BOARD OF ADMINISTRATION

Meeting Minutes - Final

Federated City Employees' Retirement System and Federated City Employees' Health Care Trust

Thursday, January 16, 2025	**8:30 AM**	**City Hall, Wing Rooms 118 - 120** **200 E. Santa Clara St. San Jose, CA 95113**

HYBRID MEETING

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

ZOOM INFORMATION:
zoom.us
Dial In: +1 669-219-2599 US (San Jose)
Meeting ID: 927 2029 6129
Passcode: 980021

BOARD MEMBERS

Spencer Horowitz, Chair (Term Expires 11/30/28)
Anurag Chandra, Vice Chair (Term Expires 11/30/26)
Deborah Abbott, Trustee (Term Expires 11/30/26)
Prachi Avasthy, Trustee (Term Expires 11/30/25)
Matthew Faulkner, Trustee (Term Expires 11/30/27)
Julie Jennings, Trustee (Term Expires 11/30/27) -- 855 E. Hilton Dr., Boulder Creek, CA 95006
Mark Linder, Trustee (Term Expires 11/30/28)

CITY COUNCIL LIAISON TO THE BOARD
TBD

COUNSEL
Maytak Chin, General and Fiduciary Counsel

John Flynn, CEO, Office of Retirement Services

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

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, January 16, 2025 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 8:30 a.m. followed by roll call.

Board Members Present: Deborah Abbott, Prachi Avasthy, Anurag Chandra, Matthew Faulkner, Spencer Horowitz, and Mark Linder.

Board Members Present via Zoom utilizing the Traditional Brown Act teleconferencing rules: Julie Jennings. Counsel Chin questioned Trustee Jennings on whether she met the qualifications to teleconference under the Brown Act, and Trustee Jennings responded in the affirmative.

City Council Liaison Pam Foley arrived at 8:56 a.m.

Retirement Staff Present: John Flynn, Prabhu Palani, Barbara Hayman, Sherrell Aledo, Edith Aldama, Gabriela Romero-Castrejon, Cynthia Ayala, Chris Ha, Christina Wang, Jay Kwon, Dhinesh Ganapathiappan, Ron Kumar, Harrison Pierce, and David Aung.

Retirement Staff Present via Zoom: Shilpi Dwivedi, Sandra Castellano, Ann Lipcomb, Veronica Solorio, Arun Nallasivan, Ellen Lee, and Julie He.

Also Present: Pam Foley, City Council Liaison; Maytak Chin and Christopher Maldonado, General and Fiduciary Counsel; Bryan Chi, Finance Department; Bill Gold, OER; Bill Hallmark and Jacqui King, Cheiron.

Also Present via Zoom: Kevin Baload, Journalist-WithIntelligence; Colin Kowalski, Meketa Investment Group; and Valter Viola, Cortex Consulting, Inc.

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)

THE LEVINE ACT
The Levine Act requires a Party in a Proceeding before the City of San José that involves any action related to their contract, license, permit, or use entitlement to disclose any campaign contributions to City elected or appointed officials totaling more than $500 within the 12 months prior to the City decision. A Participant to a Proceeding may voluntarily report a campaign contribution on the form located on the Levine Act webpage.

** 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

I. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS-NONE

• ORDERS OF THE DAY

This item was heard immediately after roll call attendance.

Chair Horowitz read the following into the record:
• 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.

Orders of the Day
• None.

WAIVE SUNSHINE (amended/attachments POSTED late):
• None.

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

None.

1. CONSENT CALENDAR

The Consent Calendar was heard after Public/Retiree/General Comments.

A motion was made to approve the Consent Calendar.

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

1.1 Approval for a Change in Status to Service-Connected Disability Retirement

a. **Mary Dariano**, Senior Office Specialist, Police Department, Request for Change of Status to Service-Connected Disability Retirement, effective August 29, 2015; 7.11* years of Service. (*Disability Committee Recommendation: Approval*)

1.2 Approval of Service Retirements

a. **Jeffrey L. Anderson**, Senior Environmental Program Manager, Environmental Service Department, effective February 15, 2025; 25.32* years of service.

b. **Selena M. Copeland**, Staff Specialist, Housing Department, effective January 18, 2025; 10.57* years of service.

c. **Larry J. Gonzales**, Senior Analyst, Department of Transportation, effective February 1, 2025; 23.18* years of service.

d. **Jeffrey K. Inami**, Associate Engineer, Department of Transportation, effective February 1, 2025; 7.48* years of service.

