



BOARD OF ADMINISTRATION

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

Thursday, May 19, 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: 974 5697 3981

Password: 252520

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)

Elaine Orr, Trustee (Term Expires 11/30/22)

Mark Linder, Trustee (Term Expires 11/30/24)

Prachi Avasthy, Trustee (Term Expires 11/30/25)

CITY COUNCIL LIAISON TO THE BOARD

Dev Davis

COUNSEL

Harvey Leiderman and 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, May 19, 2022 at 8:30 a.m. Chair Horowitz called the meeting to order at 8:30 a.m. followed by roll call.

Present: 7 - Spencer Horowitz, Mark Keleher, Julie Jennings, Elaine Orr, Anurag Chandra, Mark Linder and Prachi Avasthy

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, Sachin Sadana, Julie He, Benjie Chua-Foy, Deborah Sattler, Sandra Castellano, Shilpi Dwivedi, Stacey Fischer, Linda Alexander, Michelle San Miguel and Marti Zarate.

Also Present via Zoom: Harvey Leiderman, General and Fiduciary Counsel; Maytak Chin, General and Fiduciary Counsel; Jared Pratt, Meketa; Donald Ludwig, Public Member; Jay Castellano, Retiree Member; Brad Imamura, Retiree Member; Jill Borders, Public Member; Russ Richeda, Disability Counsel; Dev Davis, Council Liaison; Dennis Cashman, Public Member; Deepak Sharma, Public Member; Davea, Public Member; Katherine Estrada, Environmental Services Dept.; Sarah Steele, Office of Employee Relations and Cheryl Parkman, Office of Employee Relations.

Trustee Orr departed at 11:32 a.m.

City Council Liaison Dev Davis arrived at 9:11 a.m. and departed at 11:59 a.m.

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

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

The Board went into Closed Session at 8:32 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 9:30 a.m.

There was no reportable action out of Closed Session.

OPEN SESSION - will reconvene following Closed Session, estimated to be 8:45 a.m.

Open Session re-convened at 9:31 a.m.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call Marti Zarate (408) 794-1112 as soon as possible, but at least three business days before the meeting.

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.
- 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 Orders of the Day.

Approved. (M.S.C. Chandra/Keleher/ 7-0-0) The motion passed unanimously by roll call vote.

A motion was made to Waive Sunshine on Item 1a.

Approved. (M.S.C. Julie/Keleher 7-0-0) The motion passed unanimously by roll call vote.

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

A Retiree Member commented during this item.

1. Request Change In Status to Service-Connected Disability Retirement

- a. **Ismael Licalde**, Grounds Worker, Environmental Services Department, Request for Change of Status from Non Service-Connected Disability Retirement to Service-Connected Disability Retirement, effective March 1, 2019; 11.83* years of service. (*Committee Recommendation: Denial*) (TIME CERTAIN: 10:00 a.m.)

Item 1a was heard after Item 4a.

Stacey Fischer, ORS Benefits Analyst read the case information into the record. Chair Horowitz introduced the item to the Board. Russ Richeda, Disability Counsel spoke to the item. The member Ismael Licalde was in attendance and presented his testimony. Katherine Estrada, Environmental Services Department, was present and made a comment. Sarah Steele, Office of Employee Relations was present and stated that she had nothing to add to the evidence. Counsel Richeda and Mr. Licalde answered questions from the Board. Counsel Leiderman stated the applicable standard of proof for the Board's determination.

A motion was made to deny the Service-Connected Disability application for Mr. Ismael Licalde.

Approved. (M.S.C. Keleher/Jennings 7-0-0) The motion passed unanimously by roll call vote.

2. CONSENT CALENDAR

Item 2 was heard after the Public/Retiree/General Comments.

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Chandra/Linder 7-0-0). The motion passed unanimously by roll call vote.

2.1 Approval of Service Retirements

- a. **William E. Bailey**, Building Inspector Combo, Planning, Building and Code Enforcement Department, effective May 28, 2022; 21.42* years of service.
- b. **Becki L. Gomez**, Senior Account Clerk, Finance Department, effective July 9, 2022; 8.20* years of service.
- c. **Irene Mora**, Office Specialist II, Parks, Recreation and Neighborhood Services Department, effective June 11, 2022; 25.81* years of service.
- d. **Hong K. Ni**, Network Engineer, City Attorney's Office, effective May 14, 2022; 22.96* years of service.
- e. **David A. Torres**, Recreation Supervisor, Parks, Recreation, Neighborhood Services Department, effective June 11, 2022; 27.65* years of service.

