



# BOARD OF ADMINISTRATION

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

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Thursday, September 21, 2023

8:30 AM

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

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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: 953 1979 4533

Pass Code: 127012

### **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)*  
*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

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The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, September 21, 2023 at City Hall, Wing Rooms 118-120, 200 E. Santa Clara St., San Jose, CA 95113 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, Anurag Chandra, Prachi Avasthy, Matthew Faulkner and Mark Linder.

Trustee Debbie Abbott arrived at 8:32 a.m.

Trustee Anurag Chandra departed at 11:37 a.m.

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

Retirement Staff Present: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, Eric Tsang, Arun Nallasivan, Harrison Pearce, Sherrell Aledo, Edith Aldama, Shilpi Dwivedi, Chris Ha and Houman Boussina.

Retirement Staff Present via Zoom: Linda Alexander, Benjie Chua-Foy, Sandra Castellano, Ron Kumar and Ellen Lee.

Also Present: Maytak Chin, Harvey Leiderman, General and Fiduciary Counsel; Dev Davis, City Council Liaison; and Laura Wirick and Jared Pratt, Meketa Investment Group.

Also Present via Zoom: Kevin Balaod, Journalist; Kaci Boyer, Neuberger Berman; Marc Gesell and Eileen Neill, Verus; Rob Lloyd, Information Technology Department; and Jay Castellano, Retired Member.

**ADA ALERT**

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)

#### **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.

### **CLOSED SESSION**

The Board entered Closed Session after approving the Consent Calendar.

The Board entered into Closed Session at 8:34 a.m.

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

## **II. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS**

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

Counsel Chin announced the reportable action for item A from Closed Session that the Board voted unanimously to waive confidentiality and make public of a memorandum from Reed Smith .

- B. **CLOSED SESSION**: CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a). Agency designated representatives: Spencer Horowitz, Board Chair and Anurag Chandra, Investment Committee Chair. Unrepresented employees: Chief Executive Officer and Chief Investment Officer.

There was no reportable action for item B from Closed Session.

C. **CLOSED SESSION**: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Positions: Chief Executive Officer and Counsel

Counsel Maytak Chin and Harvey Leiderman for Reed Smith recused themselves from this Closed Session agenda item.

Chair Horowitz reported out the closed session reportable action from item C from Closed Session, which was that the Board votes to do the following, subject on the Board of Administration for the Police and Fire Department Retirement Plan taking similar action:

- Authorize an investigator to be named by Hanson Bridgett
- Authorized a budget of \$12,500
- Designated Chair Horowitz to be the liaison on this matter
- Have the investigation results reportable to the Board

The Board came out of Closed Session at 10:14 a.m.

**OPEN SESSION - will reconvene following Closed Session, estimated to be 9:30 a.m.**

Open Session re-convened at 10:17 a.m.

## **• ORDERS OF THE DAY**

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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: The following item was pulled from the Consent Calendar: Item 1.2d: Louie Gonzalez rescinded his Service Retirement application.
- For New Business Item 5e: This item was moved as to be heard before Item 5a.
- Chair Horowitz stated that the Board received information related to performance evaluation of staff that came to our attention after the agenda for this meeting was posted, requiring immediate action. Because the issue involves performance evaluation, he proposed that the matter be added to the agenda and heard in closed session.

A motion was made to add the new item for performance evaluation to the Board's closed session agenda under Gov. Code, § 54954.2(b)(2).

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

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

- None.

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

**1. CONSENT CALENDAR**

The Consent Calendar was heard after Orders of the Day and before Closed Session.

A motion was made to approve the Consent Calendar, with Item 1.2.D pulled from the Calendar.

