



# BOARD OF ADMINISTRATION

## Meeting Agenda - Final-revised Federated City Employees' Retirement System and Federated City Employees' Health Care Trust

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Thursday, December 19, 2024

8:30 AM

City Hall, Wing Rooms 118 - 120  
200 E. Santa Clara St. San Jose, CA 95113

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### HYBRID MEETING

#### PHYSICAL LOCATION:

City Hall, Wing Rooms 118-120, 200 E. Santa Clara St. San Jose, Ca 95113

#### ZOOM INFORMATION:

zoom.us

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

Meeting ID: 932 6858 4146

Passcode: 216273

#### **BOARD MEMBERS**

*Spencer Horowitz, Chair (Term Expires 11/30/28)*

*Julie Jennings, Vice-Chair (Term Expires 11/30/27)*

*Deborah Abbott, Trustee (Term Expires 11/30/26)*

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

*Anurag Chandra, Trustee (Term Expires 11/30/26) -- 97 Gresham Lane, Atherton, CA 94027*

*Matthew Faulkner, Trustee (Term Expires 11/30/27) -- 420 Star Hill Drive, Cape Carteret, NC 28584*

*Mark Linder, Trustee (Term Expires 11/30/28)*

#### **CITY COUNCIL LIAISON TO THE BOARD**

*Dev Davis*

#### **COUNSEL**

*Maytak Chin, General and Fiduciary Counsel*

*John Flynn, CEO, Office of Retirement Services*

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### ADA ALERT

In accordance with the requirements of AB 2449, the Board of Administration (“Board”) will generally, upon request, provide appropriate aids and services leading to effective communication for individuals with disabilities so they can participate equally in the Board’s meetings, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, vision or other disabilities.

Anyone who requires an auxiliary aid or service for effective communication to participate in a Board meeting should contact the designated contact in Office of Retirement Services as far in advance of the scheduled meeting as possible. The Board strongly encourages individuals with disabilities to endeavor to submit requests for reasonable accommodation no later than five (5) business days before the scheduled meeting, as the Board may not be able to grant requests for reasonable accommodations without sufficient advance notice. The Board strongly encourages individuals with disabilities to submit their written requests via email or regular mail to facilitate tracking and response; however, if the submission of a written request constitutes a hardship, individuals may call the Office of Retirement Services to submit an oral request.

The designated contact in the Office of Retirement Services will endeavor to respond to each request within three (3) business days of receipt of the request. Depending on the request, the designated contact in the Office of Retirement Services may ask to schedule a time to discuss the request (which may occur virtually) to determine the most appropriate auxiliary aid or service, before the request is resolved.

#### ADA Designated Contact Information

Attention: Deputy Director/Chief Operations Officer, Office of Retirement Services  
Address: 1737 N First St #600, San Jose, CA 95112  
Email: #Retire\_Admin@sanjoseca.gov  
Phone: 408-794-1000 (ORS Main Line)

#### THE LEVINE ACT

Senate Bill 1439 (“Levine Act”) amended Government Code Section 84308 and requires disclosure and recusal by a local elected official and some members of boards and commissions if they receive campaign contributions over \$250 from a party, a participant with a financial interest in a proceeding, or their respective agents. The Levine Act was an anti-corruption law intended to curb “pay-to-play” and enhance public trust so that decision-makers can maintain their independence from the influence of donations for political campaigns. SB 1439 expanded the scope from state agency appointees or appointed local officials to include local elected officials. Please visit <https://www.sanjoseca.gov/your-government/appointees/city-clerk/levine-act> for updated forms and information.

#### **\*\* AB 2449 REMOTE APPEARANCE(S)**

##### **a. Just Cause Circumstance(s) (Gov’t Code § 54953)**

i. The following Trustee(s) have notified the Board of a “Just Cause” to attend this meeting via teleconference.

**NONE**

ii. Call for Trustee(s) who wish to notify the Board of a “Just Cause” to attend this meeting via teleconference.

**b. Emergency Circumstance(s) (Gov't Code § 54953)**

i. The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance."

NONE

ii. Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance."

iii. Take action on request(s) for remote appearance.

**CLOSED SESSION**

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

**I. CLOSED SESSION NEW BUSINESS-DEFERRED/CONTINUED ITEMS**

**A. CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION (GOVERNMENT CODE SECTION 54956.9(d)(4)). LACERA v. County of Los Angeles - Supreme Court of California.

**OPEN SESSION - will reconvene following Closed Session, estimated to be 9:15 a.m.**

**• ORDERS OF THE DAY**

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

**1. CONSENT CALENDAR**

**1.1 Approval of Service Retirements**

- a. **William E. Danko Jr.**, Industrial Electrician, Environmental Services Department, effective January 10, 2025; 15.68\* years of service.
- b. **Tara S. Doxie**, Senior Police Dispatcher, Police Department, effective December 22, 2024; 30.00\* years of service.
- c. **George A. Gonzalez**, Building Inspector Combination Certified I, Public Works Department, effective January 4, 2025; 25.96\* years of service.
- d. **Mary Anne Groen**, Council Chief of Staff, City Clerk's Office, effective December 21, 2024; 13.71\* years of service.
- e. **Edward Kim**, Deputy Director, Information Technology Department, effective January 14, 2025; 15.62\* years of service.

- f. **Kristine M. Lee**, Senior Office Specialist, Police Department, effective January 4, 2025; 30.23\* years of service.
- g. **Richard W. Look**, