



# BOARD OF ADMINISTRATION

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

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Thursday, August 17, 2023

8:30 AM

1737 N. First St., STE 580, San Jose, CA

95112

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### HYBRID MEETING

#### PHYSICAL LOCATION:

City Hall, Wing Rooms 118-120, 200 E. Santa Clara St. San Jose, Ca 95113

#### ZOOM INFORMATION:

[zoom.us](https://zoom.us)

Dial In: +1 669 900 9128 US (San Jose)

Meeting ID: 947 4344 9624

Pass Code: 536723

#### **BOARD MEMBERS**

*Spencer Horowitz, Chair (Term Expires 11/30/24)*  
*Julie Jennings, Vice-Chair (Term Expires 11/30/23) -- 855 E. Hilton Dr., Boulder Creek, CA 95006*  
*Deborah Abbott, Trustee (Term Expires 11/30/26)*  
*Prachi Avasthy, Trustee (Term Expires 11/30/25)*  
*Anurag Chandra, Trustee (Term Expires 11/30/26) -- 97 Gresham Lane, Atherton, CA 94027*  
*Matthew Faulkner, Trustee (Term Expires 11/30/27)*  
*Mark Linder, Trustee (Term Expires 11/30/24)*

#### **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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**Present:** 7 - Anurag Chandra, Mark Linder, Prachi Avasthy, Spencer Horowitz, Julie Jennings, Debbie Abbott and Matthew Faulkner

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, August 17, 2023 at 1737 N. First St., Ste 580, San Jose, CA 95112 and via Zoom at 8:30 a.m. Chair Horowitz called the meeting to order at 8:31 a.m. followed by roll call.

**Board Members Present:** Spencer Horowitz, Deborah Abbott, Matthew Faulkner and Mark Linder.

**Trustee Prachi Avasthy** arrived at 8:40 a.m.

**Board Members Present via Zoom** utilizing the Traditional Brown Act teleconferencing rules: Julie Jennings and Anurag Chandra.

**Retirement Staff Present:** Roberto L. Peña, Prabhu Palani, Barbara Hayman, Dhinesh Ganapathiappan, Jay Kwon, Ron Kumar, Christina Wang, Eric Tsang, Arun Nallasivan, David Aung, Harrison Pearce, Sherrell Aledo, Mallory Vidal, Edith Aldama and Chris Ha.

**Retirement Staff Present via Zoom:** Linda Alexander, Benjie Chua-Foy, Houman Boussina, Shilpi Dwivedi and Sandra Castellano.

**Also Present:** Maytak Chin, Harvey Leiderman, General and Fiduciary Counsel.

**Also Present via Zoom:** Dev Davis, City Council Liaison; Valter Viola, Cortex Consulting; Kevin Balaod, Journalist; Laura Wirick, Meketa Investment Group; Muskan Arora, Public Attendee; Brad Imamura, Public Attendee; and Gary Johnson, Public Attendee.

**ADA ALERT**

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In accordance with the requirements of AB 2449, the Board of Administration (“Board”) will generally, upon request, provide appropriate aids and services leading to effective communication for individuals with disabilities so they can participate equally in the Board’s meetings, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, vision or other disabilities.

Anyone who requires an auxiliary aid or service for effective communication to participate in a Board meeting should contact the designated contact in Office of Retirement Services as far in advance of the scheduled meeting as possible. The Board strongly encourages individuals with disabilities to endeavor to submit requests for reasonable accommodation no later than five (5) business days before the scheduled meeting, as the Board may not be able to grant requests for reasonable accommodations without sufficient advance notice. The Board strongly encourages individuals with disabilities to submit their written requests via email or regular mail to facilitate tracking and response; however, if the submission of a written request constitutes a hardship, individuals may call the Office of Retirement Services to submit an oral request.

The designated contact in the Office of Retirement Services will endeavor to respond to each request within three (3) business days of receipt of the request. Depending on the request, the designated contact in the Office of Retirement Services may ask to schedule a time to discuss the request (which may occur virtually) to determine the most appropriate auxiliary aid or service, before the request is resolved.

