



BOARD OF ADMINISTRATION

Meeting Minutes - Final Federated City Employees' Retirement System Board Retreat

Thursday, September 17, 2020

8:30 AM

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

zoom.us

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

Meeting ID: 957 7435 7641

Password: 747847

BOARD MEMBERS

Jay Castellano, Chair
Anurag Chandra, Vice-Chair
Spencer Horowitz, Trustee
Julie Jennings, Trustee
Mark Keleher, Trustee
Elaine Orr, Trustee
Qianyu Sun, Trustee

CITY COUNCIL LIAISON TO THE BOARD

Dev Davis

COUNSEL

Harvey Leiderman, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

The Board of Administration of the Federated City Employees Retirement System and Health Care Trust met on Thursday, September 17, 2020 at 8:30 a.m. via Zoom meeting. Chair Castellano called the Federated Board Retreat to order at 8:32 a.m.

Retirement Staff Present via Zoom: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Peter Pham, Brian Starr, Christina Wang, Jay Kwon, Arun Nallasivan, Dhinesh Ganapathiappan, Julie He, David Aung, Linda Alexander, Michelle San Miguel, and Marti Zarate.

Also Present via Zoom: Harvey Leiderman, General and Fiduciary Counsel; Laura Wirick, Meketa Investment Group; Jared Pratt, Meketa Investment Group; Chris Theodor, Meketa Investment Group; Frank Benham, Meketa Investment Group; Tom Iannucci, Cortex Consulting; and Jeremy Evnine, Evnine & Assoc. Inc.

- Present** 6 - Chair Jay Castellano, Anurag Chandra, Spencer Horowitz, Julie Jennings, Mark Keleher, and Qianyu Sun
- Absent** 1 - Elaine Orr

CALL TO ORDER AND ROLL CALL

The ground rules were read into the record

- All votes will be roll call votes.
- If you are not speaking, please be on mute to cut background noise.
- For matter where we must have debate, I will call the roll and you will each have a turn.
- We run great, open meetings. But we need a different etiquette. Do not interrupt a presenter. Take notes and ask later.

ORDERS OF THE DAY

- Correction to Item 1a – Should be approved as:

Lisa Dalaison, Public Safety Communications Specialist, San Jose Police Department, Request for a Change in Status to a Non Service-Connected Disability Retirement, effective July 8, 2020. 13.09* years of service. (Disability Committee Recommendation: Approval)

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

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

AGENDA

1. Consent Calendar

A motion was made to approve the Consent Calendar.

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

- a. **Lisa Dalaison**, Public Safety Communications Specialist, San Jose Police Department, Request for a Non Service-Connected Disability Retirement, effective July 11, 2020. 13.09* years of service. (*Disability Committee Recommendation: Approval*)
- b. Approval for change in effective date for **Sharon Newton** from September 5, 2020 approved at the August 20, 2020 Board meeting to effective October 17, 2020.

2. New Business

2.1 Discussion on Federated Retreat Workshop.

- a. Review Session Agenda and Goals (5 minutes)

The Chair introduced Tom Iannucci, Cortex Consulting. Mr. Iannucci reviewed the agenda and goals.

- b. Background: (30 minutes)
1. A Strategic Planning Framework
 2. Federated Recent Strategic Planning Efforts
 3. Review of Board self-evaluation results

Mr. Iannucci gave a brief background and answered questions from the Board. He spoke on the Strategic Planning Framework, recent efforts and Board Self-Evaluation results.

- c. Developing/Confirming an Organizational Vision for Federated - *Continued Below* (80 minutes)
- 1) Discussion of the Organizational Vision for 4 aspects of the organization, during which a range of strategic positions will be presented, along with Federated current positioning:
 - (a) Investment function:
 - (i) Asset allocation: Presentation by Jeremy Evnine
 - (ii) Asset allocation methodology: Presentation by Meketa

Mr. Iannucci discussed the Investment function of the Organizational Vision and the Spectrum of Strategic Choices. Jeremy Evnine of Evnine & Assoc. Inc., Laura Wirick and Frank Benham from Meketa Investment Group presented asset allocation methodology and answered questions from the Board.

**A break was called at 10:26 a.m.
The meeting resumed at 10:38 a.m.**

- d. Developing/Confirming Federated Strategy
- 1) Developing a Mission Statement (30 minutes)
 - a) Peer/sample mission statements
 - b) Proposed mission statement or key elements thereof (Staff recommendations)
 - c) Board discussion and direction

Mr. Iannucci discussed developing a Mission Statement and presented a proposed Mission Statement. The Board provided feedback and direction.

- e. Developing/Confirming an organizational Vision for Federated - *Continued* (40 minutes)
- b) Board governance function
 - (i) Governance model
 - c) Member service/communications function
 - (i) Member service quality
 - d) Human resources management function
 - (i) HR management model

Mr. Iannucci continued the discussion of Item 2.1c., the Organizational Vision, focusing on Board Governance, Member Service and Human Resources. The Board provided feedback on the Spectrum of Strategic Choices and agreed the current range is B and would like to strive for C as in the attached slides.

- f. Summary and Wrap-up (10 minutes)

Mr. Iannucci will work with staff and return at a later date with a modified Mission Statement, a draft Strategic Planning document and a proposed Strategic Plan based on the Board's discussion. CEO Peña will reach out to Cheiron to request a history of how the current funded status was achieved.

PUBLIC COMMENTS

None.

ADJOURNMENT

The meeting adjourned at 12:27 p.m.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of Retirement Services, 1737 N. First Street, Suite 600, San José CA 95112 at the same time that the public records are distributed or made available to the legislative body.

Minutes Recorded, Prepared and Respectfully Submitted by,

_____/S/_____
JAY CASTELLANO, CHAIR
BOARD OF ADMINISTRATION
ATTEST:

_____/S/_____
ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES