



BOARD OF ADMINISTRATION

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

Thursday, January 20, 2022

8:30 AM

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 6907 6453

Password: 625659

BOARD MEMBERS

Spencer Horowitz, Chair (Term Expires 11/30/24)
Julie Jennings, Vice-Chair (Term Expires 11/30/23)
Anurag Chandra, Trustee (Term Expires 11/30/22)
Mark Keleher, Trustee (Term Expires 11/30/23)
Mark Linder, Trustee (Term Expires 11/30/24)
Elaine Orr, Trustee (Term Expires 11/30/22)
Vacant, Trustee

CITY COUNCIL LIAISON TO THE BOARD

Dev Davis

COUNSEL

Harvey Leiderman & Maytak Chin, 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, January 20, 2022 at 8:30 a.m. Chair Horowitz called the meeting to order at 8:30 a.m. followed by roll call.

Present: 5 - Spencer Horowitz, Mark Keleher, Julie Jennings, Anurag Chandra and Mark Linder

Absent: 1 - Elaine Orr

Retirement Staff Present via Zoom: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Christina Wang, Jay Kwon, Dhinesh Ganapathiappan, David Aung, Arun Nallasivan, Ron Kumar, Ellen Lee, Eric Tsang, Houman Boussina, Linda Alexander, Michelle San Miguel and Marti Zarate.

Also Present via Zoom: Harvey Leiderman, General and Fiduciary Counsel; Maytak Chin, General and Fiduciary Counsel; Bill Hallmark, Cheiron; Steven Hastings, Cheiron; Jacqui King, Cheiron; Mike Schionning, Cheiron; Jared Pratt, Meketa; Laura Wirick, Meketa; Anna Buzueva, Segal; Andy Yeung, Segal; Sam Tsang, Segal; Paul Angelo, Segal; Kevin Balaod, Journalist-With Intelligence; and Jill Boards, Public Member.

Council Liaison Dev Davis arrived at 10:05 a.m.

AGENDA

CALL TO ORDER AND ROLL CALL

OPEN SESSION

ORDERS OF THE DAY

Chair Horowitz 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.
- 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 meeting on any other item not on the agenda that is within the subject.

Orders of the Day:

- There will be a break at 10:00 a.m.
- There will be a recess from 1:00 p.m.-1:05 p.m. to accommodate Civic CenterTV's broadcasting process.
- Board Members please stay on this Zoom meeting call after the regular meeting ends - The public special meetings for each Committee to address California Assembly Bill No. 361 will take place using the same Zoom meeting ID and password.

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

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

A motion was made to Waive Sunshine on Item 5e.

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

1. CONSENT CALENDAR

A motion was made to approve the Consent Calendar.

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

1.1 Approval of Service Retirements

- a. **Juan M. Avila**, Grounds Worker, Parks, Recreation and Neighborhood Services Department, effective August 28, 2021; 21.80* years of service.
- b. **Carlos R. Barajas**, Water System Operations Foreperson I, Environmental Services Department, effective January 8, 2022; 31.15* years of service.
- c. **Randy Barlow**, Code Enforcement Inspector II, Planning, Building and Code Enforcement Department, effective January 22, 2022; 20.13* years of service.
- d. **Angela K. Johnson**, Supervising Public Safety Dispatcher, Police Department, effective January 22, 2022; 26.73* years of service.
- e. **Luz M. Mejia**, Analyst II, Library Department, effective January 22, 2022; 20.69* years of service.
- f. **Esther G. Mota**, Crime Prevention Supervisor, Police Department, effective February 5, 2022; 25.39* years of service.

1.2 Approval of Deferred Vested

- a. **Cindy L. Clark**, Senior Supervisor, Administration, Planning, Building and Code Enforcement Department, effective January 25, 2022; 15.50* years of service.
- b. **Dennis M. Corbett**, Building Inspector/Combo, Planning, Building and Code Enforcement Department, effective January 31, 2022; 24.87* years of service. (*With Reciprocity 4.04 CSJ YOS + 20.82 PERS YOS*)
- c. **Fred R. Forster**, Planning and Traffic Control Officer, Planning, Building and Code Enforcement Department, effective January 28, 2022; 15.09* years of service.
- d. **Andrew E. Noble**, Maintenance Worker I, Department of Transportation, effective January 12, 2022; 13.18* years of service.
- e. **Bonnie S. Ramirez**, Public Safety Radio Dispatcher, Police Department, effective February 14, 2022; 7.46* years of service.

1.3 Approval of Early Service Retirement

- a. **Ronald D. Burbach**, Senior Parking Compliance, Department of Transportation, effective February 1, 2022; 6.70* years of service. (Tier 2)

1.4 Approval of Board Minutes

- a. Approval of the Board Minutes of December 16, 2021.
- b. Approval of the Board Minutes of the January 6, 2022 Special Meeting.

