



BOARD OF ADMINISTRATION

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

Thursday, April 15, 2021

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: 913 7872 0119

Password: 403544

BOARD MEMBERS

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

CITY COUNCIL LIAISON TO THE BOARD

Dev Davis

COUNSEL

Jenni Kregel, 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, April 15, 2021 at 8:30 a.m. Chair Castellano called the meeting to order at 8:31 a.m. followed by roll call.

Present: 6 - Jay Castellano, Spencer Horowitz, Mark Keleher, Julie Jennings, Elaine Orr and Anurag Chandra

Retirement Staff Present via Zoom: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Eran Amir, Brian Starr, Christina Wang, Jay Kwon, Dhinesh Ganapathiappan, David Aung, Ron Kumar, Arun Nallasivan, Ellen Lee, Stacey Fischer, Marti Zarate, Michelle San Miguel and Linda Alexander.

Also Present via Zoom: Jenni Krengel, General and Fiduciary Counsel; Laura Wirick, Meketa Investment Group; Jared Pratt, Meketa Investment Group; Russ Richeda, Disability Counsel; Dr. Susan Tierman, Board Medical Advisor; Joseph D. Schulman, Public Attendee; and Rowan Descallar, Fund Map Journalist.

Trustee Chandra departed after Closed Session at 9:57am.
Council Liaison Dev Davis was absent.

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

The Board entered into Closed Session at 8:32 a.m

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

I. CLOSED SESSION INVESTMENTS

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

The Board came out of Closed Session at 9:55 a.m.

OPEN SESSION - will reconvene following Closed Session, estimated to be 9:00 a.m.

The Board reconvened into Open Session at 9:57 a.m. There was no reportable action out of Closed Session.

ORDERS OF THE DAY

Chair Castellano read the following ground rules into the record:

- All votes will be roll call votes.
- If you are not speaking, please be on mute to cut background noise.
- For discussion items, each trustee will have a turn to speak in roll call order, more than once if desired.
- The public will have an opportunity to speak on each item after trustees.
- The public will also have an opportunity to speak again at the end of the subject jurisdiction of the Board.

- There will be a break after agenda item 5b.

1. CONSENT CALENDAR

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Keleher/Orr 5-0-0). The motion passed unanimously by roll call vote.
Trustee Chandra was absent.

1.1 Approval of Service Retirements

- a. **Jamie R. Allison**, Public Radio Dispatcher, Police Department, effective March 27, 2021; 21.28* years of service.
- b. **Thomas F. Alston**, Staff Specialist, Office of Retirement Services, effective March 31, 2021; 16.00* years of service.
- c. **Salvador F. Campos**, Wastewater Mechanical Supervisor, Environmental Services Department, effective May 1, 2021; 20.64* years of service.
- d. **Amanda M. Le**, Deputy Director, Information Technology Department, effective May 1, 2021; 27.22* years of service. (*With Reciprocity CSJ YOS 23.33 + PERS YOS 3.89*)
- e. **Jose C. Nunes**, Senior Engineering Technician, Public Works Department, effective May 15, 2021; 30.57* years of service.
- f. **Jeffrey A. Rhoads**, Investigator Collector II, Finance Department, effective May 8, 2021; 22.12* years of service.

1.2 Approval of Deferred Vested

- a. **Megan E. Anderson**, Library Clerk, Library Department, effective March 19, 2021; 7.57* years of service.
- b. **Eric S. Hansen**, Supervising Environmental Services Specialist, Environmental Services Department, effective April 2, 2021; 28.39* years of service. (*With Reciprocity CSJ YOS 22.69 + PERS YOS 5.70*)
- c. **Amit M. Kothari**, Deputy Director, Department of Transportation, effective May 5, 2021; 23.32* years of service. (*With Reciprocity CSJ YOS 4.29 + SFERS YOS 12.54 + PERS YOS 6.48*)
- d. **Jennifer M. Lanier**, Staff Technician, Police Department, effective April 23, 2021; 15.17* years of service.

- e. **Eduardo N. Luna**, Supervising Auditor, City Auditor's Office, effective March 26, 2021; 25.55* years of service. *(With Reciprocity CSJ YOS 12.17 + SDC YOS 10.94 + PERS YOS 2.43)*
- f. **Dawn M. Maciel**, Latent Fingerprint Examiner II, Police Department, effective May 10, 2021; 15.08* years of service.
- g. **David E. Ocampo**, Community Coordinator, Parks, Recreation and Neighborhood Services Department, effective May 2, 2021; 7.62* years of service.
- h. **Kathleen Roemer-Satterlee**, Events Coordinator, Convention, Arts and Entertainment Department, effective April 26, 2021; 15.46* years of service.

1.3 Approval of Board Minutes

- a. Approval of the Board Minutes of March 18, 2021.

1.4 Approval of Return of Contributions

- a. Voluntary | Involuntary.

1.5 Acceptance of Communication/Information Reports

- a. Report of the Plan Expenses for February 2021. Receive and file.
- b. ORS's Quarterly Newsletter - The Retirement Connection.

1.6 Approval of Travel / Conference Attendance

- a. Roberto L. Pena, CEO
 - SACRS Virtual Spring Conference, May 11 - 14, 2021.
- b. Spencer Horowitz, Trustee
 - SACRS Virtual Spring Conference, May 11 - 14, 2021

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

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

- a. Notification of the death of **Donald J. Blake**, Administrative Analyst III, retired March 31, 1979,

died December 13, 2020. No survivorship benefits.