#### ADA Designated Contact Information

Attention: Deputy Director/Chief Operations Officer, Office of Retirement Services  
Address: 1737 N First St #600, San Jose, CA 95112  
Email: #Retire\_Admin@sanjoseca.gov  
Phone: 408-794-1000 (ORS Main Line)

#### **\*\* 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.

**CLOSED SESSION**

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

**I. CLOSED SESSION NEW BUSINESS**

The Board entered Closed Session after approving the Consent Calendar.

The Board entered into Closed Session at 8:38 a.m.

- A. CLOSED SESSION: THREAT TO PUBLIC SERVICES OR FACILITIES Consultation with:  
Legal Counsel pursuant to Government Code section 54957(a)**

**There was no reportable action from Closed Session.**

- B. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT  
TO GOVERNMENT CODE SECTION 54957(b)(1). Position: Chief Executive Officer**

**A motion was made to designate Chair Horowitz to serve as CEO labor negotiator.**

**Approved. (M.S.C. Jennings/Abbott).**

**Ayes: Chandra, Jennings, Linder, Avasthy, Abbott and Faulkner**

**Abstain: Horowitz**

- C. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT  
TO GOVERNMENT CODE SECTION 54957(b)(1). Position: Chief Investment Officer**

**A motion was made to designate Trustee Chandra to serve as CIO labor negotiator.**

**Approved. (M.S.C. Horowitz/Jennings).**

**Ayes: Horowitz, Jennings, Linder, Avasthy, Abbott and Faulkner**

**Abstain: Chandra**

- D. CLOSED SESSION: CONFERENCE PURSUANT TO GOVERNMENT CODE SECTION  
54956.81 TO CONSIDER PURCHASE OR SALE OF PARTICULAR PENSION FUND  
INVESTMENTS (ONE INVESTMENT)**

**The Board came out of Closed Session at 11:52 a.m.**

**The only reportable action out of closed session was the appointment of the labor  
negotiators.**

**OPEN SESSION - will reconvene following Closed Session, estimated to be 10:00 a.m.**

**Open Session re-convened at 11:53 a.m.**

• **ORDERS OF THE DAY**

Chair Horowitz read the following into the record:

**A FEW GROUND RULES FOR THIS MEETING**

- 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.
- The public will have an opportunity to speak on each item after trustees.

**Orders of the Day**

- For Consent Calendar Item 1.1i: Ignacio J. Preciado has rescinded his Service Retirement application.

A motion was made to approve the Orders of the Day.

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

Trustee Prachi Avasthy was absent.

**WAIVE SUNSHINE (amended/attachments POSTED late):**

- None.

Chair Horowitz welcomed Matthew Faulkner as a new Trustee. Trustee Faulkner introduced himself and thanked the Board.

• **PUBLIC/RETIREE/GENERAL COMMENTS - Not Related to a Specific Agenda Item**

Brad Imamura and Gary Johnson commented on matters within the subject jurisdiction of the Board.

**1. CONSENT CALENDAR**

The Consent Calendar was heard before Closed Session.

A motion was made to approve the Consent Calendar.

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

Trustee Avasthy was absent.

Counsel Chin clarified the rescinding of Mr. Ignacio J. Presiado's Service Retirement application for the record.

**1.1 Approval of Service Retirements**

- a. **Loretta Brackett**, Principal Office Specialist, Police Department, effective September 16, 2023;

16.47\* years of service.