2.2 Approval of Deferred Vested

- a. **Ronald Estrada**, Senior Engineer, Fire Department, effective June 24, 2022; 23.50* years of service. (*With Reciprocity CSJ YOS 18.81 + PERS YOS 4.69*)
- b. **Jerry M. Gutierrez**, Engineering Technician II, Department of Transportation, effective May 5, 2022; 18.29* years of service.
- c. **Leslie G. (Nathanson) Hamilton**, Planner II, Planning, Building and Code Enforcement Department, effective May 12, 22; 5.91* years of service.

2.3 Approval of Board Minutes

- a. Approval of the Board Minutes of April 21, 2022.
- b. Approval of the Board Minutes from the Special Meeting of April 11, 2022.

2.4 Approval of Return of Contributions

- a. Voluntary/Involuntary.

2.5 Acceptance of Communication/Information Reports

a. Educational Travel Reports:

- Pension Bridge Annual, Westin St. Francis, San Francisco, CA - April 18 - 20, 2022 - by Elaine Orr.
- Pension Bridge Annual, Westin St. Francis, San Francisco, CA - April 18 - 20, 2022 - by Anurag Chandra.
- CALAPRS Virtual Trustees' Roundtable, April 29, 2022 - by Spencer Horowitz.
- Women's Venture Capital Summit, Ritz-Carlton, Half Moon Bay, CA, May 4 - 6, 2022 - by Elaine Orr.

2.6 Approval of Travel / Conference Attendance

- a. Spencer Horowitz, Trustee
 - CALAPRS Virtual Trustees' Round Table, April 29, 2022.
- b. Mark Linder, Trustee
 - CALAPRS Virtual Trustees' Round Table, April 29, 2022.
- c. Elaine Orr, Trustee
 - CALAPRS Virtual Trustees' Round Table, April 29, 2022.
- d. Julie Jennings, Trustee
 - SACRS - UC Berkeley Program, Claremont Hotel, Berkeley, CA - July 17 - 20, 2022.
- e. Prabhu Palani, CIO
 - Roundtable with Nirmala Sitharaman, Indian Finance Minister, Hotel Four Seasons, East Palo Alto, CA, April 25, 2022
 - Meketa West Coast Gathering 2022, Westin Carlsbad Resort, Carlsbad, CA, May 16, 2022.

3. 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 **Marion H. Aitken**, Secretary I, retired August 4, 1979, died April 14, 2022. No survivorship benefits.
- b. Notification of the death of **Oswald Briones**, Equipment Maintenance Supervisor, retired January 7, 1990, died April 15, 2022. No survivorship benefits.
- c. Notification of the death of **Sharon Cianciarulo**, Typist Clerk II, retired June 29, 1985, died

March 26, 2022. No survivorship benefits.

- d. Notification of the death of **Marian DeVincenzi**, Clerk Typist II, retired July 1, 1995, died March 20, 2022. No survivorship benefits.
- e. Notification of the death of **William Eppler**, Associate Engineer, retired July 3, 1993, died March 4, 2022. No survivorship benefits.
- f. Notification of the death of **Darrell Rigdon**, Custodian, retired March 31, 2001, died November 9, 2021. No survivorship benefits.
- g. Notification of the death of **Cesario Rodriguez**, Senior Planner, retired March 10, 2007, died February 15, 2022. No survivorship benefits.
- h. Notification of the death of **Nancy Schuster**, Senior Account Clerk, retired March 30, 2013, died April 10, 2022. Survivorship benefits to Ron Schuster, Spouse.
- i. Notification of the death of **Ted Tedesco**, City Manager retired July 13, 1986, died March 2, 2022. No survivorship benefits.

4. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

CIO Palani updated the Board on the following unaudited estimates from Meketa:

-For Fiscal Year-To-Date as of May 17, 2022 the Pension Plan was down 3.53%.

-For Fiscal Year-To-Date as of May 17, 2022 the Health Care Trust was down 7.04%.

- b. Discussion and action on private markets pacing plan by staff.

Item 4b was heard after Item 1a.

CIO Palani introduced the item. Dhinesh Ganapathiappan, ORS Investment Officer and Sachin Sadana, ORS Investment Analyst spoke to the private markets pacing plan and answered questions from the Board. Staff seeks approval of target commitment amounts for each private markets asset class over the next fiscal year.

A motion was made to approve staff's recommendation on the pacing plan for FY 22-23 as presented.

Approved. (M.S.C. Orr/Linder 7-0-0) The motion passed unanimously by roll call vote.

- c. Discussion and action regarding the revised Investment Policy Statement for San Jose Federated City Employees' Retirement System and approval of Resolution No. 9104.

Mr. Ganapathiappan spoke to the item.

A motion was made to adopt the revised Investment Policy Statement for San Jose Federated City Employees' Retirement System and approval of Resolution No. 9104.

Approved. (M.S.C. Chandra/Keleher 7-0-0) The motion passed unanimously by roll call vote.