- b.** Notification of the death of **George Gundred**, Electrical Maintenance Supervisor, retired August 22, 1998, died February 15, 2021. Survivorship benefits to Susan Gundred, Spouse.
- c.** Notification of the death of **Akimi Gytoku**, Senior Carpenter, retired January 7, 1990, died September 26, 2020. Survivorship benefits to May Gytoku, Spouse.
- d.** Notification of the death of **Shirley Ibay**, Secretary, retired March 5, 2010, died October 27, 2020. Survivorship benefits to Perry Ibay, Spouse.
- e.** Notification of the death of **Jack Ireland**, Multilith Operator, retired August 30, 1977, died March 13, 2021. No survivorship benefits.
- f.** Notification of the death of **Emanuel Landeros**, Senior Analyst, retired January 7, 1990, died December 15, 2020. Survivorship benefits to Maria Landeros, Spouse.
- g.** Notification of the death of **Victor Nakamoto**, Analyst, retired September 14, 2002, died March 9, 2021. No survivorship benefits.
- h.** Notification of the death of **Mike Ortega**, Maintenance Worker II, retired October 4, 1987, died September 2, 2020. No survivorship benefits.
- i.** Notification of the death of **Richard Reed**, Deputy Director, retired January 5, 1992, died December 29, 2020. Survivorship benefits to Carol Reed, Spouse.
- j.** Notification of the death of **Sukhjit Sanghas**, Library Clerk, active employee, died October 20, 2020. No survivorship benefits.
- k.** Notification of the death of **Barbara Schulze**, Administrative Executive Secretary, retired April 4, 1996, died December 31, 2020. No survivorship benefits.
- l.** Notification of the death of **Lisa Smyth**, Public Safety Dispatcher, retired December 20, 2014, died December 2, 2020. No survivorship benefits.
- m.** Notification of the death of **Paul Theodore**, Gardener, retired June 3, 2002, died October 24, 2020. No survivorship benefits.

3. INVESTMENTS

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

CIO Palani updated the Board on the following:

-In March the Pension Plan returned 1.05%

-Fiscal Year To Date the Plan returned 25.35%

Jay Kwon presented the Health Care Trust Asset Allocation Implementation and answered questions from the Board. The new allocation increases the HCT duration by 1.8yrs. The proposed implementation incrementally steps into the new allocation over a six-month period in three tranches.

- 1) 5/30/21 non-fixed income changes completed; fixed income changes begun.
- 2) 7/30/21 Half of remaining fixed income changes completed.
- 3) 9/30/21 Changes completed.

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS - None

5. NEW BUSINESS

- a. Oral update from the CEO of Retirement Services, Roberto L. Pena.

CEO Peña updated the Board on the following:

- Federated COLA will be calculated and applied in April.
- IRS 415(b) pension limit letters have been sent to those affected individuals.
- In the final selection phase for Senior Benefit Analyst and Benefit Analyst positions. We expect to make offers this month.
- No bids have been received yet for the Board Medical Advisor RFP, but the period to submit bids has not closed yet. 1 Intent to Bid was received.
- City Council will hold a study session on April 23rd on Pension Obligation Bonds. Trustees were encouraged to attend in preparation of making Board decisions.
- The Benefits Manager resigned effective April 15th. Staff will reach out to the Budget Office to request unfreezing position.
- The ORS quarterly newsletter has been distributed.

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

Council Liaison Davis was absent.

- c. Discussion on the Disability Retirement Application Process in the absence of the existing Board Medical Advisor

CEO Peña spoke to the item and answered questions from the Board. He explained the current process and discussed the past RFP. Without a Board Medical Advisor, step #4 of the attached Summary of Process would be skipped and the Board will need to depend on IME reports. Staff will come back to both Boards in May or June with an update and a recommendation on how to proceed once more information is known.

- d. Educational presentation by Board Medical Advisor Dr. Susan Tierman and Board Disability Legal Advisor Counsel Russ Richeda on qualifying disability criteria.

CEO Peña introduced the 2 training items. Russ Richeda, Disability Counsel presented Disability Retirement from a Lawyer's perspective and answered questions from the Board. Dr. Tierman presented Determining Impairment and Causation in Disability Retirements and

answered questions from the Board. A suggestion was made to have 1 sheet of guidelines with bullet points for Trustees to refer to during disability hearings. The Board thanked Counsel Richeda and Dr. Tierman.

The Board directed Staff to add an item to a future agenda to consider creating a Federated Disability Committee with Disability Counsel available for questions.

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Orr, Keleher)

Last Meeting: February 23, 2021

Next Meeting: April 20, 2021

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

There was no update.

6.2 Governance Committee (Horowitz, Castellano, Jennings)

Last Meeting: March 4, 2021

Next Meeting: June 17, 2021

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

There was no update.

6.3 Audit Committee (Keleher, Jennings, Horowitz)

Last Meeting: February 18, 2021

Next Meeting: May 20, 2021

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

Trustee Keleher updated the Board.

6.4 Joint Personnel Committee (Orr, Castellano, Chandra)

Last Meeting: November 10, 2020

Next Meeting: TBD

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

There was no update.

7. EDUCATION & TRAINING

- a. The Cortex Report - May 2021, Conferences, Seminars and Educational Programs.
- b. CalAPRS Virtual Trustee Roundtable, May 10, 2021.
- c. SACRS Virtual Annual Spring Conference, May 11 - 14, 2021
- d. CalAPRS Virtual Advanced Principles of Pension Governance for Trustees, June 7, 9 and 11, 2021.

FUTURE AGENDA ITEMS

None.

PUBLIC/RETIREE COMMENTS

None.

ADJOURNMENT

The meeting adjourned at 12:00 p.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

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

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