1.5 Approval of Return of Contributions

- a. Voluntary | Involuntary.

1.6 Acceptance of Communication/Information Reports

- a. Report of the Plan Expenses for November 2021. Receive and file.

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 **Gertrude Babiarz**, Library Assistant, retired March 2, 1991, died November 1, 2021. No survivorship benefits.
- b. Notification of the Death of **Charles R. Bacon**, GSA Communications Technician, retired May 1, 1995, died November 23, 2021. No survivorship benefits.
- c. Notification of the death of **Omar Baltan**, Senior Architect, retired November 7, 1992, died December 4, 2021. No survivorship benefits.
- d. Notification of the death of **Alma Dent**, Staff Analyst II, retired January 21, 1989, died December 1, 2021. No survivorship benefits.
- e. Notification of the death of **Mureen Kwok**, Senior Librarian, retired July 8, 2001, died September 13, 2021. No survivorship benefits.
- f. Notification of the death of **Tadashi Morimoto**, Equipment Mechanic, retired March 3, 1979, died November 11, 2021. No survivorship benefits.

- g.** Notification of the death of **Hung Ngo**, Associate Engineer, retired March 3, 2011, died October 29, 2021. Survivorship benefits to Christine Tran, Spouse.
- h.** Notification of the death of **Deryl Ruston**, Maintenance Supervisor, retired October 4, 1987, died November 13, 2021. No survivorship benefits.
- i.** Notification of the death of **Catherine A Smith**, Accounting Technician, retired April 19, 1998, died October 4, 2021. No survivorship benefits.
- j.** Notification of the death of **Robert Steele**, Supervising Building Plans Engineer, retired October 9, 1993, died December 4, 2021. Survivorship benefits to Marney Steele, Spouse.
- k.** Notification of the death of **Rebecca Stevens**, Senior Librarian, retired June 14, 1997, died November 27, 2021. Survivorship benefits to Edward Stevens, Spouse.
- l.** Notification of the death of **Kenneth Stone**, Senior Investigator Collector, retired February 7, 2009, died December 1, 2021. No survivorship benefits.
- m.** Notification of the death of **Mary M. Tobin**, Library Clerk, retired February 7, 2009, died November 23, 2021. No survivorship benefits.

3. INVESTMENTS

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

CIO Palani updated the Board that he had no numbers to report at this time as he is awaiting clarification on year to date performance numbers from Meketa Investment Group.

- b.** Discussion and action regarding the revised Investment Policy Statement for Federated Employees' Retirement System and approval of Resolution No. 9099.

Jay Kwon, Investment Officer, introduced the item. Laura Wirick, Meketa Investment Group spoke to the item and reviewed the proposed changes to the policy with the Board.

A motion was made to approve the revised Investment Policy Statement for Federated Employees' Retirement System and approve Resolution No. 9099.

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

- c.** Discussion and action regarding the revised Investment Policy Statement for Federated Retirement System Health Care Trust and approval of Resolution No. 9100.

Jared Pratt, Meketa Investment Group spoke to the item and reviewed the proposed changes to the policy with the Board.

A motion was made to approve the revised Investment Policy Statement for Federated Employees' Retirement System Health Care Trust and approval of Resolution No. 9100.

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

Member of the public Jill Borders made a few comments regarding this item.

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

- a. Discussion and action on Other Post Employment Benefits (OPEB) Valuation Results as of June 30, 2021 presented by Cheiron.

Bill Hallmark, Cheiron spoke to the item and answered questions from the Board.

A motion was made to approve Other Post Employment Benefits (OPEB) Valuation Results as of June 30, 2021.

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

5. NEW BUSINESS

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

CEO Peña updated the Board on the following:

-ORS has paused the plan for staff to return to work in the office. Virtual appointments are still being accepted.

-Retiree 1099's will be issued before the end of the month.

-Guaranteed Purchasing Power payments will be paid out in February.

-The ORS Newsletter will be issued next month.

-ORS is working on filling vacancies for Network Technician, IT Manager and Benefits Staff Technician.

-The City is working on contacting vendors and consultants who work onsite to confirm vaccination status.

-Boosters are required by February 11th.

-ORS welcomed new staff, Gretel Calderon and Eric Tsang.

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

Item 5b was heard after Item 5d.

Council Liaison Davis updated the Board on pending budget matters before the Council.

- c. Discussion on Cheiron's 5-Year City Contribution Projections for Federated Board.

Item 5c was heard after Item 5a.

Mr. Hallmark spoke to the item. A new table was added to Page 2 showing sensitivity of

pension contributions to investment returns over the next five years based on stochastic projections.

- d. Discussion and potential action on Segal presentation of actuarial audit for the Pension Valuation as of June 30, 2021 prepared by Cheiron.