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

**1.1 Application for a Service-Connected Disability Retirement**

- a. **Polly Tommie**, Public Safety Radio Dispatcher II, Police Department, Request for Service-Connected Disability Retirement, effective June 16, 2017; 12.71\* years of service. (*Staff Disability Committee Recommendation: Approval*)

**1.2 Approval of Service Retirements**

- a. **Ross C. Bayer**, Airport Operations Supervisor III, Airport, effective October 28, 2023; 29.52\* years of service. (*With Reciprocity - 25.55 CSJ + 0.465 PERS + 3.51 SamCERA*)

- b. **Stacey Fischer**, Benefits Analyst, Office of Retirement Services, effective October 12, 2023; 9.43\* years of service.
- c. **Timothy Golden**, Senior Airport Operations Specialist I, Airport, effective October 14, 2023; 22.10\* years of service.
- d. **Louie Gonzalez**, Water System Operator II, Environmental Services Department, effective September 30, 2023; 22.28\* years of service.
- e. **Gregory T. Reed**, Wastewater Senior Mechanic II, Environmental Services Department, effective September 16, 2023; 23.09\* years of service.

### **1.3 Approval of Early Retirements**

- a. **Melinda Lledo**, Accounting Technician, Environmental Services Department, effective October 14, 2023; 5.03\* years of service. (*Tier 2 B*)

### **1.4 Approval of Deferred Vested**

- a. **Phillip Jon Medina**, Maintenance Worker I, Department of Transportation, effective August 25, 2023; 13.02\* years of service.
- b. **Roger K. Storz**, Senior Engineer, Public Works Department, effective September 5, 2023; 17.44\* years of service.
- c. **John Jeffrey Teliha**, Parking Manager I, Department of Transportation, effective October 14, 2023; 6.00\* years of service.
- d. **David M. Zolezzi**, Financial Analyst, Finance Department, effective October 14, 2023; 29.41\* years of service. (*With Reciprocity - 16.04 CSJ YOS + 13.37 PERS YOS*)

### **1.5 Approval of Board Minutes**

- a. Approval of the Board Minutes of August 17, 2023.

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

- a. Report of the Monthly Board Expenses for July 2023. Receive and file.

## **1.7 Approval of Return of Contributions**

- a. Voluntary | Involuntary

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

- a. Prabhu Palani, CIO
  - ALTSSV 2023, Computer History Museum, Mountain View, CA, September 7, 2023.
  - Collective Global Founders' Summit, Montage Laguna Beach, Laguna Beach, CA, September 11-12, 2023.
  - Fiduciary Investors Symposium, Stanford University, Palo Alto, CA, September 19-21, 2023.

## **1.9 Recission Of Retirement Application**

- a. Approval of request to rescind the Service Retirement application of **Juan M. Diaz**, Groundswoker, approved at the August 17, 2023 Board meeting for the effective date of September 2, 2023.

## **1.10 Change of Retirement Application-Name Correction**

- a. Approval for a last name correction for **Darleen Giampaoli** from August 1, 2023, for a Deferred Vested Retirement approved at the August 17, 2023 Board meeting.

## **1.11 Alternate Beneficiary Designation**

- a. Approval of Alternate Payee Benefit election of Unreduced Lifetime Monthly Payment Option to be paid to Todd Liberty, ex-spouse of Senior Public Dispatcher, **Barbara Liberty** to be effective August 19, 2023, under Part 17, Section 3.36.3600 of the San Jose Municipal Code.
- b. Approval of Alternate Payee Benefit election of Unreduced Lifetime Monthly Payment Option to be paid to Barry Lingenfelter, ex-spouse of Staff Specialist, **Kimberly Roth** to be effective August 18, 2023, under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

## **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 **Lilly Q. Geary**, Office Specialist II, retired November 29, 2008, died August 11, 2023. No survivorship benefits.
- b. Notification of the death of **Carl Knies**, Gardener, retired March 31, 2018, died August 7, 2023. No survivorship benefits.
- c. Notification of the death of **Michael Kuczynski**, Mechanic, retired September 15, 2001, died July 17, 2023. No survivorship benefits.
- d. Notification of the death of **Jose A. Oliva**, Custodian, retired March 5, 2007, died July 24, 2023. Survivorship benefits to Margarita Oliva, spouse.
- e. Notification of the death of **Dean Perkins**, Instrument Repair Technician, retired May 14, 1989, died July 22, 2023. Survivorship benefits to Frances Perkins, spouse.
- f. Notification of the death of **Jennifer L. Wedge**, Senior Public Safety Dispatcher, active, died April 30, 2023. Survivorship benefits to Douglas Wedge, spouse.

