vote.

Police and Fire Committee Approved. (M.S.C. Lee/Ganapati 2-0-0). Trustee Wilson was absent.

2. Old Business

a. Update on the City Auditor's Recommendation to the Office of Retirement Services.

Benjie Chua-Foy, Accounting Division Manager, spoke to the item. Ms. Chua-Foy briefly discussed the updated performance measures in the retirement plans' budgets for FY 2023-2024 and answered questions from the Committee.

3. New Business

a. Discussion and action on FY 22-23 Office of Retirement Services Plans Audit Plan by Macias Gini & O'Connell LLP (MGO).

Craig Harner, Macias Gini & O' Connell LLP (MGO), introduced the FY 2022-2023 Audit Plan and spoke to the purpose of the audit and plan for this annual audit. Mr. Harner introduced MGO staff, Chai Saechao, as the new ORS external Auditor. Mr. Saechao presented the Audit Plan and answered questions from the Board.

A motion was made to approve the FY 2022-2023 Office of Retirement Services Plans Audit Plan.

Police and Fire Committee Approved. (M.S.C. Lee/Ganapati 2-0-0). Trustee Wilson was absent.

FCERS Committee Approved. (M.S.C. Avasthy/Jennings 3-0-0). The motion passed unanimously by roll call vote.

b. Presentation and discussion on the Procurement and Contract Oversight Audit by Internal Auditor, Houman Boussina.

ORS Senior Internal Auditor Houman Boussina presented the report on the Procurement and Contract Oversight. Mr. Boussina discussed his findings and key audit recommendations and answered questions from the Committee.

The Committee requested additional information and clarification before they accept and send the report to the Boards.

c. Update on ORS Internal Auditor's audit recommendations.

ORS Deputy Director Barbara Hayman created the documents to track the Internal Auditor's audit recommendations and office's responses and actions. Ms. Hayman will be ready to share the documents at the next Joint Audit Committee meeting.

- **Proposed Agenda Items**

Bring back items 3b and 3c to the next Joint Audit Committee agenda.

- **Public Comments**

None.

- **Adjournment**

The meeting was adjourned at 2:38 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

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Roberto L. Peña, CEO, Office of Retirement Services