- b. **Juan M. Diaz**, Groundworker, Parks, Recreation and Neighborhood Services Department, effective September 2, 2023; 7.86\* years of service. **(T2B)**
- c. **Paul Duran**, Senior Construction Inspector, Public Works Department, effective July 22, 2023; 28.56\* years of service.
- d. **Kelly J. Hubbard**, Library Assistant, Library Department, effective September 16, 2023; 24.37\* years of service.
- e. **Albert Juarez**, Maintenance Supervisor, Department of Transportation, effective September 30, 2023; 25.02\* years of service.
- f. **Anthony Kiles**, Park Maintenance Repair Worker II, Parks, Recreation and Neighborhood Services Department, effective August 5, 2023; 15.54\* years of service.
- g. **Ruth Krantz**, Legislative Secretary, City Clerk's Office, effective August 19, 2023; 15.92\* years of service.
- h. **Emilia Mendoza**, Environmental Services Specialist, Environmental Services Department, effective September 2, 2023; 15.33\* years of service.
- i. **Ignacio J. Preciado**, Building Inspector Supervisor, Public Works Department, effective September 30, 2023; 20.05\* years of service.
- j. **Janie Scanlan**, Analyst II, Environmental Services Department, effective September 30, 2023; 11.70\* years of service.
- k. **Avelardo J. Solis**, Recreation Superintendent, Parks, Recreation and Neighborhood Services Department, effective July 22, 2023; 23.69\* years of service.

## 1.2 Approval of Early Retirements

- a. **Francis P. Carrubba**, Division Manager, Police Department, effective July 9, 2023; 9.18\* years of service. *(With Reciprocity - 4.11 CSJ YOS + 5.07 PERS YOS)*

## 1.3 Approval of Deferred Vested

- a. **Richard D. Bertalan**, Application Analyst Supervisor, Information Technology Department,

effective September 3, 2023; 19.51\* years of service.

- b. **John Edlin Davidson**, Senior Planner, Department of Planning, Building & Code Enforcement, effective September 1, 2023; 14.51\* years of service.
- c. **Darleen Gianpaoli**, Police Data Specialist II, Police Department, effective August 1, 2023; 6.65\* years of service.
- d. **Sandra K Hillesland**, Library Clerk, Library Department, effective July 14, 2023; 5.62\* years of service.
- e. **Winnie L. Pagan**, Senior Engineer, Department of Transportation, effective August 5, 2023; 32.49\* years of service. (*With Reciprocity - 22.31 CSJ YOS + 10.18 PERS YOS*)
- f. **Gilberto Robles**, Custodian, Airport Department, effective July 19, 2023; 12.91\* years of service.
- g. **Phuoc H. Tran**, Senior Electrical Engineer, Environmental Services Department, effective September 1, 2023; 12.97\* years of service. (*With Reciprocity - 2.55 CSJ YOS + 10.41 PERS YOS*)

#### 1.4 **Approval of Board Minutes**

- a. Approval of the Board Minutes of June 15, 2023.

#### 1.5 **Approval of Return of Contributions**

- a. Voluntary | Involuntary

#### 1.6 **Acceptance of Communication/Information Reports**

- a. **Educational Travel Reports:**
  - CalAPRS General Assembly, Monterey Marriott, Monterey, CA - March 4 -7, 2023 - by Julie Jennings
  - Pension Bridge Annual 2023, The Fairmont Hotel, San Francisco, CA - April 17 - 19, 2023 - by Anurag Chandra
  - SACRS Public Pension Investment Management Program, UC Berkeley, CA - July 16 - 19, 2023 - by Deborah Abbott
  - Pension Bridge Private Equity Exclusive 2023, Chicago, IL - July 24 - 26, 2023 - by

Anurag Chandra

- b. Report of the Monthly Board Expenses for May 2023. Receive and file.
- c. Updated Board and Committee Assignments. Receive and file.

### **1.7 Approval of Termination of Retirement Benefits**

- a. Approval of request from **Krishna Sastry** to terminate retirement benefits effective August 20, 2023 allowing for reinstatement into the Plan effective August 21, 2023. (Service Retirement effective March 31, 2022, approved at the March 17, 2022 Board meeting).

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

- a. Deborah Abbott, Trustee
  - SACRS Public Pension Investment Management Program, UC Haas School of Business, Berkeley, CA, July 16-19, 2023.
- b. Anurag Chandra, Trustee
  - Pension Bridge Alternatives 2023, The Westin Times Square, New York City, NY, October 10-11, 2023.