e. **Edward Jalalli**, Parking & Traffic Control Officer, Department of Transportation, effective February 15, 2025; 24.10* years of service.

f. **Ryan Reynado**, Enterprise Supervising Technology Analyst, Information Technology Department, effective February 15, 2025; 30.18* years of service.

g. **Navdeep Sandhu**, Network Technician, Airport Department, effective February 15, 2025; 27.18* years of service.

h. **Colleen Winchester**, Senior Deputy City Attorney, City Attorney's Office, effective January 18, 2025; 23.93* years of service. (*With Reciprocity - 3.71 PERS + 20.22 CSJ = 23.93 YOS*)

1.3 Early Retirement

a. **Kristine L. Kane**, Development Specialist, Housing Department, effective February 1, 2025; 8.61* years of service.

1.4 Approval of Deferred Vested

a. **Andrew Freeman Jr**., Assistant to the City Manager, City Manager's Office, effective January 25, 2025; 25.55* years of service. (*With Reciprocity - 17.05 CSJ + 8.50 PERS = 25.55 YOS*)

b. **Diemloan Nguyen**, Deputy Director, Environmental Services Department, effective January 31, 2025; 23.32* years of service. (*With Reciprocity - 22.75 CSJ + 0.56 PERS = 23.32 YOS*)

1.5 Approval of Board Minutes

a. Approval of the Board Minutes of December 19, 2024.

1.6 Approval of Return of Contributions

a. Voluntary | Involuntary

1.7 Acceptance of Communication/Information Reports

a. Report of the Monthly Board Expenses for November 2024. Receive and file.

1.8 Approval of Travel / Conference Attendance

a. Deborah Abbott, Trustee

- Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24-26, 2025.

b. Anurag Chandra, Vice Chair

- Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24-26, 2025.

c. Matthew Faulkner, Trustee

- Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24-26, 2025.

d. Spencer Horowitz, Chair

- Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24-26, 2025.

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

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

a. Notification of the death of **Don Q D Ho**, Analyst II, retired January 20, 2016, died November 19, 2024. No survivorship benefits.

b. Notification of the death of **William Nast**, Auditor III, retired August 19, 1983, died October 18,

2024. No survivorship benefits.

c. Notification of the death of **David M. Sanchez,** Maintenance Worker I, retired September 16, 2002, died December 18, 2024. No survivorship benefits.

3. INVESTMENTS

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

This item was heard after item 5a.

CIO Palani updated the Board on the following unaudited estimated performance by Meketa Investment Group and answered questions from the Board.

- **For FYTD as of January 14, 2025, the Pension Plan was up 1.98%.**
- **For FYTD as of January 14, 2025, the Health Care Trust was up 1.96%.**

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS-NONE

5. NEW BUSINESS

a. Oral update from the CEO of Retirement Services, John Flynn.

CEO updated the board on the following topics:
- **ORS recruitment activities**
- **ORS Procurement Policy**
- **Office Lease update**
- **Request for Proposal updates**
- **Retiree 1099-R's will be mailed by the end of January.**
- **GPP (Guaranteed purchasing power) for 2024 will be paid to those who qualify in February (for PF and FED).**
- **Retirees impacted by 415 limits (IRS 415(b) limit for 2025 is $280,000 (an increase of $5,000 from 2024 limit)) will see their 2025 adjustments in their March 2025 retirement payment.**
- **Updated Board on the timing of the next newsletter and the move to digital distribution as the default starting in summer 2025**
- **Mileage reimbursement update to $0.70/mile starting on January 5, 2025.**
- **Upcoming ORS Holidays – Office Closed:**
  - **January 20, 2025 for Martin Luther King Jr. Day**
  - **January 29, 2025 for the Lunar New Year**

Chair Horowitz asked a question and Deputy Director, Barbara Hayman, and CEO Flynn answered.

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

This item was heard after 5d.

Chair Horowitz announced that Pam Foley was the new City Council Liaison to the Federated

Board. Councilmember Foley updated the Board on pending matters before the City Council and relevant to the Board. Chair Horowitz asked a question and Councilmember Foley answered. Vice Chair Chandra and Chair Horowitz welcomed her, with Trustee Jennings adding a few comments.

c. Discussion and action on Final OPEB Valuation results as of June 30, 2024, to be presented by Cheiron.

This item was heard after 3a.

Bill Hallmark from Cheiron introduced the item, followed by a presentation from Jacqui King. Trustee Jennings asked questions and Mr. Hallmark answered. Chair Horowitz added a few comments expressing his appreciation.

