BOARD OF ADMINISTRATION

Meeting Minutes - Final

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

Thursday, September 18, 2025 | **8:30 AM** | **1737 N. First St. Suite 580, San Jose, CA 95112**

HYBRID MEETING

PHYSICAL LOCATION:
ORS, 1737 N. First St. Suite 580, San Jose, CA 95112

ZOOM INFORMATION:
zoom.us
Dial In: +1 408 638 0968 US (San Jose)
Meeting ID: 963 1214 7391

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)
Mark Linder, Trustee (Term Expires 11/30/28)
Nathan Nakagawa, Trustee (Term Expires 11/30/27)

Pam Foley, City Council Liaison to the Board

Maytak Chin, General and Fiduciary Counsel

John Flynn, CEO, Office of Retirement Services

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

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, September 18, 2025 at ORS, 1737 North First St, Suite 580, San Jose, CA 95112 and via Zoom at 8:30 a.m. Chair Horowitz called the meeting to order at 8:40 a.m. followed by roll call.

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

Retirement Staff Present: John Flynn, Prabhu Palani, Barbara Hayman, Sherrell Aledo, Edith Aldama, Gabriela Romero-Castrejon, Ryan Reynado, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, Ron Kumar, Arun Nallasivan, Harrison Pierce, and Jennifer You.

Also Present: Maytak Chin and Mariah Fairley, General and Fiduciary Counsel; Peter Dewar and Jake Long, Linea Secure; and Benita Harper, Aon Consulting.

Retirement Staff Present via Zoom: Benjie Chua-Foy, Chris J. Reyes, Nam Cao, Julie He, Ellen Lee, and Teresa Mayer-Calvert.

Also Present via Zoom: Joe Ebisa, Journalist - With Intelligence; Laura Wirick and Colin Kowalski, Meketa Investment Group; Eileen Neill, Verus; Bassam Nawfal, Christina Song, and Elsa Braidy, Alpine Macro; Bill Gold, OER; Carrie Rank, Human Resources Department; Brett Beeson, Public Member; Brad Imamura, Public Member; Armajeet Rai, Public Member; and Donald S. Ludwig, Public 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)

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.

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

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

Closed session was heard after the Public/Retiree/General Comments.

The Board entered into Closed Session at 8:48 a.m.

I. CLOSED SESSION NEW BUSINESS

A. **CLOSED SESSION**: CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a). Agency designated representatives: Spencer Horowitz, Board Chair. Unrepresented employees: Chief Executive Officer.

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

B. **CLOSED SESSION**: CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a). Agency designated representatives: Anurag Chandra, Investment Committee Chair. Unrepresented employees: Chief Investment Officer.

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

The Board came out of Closed Session at 9:12 a.m.

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

Open Session re-convened at 9:20 a.m.

• ORDERS OF THE DAY

This item was heard immediately after roll call attendance.

Orders of the Day

Time Certain: 11:00 a.m. PDT or soon thereafter.
• New Business Item 5.c.5 – "Where Policy Meets Macro: Implications for Asset Allocation" – Bassam Nawfal, Chief Asset Allocation Strategist, Alpine Macro.

WAIVE SUNSHINE (amended/attachments POSTED late):
Late Attachments:
• Item 5.c.5 – New Business presentation.
• Item 1.6.c – Communication and Information Report (revised attachment dated 9/15/2025).

A motion was made to waive sunshine for the late attachments referenced above.

Approved. (M.S.C. Linder/Chandra (7-0-0).

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

Brad Imamura, a public member, made a comment, which was addressed by Chair Horowitz.

1. CONSENT CALENDAR

This item was heard after Closed Session.

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Linder/Chandra (7-0-0).