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

The item was heard after Closed Session.

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

- a. Notification of the death of **Marie Adams**, Stenographer Clerk III, retired February 15, 1983, died May 2, 2023. No survivorship benefits.
- b. Notification of the death of **Daniel Blaylock**, Groundswoker, retired April 1, 2000, died June 13, 2023. No survivorship benefits.
- c. Notification of the death of **William Burns**, Senior Deputy City Attorney, retired June 23, 1994, died May 20, 2023. No survivorship benefits.
- d. Notification of the death of **Pamela Burton**, Office Specialist II, retired June 20, 2015, died May 7, 2023. No survivorship benefits.

- e. Notification of the death of **Jean L. Collins**, Executive Secretary, retired August 20, 1983, died May 23, 2023. No survivorship benefits.
- f. Notification of the death of **Daniel Herrera**, Concrete Finisher, retired November 7, 1992, died June 6, 2023. No survivorship benefits.
- g. Notification of the death of **Barbara Hosier**, Senior Account Clerk, retired April 13, 1987, died May 25, 2023. No survivorship benefits.
- h. Notification of the death of **Eve S. Leland**, Analyst II, retired January 22, 2000, died July 2, 2023. No survivorship benefits.
- i. Notification of the death of **Shelley L. Lindgren**, Library Assistant, retired November 3, 2003, died June 1, 2023. No survivorship benefits.
- j. Notification of the death of **Patricia Long**, Staff Technician, retired September 4, 2000, died June 18, 2023. No survivorship benefits.
- k. Notification of the death of **David Nguyen**, Public Information Representative II, hired March 11, 2018, died March 6, 2023. No survivorship benefits.
- l. Notification of the death of **M. Jeannine Nunez**, Account Clerk II, retired July 8, 1990, died June 28, 2023. No survivorship benefits.
- m. Notification of the death of **Frances J. Olson**, Accounting Technician, retired April 5, 1986, died June 22, 2023. No survivorship benefits.
- n. Notification of the death of **Albert Perez**, Communications Technician, retired August 26, 2006, died July 2, 2023. No survivorship benefits.
- o. Notification of the death of **Richard V. Perez**, Maintenance Worker I, retired November 23, 2015, died December 8, 2022. Survivorship benefits to Deborah Perez, spouse.
- p. Notification of the death of **Betty Peterson**, Secretary, retired February 10, 1994, died February 3, 2023. Survivorship benefits to David Peterson, spouse.
- q. Notification of the death of **Elias Sandoval**, Supervising Building Construction Inspector, retired March 31, 1995, died May 30, 2023. No survivorship benefits.
- r. Notification of the death of **Betty Z. Scott**, Library Technical Assistant, retired April 7, 1981,

died May 19, 2023. No survivorship benefits.

- s. Notification of the death of **David Ybarra**, Assistant Director, retired October 1, 1997, died June 11, 2023. Survivorship benefits to Joanne M. Ybarra, spouse.

### **3. INVESTMENTS**

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.

CIO Palani conveyed his thoughts and prayers for a speedy recovery to the female veteran San Jose police officer who was shot in the line of duty.

CIO Palani updated the Board on the following unaudited estimated performance:

- For Fiscal Year-To-Date as of August 15, 2023, Pension Plan was down 24 Basis Points and Health Care Trust Plan was down 52 Basis Points. For the past fiscal year ending June 30, 2023, the Plan was estimated to have returned 7.37% and the Health Care Trust 8.05%, both exceeding their benchmarked returns.

CIO Palani, CEO Peña, Mr. Ganapathiappan and Ms. Wang answered questions from the Board and public attendees.

- b. Discussion and action to authorize the Secretary to negotiate and execute the first amendment to the agreement between the Board and Hanson Bridgett LLP for investment-related legal services ending on June 30, 2025, for additional \$300,000 to increase the maximum contract amount to \$750,000.

Ron Kumar, Investment Operations Manager, presented the request before the Board to increase funds for investment related legal fees as listed. CIO Palani and Mr. Kumar responded to questions from the Board.