### **3. INVESTMENTS**

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.  
  
**CIO Palani updated the Board on three agenda items for this meeting. Firstly, the quarterly performance report will be presented by Kaci Boyer of Neuberger Berman which coincide with the fiscal year end. Secondly, the changes in the Investment Policy Statement (IPS). Thirdly, the investment fees report for the calendar year 2022. The report will be presented to City Council in November.**
- b. Presentation of Calendar 1st Quarter 2023 Private Equity report by Neuberger Berman.  
  
**Kaci Boyer from Neuberger Berman presented the 1st Quarter FY 2023 Private Equity report. CIO Palani, Kaci Boyer, Neuberger Berman and Dhinesh Ganapathiappan, Senior Investment Officer, answered questions from the Board.**
- c. Presentation of Calendar 1st Quarter 2023 Private Markets report by Meketa Investment Group.  
  
**Jared Pratt and Laura Wirick from Meketa Investment Group presented the 1st Quarter 2023 Private Markets report. CIO Palani and Dhinesh Ganapathiappan, Senior Investment Officer, answered questions from the Board.**
- d. Presentation of Calendar 2nd Quarter 2023 Performance report for Pension Plan by Meketa Investment Group.  
  
**Laura Wirick from Meketa Investment Group presented the 2st Quarter 2023 Performance report for Pension Plan and answered questions from the Board. CEO Peña, Dhinesh**



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Ganapathiappan, Senior Investment Officer and Christina Wang, Investment Officer, and Jay Kwon, Senior Investment Officer also assisted answering questions from the Board.

- e. Presentation of Calendar 2nd Quarter 2023 Performance report for Health Care Trust by Meketa Investment Group.

Laura Wirick from Meketa Investment Group presented the 2st Quarter 2023 Performance report for the Health Care Trust and answered questions from the Board. CIO Palani also assisted answering questions from the Board.

- f. Discussion and approval of the revised Investment Policy Statement for San Jose Federated City Employees' Retirement System and approval of Resolution No. 9111.

Palani introduced item 3f, a revision on the Investment Policy Statement (IPS). The IPS was discussed and approved in the last Investment Committee meeting for consideration of the Board. Jay Kwon, Senior Investment Officer and Eileen Neill from Verus presented the revised IPS and requested for approval of Resolution No. 9111. CIO Palani, Ms. Neill, and Mr. Kwon answered questions from the Board.

The revised IPS subject to the motion is attached to these minutes.

Approved. (M.S.C. Linder/Jennings 6-1-0). The motion passed by roll call vote.

Aye: Faulkner, Abbott, Linder, Avasthy, Jennings and Horowitz  
Abstained: Chandra

Trustee Chandra departed at 11:37 a.m.

- g. Presentation of Investment Fee report for Calendar year 2022 by Investment Staff.

Eric Tsang, Investment Officer, presented the Investment Fee report for Calendar year 2022. CIO Palani made few comments on the report. CIO Palani, Dhinesh Ganapathiappan, Jay Kwon and Eric Tsang answered questions from the Board.

**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 Retiree Open enrollment is from Nov. 1-30, 2023. Packets for retirees will be mailed out in October. On November 8, 2023, the Annual Retiree Health Fair will be held in person at Leininger Community Center from 10:00 a.m. to 2:00 p.m. The Health Fair information is also available via Webinars. The staff is presenting the Health Fair information and meetings to the retiree associations on October 12.
- The Executive Assistant recruit has began. The final interviews are scheduled for next week and the goal is to have the new Executive Assistant onboard on the first week of October.
- The recruitment for Benefits Health Analyst was completed. The new Health Analyst, Tram

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Huynh will start in early October.