1.1 Approval for a Request for Service-Connected Disability Retirement

a. **David Day**, Gardener, Parks, Recreation, and Neighborhood Services, Request for Service-Connected Disability Retirement, effective September 13, 2025; 29.29* years of service. (*Disability Committee Recommendation: Approval*)

b. **Amarjeet Rai**, Staff Specialist, Environmental Services Department, Request for Service-Connected Disability Retirement, effective December 8, 2022; 22.29* years of service. (*Disability Committee Recommendation: Approval*)

1.2 Approval of Service Retirements

a. **Trina Richbourg**, Senior Librarian, Library Department, effective September 27, 2025; 18.96* years of service.

1.3 Approval of Deferred Vested

a. **Susan G. Hiestand**, Environmental Service Specialist, Airport Department, effective September 23, 2025; 29.31* years of service. (*With Reciprocity - 4.83 CSJ + 9.47 SamCERA + 14.99 CalPERS = 29.31 YOS*)

b. **Darren McBain**, Planner II, Parks, Recreation and Neighborhood Services, effective October 11, 2025; 25.92* years of service. (*With Reciprocity - 11.87 CSJ + 14.04 PERS = 25.92 YOS*)

c. **Angelica T. Smith**, Analyst II, Human Resources Department, effective September 28, 2025; 27.11* years of service. (*With Reciprocity - 6.71 CSJ + 20.40 PERS = 27.11 YOS*)

1.4 Approval of Board Minutes

a. Approval of the Board Minutes of August 21, 2025.

1.5 Approval of Return of Contributions

a. Voluntary | Involuntary

1.6 Communications and Information Reports

a. Presentation of Calendar 1st Quarter 2025 private equity report by Neuberger Berman.

b. Presentation of Calendar 1st Quarter 2025 private markets report by Meketa Investment Group.

c. Presentation of Calendar 2nd Quarter 2025 performance report for Pension Plan by Meketa Investment Group.

d. Presentation of Calendar 2nd Quarter 2025 performance report for Health Care Trust by Meketa Investment Group.

e. **Notification of Educational Travel:**
Deborah Abbott, Trustee
- CALAPRS Virtual Compliance Round Table, October 17, 2025.

f. **Educational Travel Reports:**
MarketsGroup ALTSSF, The Ritz Carlton Hotel, San Francisco, CA, September 3, 2025 by Matthew Faulkner.

1.7 Approval of Travel and Reimbursements

a. Reimbursement

- Public Funds Summit East 2025, Newport Marriott, Newport, RI, July 21 - 23, 2025 - Matthew Faulkner.

1.8 Change of Retirement Application-Effective Date

a. Approval for a change in effective date for **Jennifer L. Pousho**, Senior Deputy City Attorney, City Attorney's Office, from July 19, 2025 to July 20, 2025, for a Service Retirement approved at the August 21, 2025 Board meeting.

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 **Lorna V. Campbell**, Typist Clerk II, retired October 24, 1992, died August 7, 2025. No survivorship benefits.

b. Notification of the death of **Crispin Campos**, Custodian, retired March 23, 2011, died August 3, 2025. No survivorship benefits.

c. Notification of the death of **James Cruz**, Communications Technician, died July 26, 2025. No survivorship benefits.

d. Notification of the death of **Kevin Eck**, Analyst II, retired June 12, 1999, died August 6, 2025. No survivorship benefits.

e. Notification of the death of **Robert E. Harris**, Heavy Equipment Operator, retired January 13, 2022, died July19, 2025. Survivorship benefits to Griselda Harris, spouse.

f. Notification of the death of **Joseph Jones,** Wastewater Mechanic II, retired July 25, 2019, died July 20, 2025. No survivorship benefits.

g. Notification of the death of **Carolyn Kinney**, Senior Recreation Leader, retired May 17, 1989, died August 13, 2025. Survivorship benefits to Neal Kinney, spouse.

h. Notification of the death of **Rosella Lopes**, Secretary, retired June 3, 2011, died July 25, 2025. Survivorship benefits to Howard Lopes, spouse.

i. Notification of the death of **Julie Mark**, Deputy Director, retired July 25, 2014, died August 26, 2025. Survivorship benefits to Aturo Catbagan, spouse.