A motion was made to approve staff's request for additional funding of potential investment related legal fees.

Approved. (M.S.C. Linder/Abbott 7-0-0) The motion passed unanimously by roll call vote.

### **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:

- The City of San Jose and the MEF - AFSCME Local 101 Bargaining Units have reached a tentative agreement. The strike has been averted. This was the main reason why we moved the location for today's Board Meeting to the ORS 5th floor boardroom in the event the strike had not been averted.

- The vacant Accounting I position in the Accounting Department has been filled. Trang Vo will start on September 11, 2023. She has been with the City of San Jose since 2016 in Public Works Department.
- We welcome Trustee Matthew Faulkner as this is his first Federated Board Meeting.
- Trustee Deborah Abbott completed her CEO onboarding on July 31st and Trustee Matthew Faulkner completed his CEO onboarding on August 1st. They still have further onboarding to complete with the Board.
- The Quarterly Newsletter has been sent out.
- The ORS will be closed on September 4, 2023 in observance of Labor Day.
- The ORS received a certification of achievement for excellence in financial reporting from the Government Finance Officers Association (GFOA). Congratulations Benjie Chua-Foy and the Accounting staff for their hard work.

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

City Council Liaison Dev Davis updated the Board on pending matters before the Council, including the Bargaining Units tentative agreement. Ms. Davis noted that the salary increases approved by the bargaining parties were far in excess of the 3% salary increases assumed by the actuaries, creating a large unfunded liability for the Plan going forward, which will cost the City more than it anticipated in future contributions.

- c. Discussion and action on the revised 2023 Scheduled Board and Standing Committee Meetings.

Chair Horowitz presented the revised 2023 Schedule Board and Standing Committee Meetings and CEO Peña clarified and answered questions from the Trustees.

A motion was made to approve the revised 2023 Schedule Board and Standing Committee Meetings

Approved. (M.S.C. Abbott/Avasthy 7-0-0) The motion passed unanimously by roll call vote.

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

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

**Last Meeting: April 27, 2023      Next Meeting: August 29, 2023**

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

Chair Chandra informed the Board that the next Federated Investment Committee meeting had been changed from August 22, 2023 to August 29, 2023.

### **6.2 Governance Committee (Linder, Abbott, Avasthy)**

**Last Meeting: February 16, 2023 (Special)      Next Meeting: September 7, 2023**

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

There was no update from the Governance Committee.

### **6.3 Audit Committee (Avasthy, Jennings, Abbott)**

**Last Meeting: May 18, 2023**

**Next Meeting: September 21, 2023**

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

There was no update from the Audit Committee.

### **6.4 FCERS Disability Committee (Linder, Jennings, Faulkner)**

**Last Meeting: April 20, 2023**

**Next Meeting: August 11, 2023**

- a. Oral update from the Chair of the FCERS Disability Committee.

Chair Linder updated the Board on the last Federated Disability Committee Meeting and added the next meeting was scheduled for October 2, 2023.

### **6.5 Joint Personnel Committee (Chandra, Horowitz, Jennings)**

**Last Meeting: May 11, 2023**

**Next Meeting: TBD**

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

There was no update from the Joint Personnel Committee.

## **7. EDUCATION & TRAINING**

This Education & Training was received and filed.

- a. The Cortex Report - July 2023, Conferences, Seminars and Educational Programs.
- b. CalAPRS 2023 Program Calendar.
- c. CalAPRS Summer 2023 Newsletter.
- d. CalAPRS Principles of Pension Governance for Trustees 2023, Pepperdine University, Malibu,

CA, August 28 - 31, 2023.

- **PROPOSED AGENDA ITEMS**

None.

- **ADJOURNMENT**

The meeting adjourned at 12:48 p.m.

\*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

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SPENCER HOROWITZ, CHAIR  
BOARD OF ADMINISTRATION  
ATTEST:

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ROBERTO L. PEÑA, CEO  
OFFICE OF RETIREMENT SERVICES