



BOARD OF ADMINISTRATION

Meeting Minutes - Final FCERS and Police&Fire Retirement Plan Audit Committee

Thursday, October 21, 2021

12:10 PM

or immediately following the Federated Governance Committee meeting

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

zoom.us

Dial In: +1 669 219 2599 US (San Jose)

Meeting ID: 992 9872 2461

Password: 221575

FCERS Committee Members:

Mark Keleher, Chair

Julie Jennings, Trustee

Vacant, Trustee

Police and Fire Committee Members:

Sunita Ganapati, Chair

Howard Lee, Trustee

Dave Wilson, Trustee

Roberto L. Peña, CEO, Office of Retirement Services

COUNSEL

Maytak Chin, General and Fiduciary Counsel

The Joint Federated and Police and Fire Audit Risk/Committee met via Zoom meeting on Thursday, October 21, 2021. The meeting was called to order at 12:13 p.m. by Chair Keleher on the Federated side and at 12:16 p.m. by Chair Ganapati on the Police and Fire side.

Present: 4 - Howard Lee, Mark Keleher, Julie Jennings and Sunita Ganapati

Absent: 1 - Dave Wilson

Staff Present via Zoom: Roberto Peña, Barbara Hayman, Benjie Chua-Foy, Houman Boussina, David Aung, Dhinesh Ganapathiappan, Linda Alexander, Michelle San Miguel and Marti Zarate.

Others Present via Zoom: Maytak Chin, General Counsel; Michel Burger, Finance Department; John Caldwell, Angela Hans and Svetlana Polyakova, Grant Thornton.

• **Orders of the Day**

Chair Keleher read the following Ground Rules into the record:

- We are continuing to meet virtually at this meeting and are doing so pursuant to AB 361 and San Jose City Council Resolution No. 80237.
- The public will have an opportunity to speak on each item after trustees.

FEDERATED AUDIT COMMITTEE

- **Consent Calendar**

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Jennings/Keleher 2-0-0). The motion passed unanimously by roll call vote.

1. Approval of the 7/1/21 - 9/30/21 Quarterly Travel and attendance for Federated.

- **Communication**

2. Summary of California Assembly Bill No. 361 Procedures for Continued Virtual Meetings During Proclaimed State of Emergency. Receive and file.

This item was received and filed.

- **New Business**

3. Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures.

Chair Keleher reviewed the factual findings necessary for use of California AB 361's abbreviated teleconferencing procedures. The Board must continue to make such factual findings every 30 days to justify the continuance of meeting virtually and remotely under AB 361.

A motion was made to adopt the Governor's proclamation on the continued state of emergency due to the ongoing COVID-19 pandemic and the City Council's recent resolution that continued to impose and recommend social distancing in City facilities as factual findings under AB361 to allow the Committee to continue meeting virtually for the next 30 days.

A motion was made to continue to meet virtually in light of California Assembly Bill 361 and San Jose City Council Resolution No. 80237.

Approved. (M.S.C. Jennings/Keleher 2-0-0) The motion passed unanimously by roll call vote.

POLICE & FIRE AUDIT COMMITTEE

- **Consent Calendar**

A motion was made to approve the Consent Calendar.

Approved. (M.S.C.Lee/Ganapati 2-0-0). The motion passed unanimously by roll call vote.

4. Approval of the 7/1/21 - 9/30/21 Quarterly Travel and attendance for Police & Fire.

JOINT AUDIT COMMITTEE

- **Consent Calendar**

A motion was made to approve the Consent Calendar.

Approved by Federated. (M.S.C. Jennings/Keleher 2-0-0). The motion passed unanimously by roll call vote.

Approved by Police & Fire. (M.S.C. Lee/Ganapati 2-0-0). The motion passed unanimously by roll call vote.

5. Approval of the Minutes of the August 19, 2021 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan.

- **New Business**

6. Update on the City Auditor's Recommendation to the Office of Retirement Services.

CEO Peña reported there have been no changes since the last update.

7. Discussion and action regarding Communication to the Board of Administration of the City of San Jose Police and Fire Department Retirement Plan and the Federated City Employees' Retirement system from Grant Thornton, LLP (GT) the Plan's external auditor:

- a. Independent auditor's report on the internal control over financial reporting and on compliance and other matters based on an Audit of Financial Statements performed in accordance with Government Auditing Standards and Management comments and recommendations.

- b. Required communications.

John Caldwell and Angela Hans from Grant Thornton spoke to the item and answered questions from the Committee on the communication to the Board from the Plan's external auditor. The timeline and key areas of focus were reviewed. CEO Peña and the Board thanked Grant Thornton and the Accounting Staff for their work.

A motion was made to approve Grant Thornton's Audit Report.

Approved by Police and Fire. (M.S.C. Lee/Ganapati 2-0-0) The motion passed unanimously by roll call vote.

Approved by Federated. (M.S.C. Jennings/Keleher 2-0-0) The motion passed unanimously by roll call vote.

8. Discussion and action on the approval of the Federated City Employees' Retirement System's and

the Police and Fire Department Retirement Plan's Comprehensive Annual Financial Reports for the Fiscal Year 2020-2021.

Benjie Chua-Foy, Accounting Manager spoke on the Federated City Employees' Retirement System's and the Police and Fire Department Retirement Plan's Comprehensive Annual Financial Reports (CAFRs) for the Fiscal Year 2020-2021. She reported the GOFA has changed the name of the Comprehensive Annual Financial Report (CAFR) to Annual Comprehensive Financial Report (ACFR). There were no significant changes from prior years. GASB 98 and 97 will be implemented. There were no questions from the Committee.

A motion was made to approve the Comprehensive Annual Financial Reports for the Fiscal Year 2020-2021.

Approved by Federated. (M.S.C. Jennings/Keleher 2-0-0) The motion passed unanimously by roll call vote.

Approved by Police and Fire. (M.S.C. Lee/Ganapati 2-0-0) The motion passed unanimously by roll call vote.

PROPOSED AGENDA ITEMS

Internal audit report on if ORS accurately recorded authorized pensionable city employee service information.

PUBLIC COMMENTS

None.

ADJOURNMENT

The Federated meeting adjourned at 1:03 p.m.

The Police and Fire meeting adjourned at 1:03 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

_____/S/_____
Roberto L. Peña, CEO, Office of Retirement Services