j. Notification of the death of **Florence Mor**, Principal Account Clerk, retired November 30, 1996,

died July 27, 2025. No survivorship benefits.

k. Notification of the death of **Sylvia Quesada**, Secretary, retired August 24, 2013, died July16, 2025. No survivorship benefits.

l. Notification of the death of **James Rodolfa**, Custodian, retired February 4, 2008, died July 7, 2025. No survivorship benefits.

m. Notification of the death of **Jeanice M. Turner**, Police Data Specialist, retired July 6, 1993, died August 14, 2025. No survivorship benefits.

n. Notification of the death of **Ronald F. Yates**, Airport Police Officer, retired August 26, 1995, died July 26, 2025. Survivorship benefits to Donna Yates, spouse.

3. INVESTMENTS

a. Discussion and action on authorizing the Secretary to negotiate and execute a second amendment to the agreement with the Bank of New York, for custodian banking services, to extend the term of the agreement by five years through September 30, 2030, and to increase the maximum total compensation payable under the agreement for the:
a. Federated City Employees' Retirement System not-to-exceed $2,350,000.
b. Federated Retiree Health Care Trust Fund not-to-exceed $333,000.

CIO Palani updated the Board on the following unaudited estimated performance before turning it over to Ron Kumar, Investment Officer, for this agenda item.

• For FYTD, the Pension Plan was up 4.14%.
• For FYTD, the Health Care Trust was up 5.26%.

CIO Palani introduced the item and Ron Kumar, Investment Officer, presented the item. Chair Horowitz added comments.

A motion was made to authorize the Secretary to negotiate and execute a second amendment to the agreement with the Bank of New York, for custodian banking services, to extend the term of the agreement by five years through September 30, 2030.

Approved. (M.S.C. Faulkner/Linder 7-0-0).

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS-NONE

5. NEW BUSINESS

a. Discussion and action on merit and executive days for the fiscal year ending June 30, 2026, for the Chief Executive Officer position.

Chair Horowitz presented the item. Vice-Chair Chandra and Chair Horowitz added comments. Counsel Chin answered questions from Vice-Chair Chandra.

A motion was made to approve a 4% merit increase and five (5) executive days for fiscal year ending June 30, 2026, for the Chief Executive Officer position.

Approved. (M.S.C. Avasthy/Abbott 7-0-0).

After the vote, CEO Flynn thanked the Board and ORS staff for their support.

b. Discussion and action on merit and executive days for the fiscal year ending June 30, 2026, for the Chief Investment Officer position.

Vice-Chair Chandra presented the item, followed by comments from Trustee Abbott and Chair Horowitz.

A motion was made to approve a 4% merit increase and five (5) executive days for fiscal year ending June 30, 2026, for the Chief Investment Officer position.

Approved. (M.S.C. Abbott/Chandra 7-0-0).

After the vote, CIO Palani expressed gratitude to the Board for their support, acknowledged the Investment team, and extended his regards to CEO Flynn.

c. Discussion on Federated Retreat Workshop

- 5.c.1 - "State of the Pension Fund" - John Flynn, ORS Chief Executive Officer
- 5.c.2 - "Navigating Cyber Risk and Board Responsibility" - Peter Dewar, Linea Secure President, and Jake Long, Linea Secure
- 5.c.3 - "Strategic Planning Kick Off" - Benita Harper, Aon Associate Partner
- 5.c.4 - "Oral Update", Prabhu Palani, ORS Chief Investment Officer
- 5.c.5 - "Where Policy Meets Macro: Implications for Asset Allocation" **-** Bassam Nawfal, Chief Asset Allocation Strategist, Alpine Macro
  Time Certain: 11:00 a.m. PDT or soon thereafter

CEO Flynn presented Item 5.c.1 and addressed questions from Trustees Abbott, Avasthy, and Faulkner, as well as Chair Horowitz. Chair Horowitz, Vice-Chair Chandra, Trustee Abbott, and Counsel Chin also added comments.