5. OLD BUSINESS-DEFERRED/CONTINUED ITEMS - None.

6. NEW BUSINESS

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

CEO Peña updated the Board on the following:

- Fiduciary Insurance payments are due by Trustees to ORS
- Conflict of Interest forms are due if Trustees have been contacted by the City Clerk
- COVID-19 cases are increasing. The City has re-instated mandatory masking in City facilities
- Retirees impacted by 415 Limits should have seen the change in April paychecks
- Recruitment for an Accounting Technician is under way
- ORS is continuing with a Hybrid schedule. The office is open from 9am-4pm.
- Members/Retirees are encouraged to make an appointment
- ORS' Quarterly All Staff meeting was held April 28th
- ORS Budget was presented and discussed at City Council. The full City budget should be adopted on June 21st
- ORS office will be closed May 30th for Memorial Day
- ORS welcomed new IT Manager Shilpi Dwivedi

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

Council Liaison Davis had nothing to report.

- c. Discussion and action regarding Resolution No. 9102 Federated Tier 1 and Resolution No. 9103 Federated Tier 2 Contribution Rates/Amounts for FY 22-23.

Benjie Chua-Foy, Accounting Manager spoke to the item.

A motion was made to approve Resolution No. 9102 Federated Tier 1 and Resolution No. 9103 Federated Tier 2 Contribution Rates/Amounts for FY 22-23.

Approved. (M.S.C. Keleher/Avasthy 6-0-0) The motion passed unanimously by roll call vote. Trustee Orr was absent.

- d. Discussion and action on creation of a Federated Disability Committee.

Item 6d was heard after Item 6f.

CEO Pena spoke to the item and answered questions from the Board. He provided background on the current disability process. After a discussion, direction to staff was to draft a Federated Disability Committee Charter and recommend necessary steps for implementation to present at the August Board meeting.

A motion was made to begin the process of forming a Federated Disability Committee.

Approved. (M.S.C. Jennings/Keleher 5-0-1) The motion passed by roll call vote. Trustee Chandra abstained from voting. Trustee Orr was absent

- e. Discussion on Ordinance to Amend San Jose Municipal Code Section 3.28.700 and Section 3.28.725 Related to the Normal Contribution for Tier 1 Members at Thirty Years of Service.

Cheryl Parkman, Office of Employee Relations spoke to the item. The City is asking the Board to review the Municipal Code language change regarding contributions after 30 years of service and to provide comments as soon as possible. The City would like to have a second reading and adopt the change by July. Counsel Leiderman will review the changes and provide comments to the City.

- f. Review of new process and timeline for accomplishing annual CEO and CIO performance evaluations.

Item 6f was heard after Item 6c.

Chair Horowitz spoke to the item. Trustees will receive a survey to complete to begin the performance review process. He encouraged Trustees to be diligent about completing the survey in a thorough and timely manner.

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

Item 6g was heard after Item 6e.

Chair Horowitz and Counsel Chin spoke to the item. Counsel 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 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 6-0-0) The motion passed unanimously by roll call vote. Trustee Orr was absent.

7. COMMITTEES/REPORTS/RECOMMENDATIONS

7.1 Investment Committee (Chandra, Horowitz, Orr)

**Last Meeting: April 26, 2022
(Regular)**

**Next Meeting: May 19, 2022
(Special)**

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

Trustee Chandra updated the Board on the contents of the last meeting.

- b. Minutes of the February 18, 2022 Federated Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

- c. Minutes of the February 22, 2022 Joint Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

- d. Minutes of the February 22, 2022 Federated Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

- e. Minutes of the March 18, 2022 Federated Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

- f. Minutes of the April 14, 2022 Federated Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was pulled

7.2 Governance Committee (Jennings, Keleher, Linder)

**Last Meeting: April 21, 2022
(Special)**

**Next Meeting: May 19, 2022
(Special)**

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

There was no update.

- b. Minutes of the Special Governance Committee meeting from March 17, 2022. Receive and file.

This Committees/Reports/Recommendations was received and filed

7.3 Audit Committee (Keleher, Jennings, Avasthy)

**Last Meeting: April 21, 2022
(Special)**

**Next Meeting: May 19, 2022
(Special)**

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

There was no update.

- b. Minutes of the Special Audit Committee meeting from March 17, 2022. Receive and file.

This Committees/Reports/Recommendations was received and filed

7.4 Joint Personnel Committee (Orr, Chandra, Horowitz)

**Last Meeting: March 4, 2022
(Regular)**

Next Meeting: TBD

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

There was no update.

8. EDUCATION & TRAINING

- a. The Cortex Report - May 2022, Conferences, Seminars and Educational Programs.

• **PROPOSED AGENDA ITEMS**

None.

• **ADJOURNMENT**

The meeting adjourned at 12:22 p.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