Item 5d was heard after item 5g.

CEO Peña introduced the item. Paul Angelo and Andy Yeung, Segal and Bill Hallmark, Cheiron, spoke to the item and answered questions from the Board.

Counsel Chin recommended the Board defer action pending receipt of Cheiron's response to the audit findings and recommendations. Counsel agreed to provide Cheiron with the list of Segal audit findings and recommendations to which responses would be useful.

The Board deferred action on this item.

- e. Discussion and action on authorizing the CEO to execute the 2nd Amendment to the Agreement with Cortex Applied Research, Inc. for an additional \$30,000 for calendar year 2022, for a total NTE amount of \$100,000.

Item 5e was heard after Item 5c.

CEO Peña spoke to the item and recommended approval. He notified the Board they will be working with Valter Viola and Jenny Tam of Cortex now that Tom Iannucci has departed the firm.

A motion was made to approve authorizing the CEO to execute the 2nd Amendment to the Agreement with Cortex Applied Research, Inc. for an additional \$30,000 for calendar year 2022, for a total NTE amount of \$100,000.

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

- f. Discussion and action on proposed Committee Assignments for calendar year 2022.

Chair Horowitz reviewed the attached proposed changes to the committee assignments. Revisions were made by the Board to have Trustee Keleher to replace Chair Horowitz on the Governance Committee, and to note that Trustee Orr will Chair the Joint Personnel Committee.

A motion was made to approve the revised proposed Committee Assignments for calendar year 2022.

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

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

Counsel Chin introduced and spoke to the item. Ms. Chin explained the contents of the memo submitted to the Board regarding evidentiary support for the Board's consideration of factual findings necessary for election to adopt AB 361's abbreviated teleconferencing procedures, which included:

- (1) Governor's proclamation on the continued state of emergency due to the ongoing COVID-19 pandemic; and
- (2) the City Council's recent resolution that continued to impose and recommend social distancing in City facilities.

A motion was made to adopt these as the Board's factual findings under AB361 to allow the Board to continue meeting virtually for the next 30 days.

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

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Chandra, Orr, Keleher)

Last Meeting: December 17, 2021 Next Meeting: February 22, 2022 (Regular)
(Regular-CANCELED)

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

Trustee Chandra updated the Board. The IC will need to meet in person before the next scheduled virtual meeting on February 22nd to comply with AB 361.

6.2 Governance Committee (Horowitz, Jennings, Vacant)

Last Meeting: Dec. 16, 2021 (Regular-CANCELED) Next Meeting: January 20, 2022
January 6, 2022 (Special) (Special)

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

There was no update.

- b. Minutes of the November 18, 2021 Special Governance Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

- c. Minutes of the December 16, 2021 Special Governance Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

6.3 Audit Committee (Keleher, Jennings, Vacant)

Last Meeting: January 6, 2022 (Special) Next Meeting: January 20, 2022 (Special)

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

There was no update.

- b. Minutes of the November 18, 2021 Special FCERS Audit Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

- c. Minutes of the December 16, 2021 Special FCERS Audit Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

6.4 Joint Personnel Committee (Orr, Chandra, Horowitz)

Last Meeting: January 6, 2022 (Regular Meeting) Next Meeting: TBD

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

Trustee Horowitz updated the Board.

- b. Minutes of the December 7, 2021 Joint Personnel Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

- c. Discussion on incentive compensation.

This Committees/Reports/Recommendations was presented

- d. Discussion and action on compensation data gathering.

CEO Peña & CIO Palani updated the Board. The JPC approved moving forward with McLagen and Koff & Associates for a compensation study. They recommended a budget of up to \$150,000 to be split between both Boards. The proposals came in at slightly lower than \$100,000. The materials provided only included scope of work, but not the contract itself. Counsel Chin recommended deferring action until the contracts are received for review.

- e. Discussion on the results of the Mock performance evaluations for feedback and potential revisions for the CEO.

This item was deferred and not discussed.

- f. Nomination and Election of Vice Chair.

The Board was advised of the appointment of Trustee Eswar Menon from the Police and Fire Department Retirement Plan as Vice Chair of the JPC.

7. EDUCATION & TRAINING

- a. The Cortex Report - January 2022, Conferences, Seminars and Educational Programs.
- b. CalAPRS General Assembly, San Diego Mission Bay Resort, San Diego, CA - March 5-8, 2022.

• **PROPOSED AGENDA ITEMS**

None.

• **PUBLIC/RETIREE COMMENTS**

A public member had comments.

• **ADJOURNMENT**

The meeting adjourned at 11:19 a.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

_____/S/_____

SPENCER HOROWITZ, CHAIR

BOARD OF ADMINISTRATION

ATTEST:

_____/S/_____

ROBERTO L. PEÑA, CEO

OFFICE OF RETIREMENT SERVICES