- The recruitment for Overstrength Benefits Disability Analyst was completed. The new Disability Analyst is expected to start in November.
- The hiring for Senior Office Specialist was completed and expected to start on October 2nd.
- Trang Vo is the new hired Accounting I in the Accounting Team. She started in her new position in early September.
- The ORS will be closed on Monday, October 9th in observance of Indigenous People's Day.
- The RPF for insurance broker was posted last week and will continue to be posted until the end of September.

- 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, which including the approval terms of labor negotiations. Ms. Davis noted that in addition to approving the Bargaining Units agreement, they had to cut the general fund budget by commensurate amount for the current fiscal year and a projection for the following two fiscal years. The approval that was put forward is help to keep Viva Calle program running for this year.

- c. Discussion and action authorizing the CEO to negotiate and execute the first amendment to the agreement ending on June 30, 2025, for legal services between the Board of Administration for the Federated City Employees' Retirement System and Reed Smith to add \$600,000 to increase the maximum contract from \$1 million to \$1.6 million.

Benjie Chua-Foy, Accounting Division Manager, presented the request before the Board to add funds to Reed Smith contract. Ms. Chua-Foy responded to questions from the Board.

A motion was made to approve to add funds to Reed Smith contract.

Approved. (M.S.C. Linder/Avasthy 5-0-0) The motion passed by roll call vote.

Trustees Chandra and Faulkner were absent.

- d. Discussion and action to authorize the CEO to negotiate and execute a fifth amendment to the agreement between Granicus Inc. and the Boards (Board of Administration for the Police and Fire Department Retirement Plan and the Board of Administration for the Federated City Employees' Retirement System) for Agenda Management Software and Services to extend the term of the agreement through October 31, 2024, for an annual cost of \$8,056.45 (this cost split 50/50 with the Police and Fire Department Retirement Plan).

Shilpi Dwivedi, ORS IT Manager, presented the request before the Board to extend agreement terms and add funds to Granicus contract. Ms. Dwivedi responded to questions from the Board.

A motion was made to approve to extend agreement terms and add funds to Granicus contract.

Approved. (M.S.C. Linder/Avasthy 5-0-0) The motion passed by roll call vote.

Trustees Chandra and Faulkner were absent.

- e. Discussion and action on merit increase and executive days for the CEO/CIO positions.

This item was heard after item 4 and first before item 5a.

This subject of this item was heard during Closed Session.

A motion was made to approve the recommendation of 3% MPP increase for the CEO with 3-5 executive days, subject to negotiations between FED and P&F labor negotiators.

Approved. (M.S.C. Linder/Abbott 5 0 0) The motion passed by roll call vote.

Trustees Chandra and Faulkner were absent.

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

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

**Last Meeting: August 29, 2023    Next Meeting: December 19, 2023**

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

Trustee Horowitz informed the Board that the next Federated Investment Committee meeting is scheduled on December 19, 2023.

- b. Minutes of the April 27, 2023 FCERS Investment Committee. Receive and file.

This Committees/Reports/Recommendations was received and filed.

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

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

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

Trustee Linder informed the Board that the committee was working on a new date for the next Governance Committee meeting.

### **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: August 11, 2023    Next Meeting: October 2, 2023**

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

**There was no update from the Disability Committee.**

- b. Minutes of the February 16, 2023 FCERS Disability Committee. Receive and file.

**This Committees/Reports/Recommendations was received and filed.**

- c. Minutes of the April 20, 2023 FCERS Disability Committee. Receive and file.

**This Committees/Reports/Recommendations was received and filed.**

**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 - September 2023, Conferences, Seminars and Educational Programs.

- b. CALAPRS 2023 Program Calendar.

- c. SACRS Annual Fall Conference 2023, Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, CA - November 7-10, 2023.

**• PROPOSED AGENDA ITEMS**

**None.**

- **ADJOURNMENT**

The meeting adjourned at 12:22 p.m.

**Next FCERS Board Meeting: October 19, 2023**

\*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