A motion was made to accept the Final OPEB Valuation results as of June 30, 2024 presented by Cheiron.

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

d. Discussion on Cheiron's 5-Year City Pension and OPEB Contribution Projections.

Bill Hallmark from Cheiron spoke to the item.

e. Discussion and action of standing committee assignments.

This item was heard after item 5b.

Chair Horowitz introduced and discussed the item. CEO Flynn also spoke to the item. Trustees Jennings and Linder added comments.

A motion was made to retain the current Standing Committee Assignments.

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

f. Annual training on fiduciary duties of the Federated Board.

Chair Horowitz introduced the item. Counsel Chin presented the item. Trustee Abbott, Trustee Avasthy, Chair Horowitz, and Vice-Chair Chandra asked questions and Counsel Chin responded . Councilmember Foley said a few kind words and thanked Counsel Chin for the training. Trustee Linder, Trustee Abbott, and Vice-Chair Chandra added comments thanking Counsel Chin.

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Horowitz, Faulkner)

Last Meeting: December 11, 2024 Next Meeting: February 25, 2025

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

There was no update.

6.2 Audit Committee (Avasthy, Jennings, Abbott)

Last Meeting: August 15, 2024 Next Meeting: February 20, 2025

a. Oral update from the Chair of the Audit/Risk Committee.

There was no update.

6.3 Governance Committee (Linder, Abbott, Avasthy)

Last Meeting: December 19, 2024 Next Meeting: March 6, 2025

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

Chair Linder updated the Board on matters regarding the last meeting.

b. Approval of the Minutes of the Governance Committee meeting from June 18, 2024.

The Minutes were received and filed.

c. Discussion and action to recommend to the Board the approval of ORS Policy Regarding the Procurement and Contracting of Goods and Services that incorporates City Finance Department's feedback.

CEO Flynn provided an update on the Procurement and Contracting of Goods and Services Policy.

A motion was made to recommend to the Board the approval of the ORS Policy regarding the procurement and contracting of goods and services, incorporating the City Finance Department's feedback.

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

d. Discussion and action to adopt the 2025 Workplan for reviewing Board charters and policies.

Chair Horowitz introduced the item. Valter Viola from Cortex Consulting spoke to the item. Trustees Abbott asked a question and Mr. Viola answered. CEO Flynn also spoke to the item and answered questions from Trustee Abbott, Trustee Avasthy, and Vice-Chair Chandra. Trustees Abbott and Avasthy added comments.

A motion was made to adopt the 2025 Workplan for reviewing Board charters and policies.

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

6.4 FCERS Disability Committee (Linder, Jennings, Faulkner)

Last Meeting: November 20, 2024 Next Meeting: February 4, 2025

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

Chair Linder informed the Board that the next meeting is scheduled for February 4, 2025.

6.5 Joint Personnel Committee (Chandra, Horowitz, Linder)

Last Meeting: April 25, 2024 Next Meeting: January 28, 2025

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

Vice Chair Chandra informed the Board that the next meeting is scheduled for April 2, 2025.

6.6 Legal Services Joint Adhoc Committee (Abbott, Chandra)

Last Meeting: December 13, 2024 Next Meeting: TBD

a. Oral update from the Legal Service Joint Adhoc Committee.

CEO Flynn updated the Board on the progress of legal services. Vice-Chair Chandra added comments.

6.7 Actuarial Services Joint Adhoc Committee (Avasthy)

Last Meeting: December 9, 2024 Next Meeting: TBD

a. Oral update from the Actuarial Services Joint Adhoc Committee.

CEO Flynn updated the Board on the progress of actuarial services. Vice-Chair Chandra added comments.

7. EDUCATION & TRAINING

The Education & Training was received and filed.

a. The Cortex Report - January 2025 Conferences, Seminars and Educational Programs.

b. CALAPRS 2025 Program Calendar.

c. CALAPRS General Assembly 2025, Silverado Resort, Napa, CA, March 2 - 5, 2025.

d. Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24 - 26, 2025.

- **PROPOSED AGENDA ITEMS**

  None.

- **ADJOURNMENT**

  The meeting was adjourned at 10:28 a.m.

- **Next FCERS Board Meeting: February 20, 2025**

***Estimated**

Minutes Recorded, Prepared and Respectfully Submitted by,

_____

SPENCER HOROWITZ, CHAIR
BOARD OF ADMINISTRATION

ATTEST:

_____

JOHN FLYNN, CEO
OFFICE OF RETIREMENT SERVICES