Peter Dewar and Jake Long from Linea Secure presented Item 5.c.2 and answered questions from Trustees Abbott, Avasthy, and Nakagawa, as well as Vice-Chair Chandra. CEO Flynn, Vice-Chair Chandra, Chair Horowitz, and Trustee Linder also added comments.

Item 5.c.5 was heard following Item 5.c.2. CIO Palani introduced Bassam Nawfal from Alpine Macro, who presented the item and answered questions from Chair Horowitz, Vice-Chair Chandra, and Trustee Abbott. Chair Horowitz also thanked Mr. Nawfal for his presentation.

Item 5.c.3 was heard after Item 5.c.5 and presented by Benita Harper from Aon Consulting. Ms. Harper answered questions from CEO Flynn, Chair Horowitz, and Trustees Avasthy and

Abbott. CEO Flynn also added comments and responded to further questions from Trustees Avasthy and Abbott.

The Board took a break from 11:59 a.m. to 12:13 p.m.

After the break, CIO Palani presented Item 5.c.4 and answered questions from Trustees Linder and Abbott, Vice-Chair Chandra, and Chair Horowitz. Vice-Chair Chandra also contributed comments. Additionally, Counsel Chin responded to questions from CIO Palani and Chair Horowitz. Laura Wirick from Meketa Investment Group contributed comments as well.

6. EDUCATION & TRAINING

The Education & Training was received and filed.

a. CALAPRS 2025 Program Calendar.

b. CALAPRS Virtual Trustees' Roundtable, October 3, 2025.

c. NCPERS Program for Advanced Trustee Studies (PATS), Omni Fort Lauderdale Hotel, Fort Lauderdale, FL, October 25 - 26, 2025.

d. NCPERS Fall Conference, Omni Fort Lauderdale Hotel, Fort Lauderdale, FL, October 26 - 29, 2025.

e. Pension Bridge, Alternative Conference, Quorum Convene, New York City, NY, October 28, 2025.

f. SACRS Fall Conference 2025, Hyatt Regency Huntington Beach Resort & Spa, Huntington Beach, CA, November 11 - 14, 2025.

g. CALAPRS Virtual Investments Round Table, November 21, 2025.

h. CALAPRS Advanced Course in Retirement Plan Administration, Avenue of the Arts Costa Mesa, Costa Mesa, CA, December 3 - 5, 2025.

• PROPOSED AGENDA ITEMS

Trustee Nakagawa had questions regarding the City's mandatory Language Equity Policy and Guidelines and their alignment with the City's Customer Service and Vision Standards. Counsel Chin addressed his questions, and stated that because this topic was not agendized for discussion at this meeting, this topic should be agendized for a future meeting to allow for discussion.

• ADJOURNMENT

The meeting adjourned at 12:41 p.m.

- **Next FCERS Board Meeting: October 16, 2025**

Minutes Recorded, Prepared and Respectfully Submitted by,

_____

SPENCER HOROWITZ, CHAIR
BOARD OF ADMINISTRATION

ATTEST:

_____

JOHN FLYNN, CEO
OFFICE OF RETIREMENT SERVICES

The Code of Conduct (https://www.sanjoseca.gov/home/showpublisheddocument/12901/636670004966630000) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:
a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
e) Persons in the audience will not place their feet on the seats in front of them.
f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

2. Signs, Objects or Symbolic Material:
a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions: § No objects will be larger than 2 feet by 3 feet.
-No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
-The items cannot create a building maintenance problem or a fire or safety hazard.
b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged

weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Committee, Board or Commission:
a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
b) Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the total amount of time allocated for public testimony for each public speaker or for an agenda item is in the discretion of the Chair of the meeting and may be limited when appropriate. (California Government Code Section 54954.3; Council Policy 0-37) Applicants and appellants in land use matters are usually given more time to speak. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Council, Committee, Board or Commission.
c) Speakers should discuss only the agenda item when called to speak for that item, and only topics related to City business when called to speak during open forum on the agenda.
d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.
Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.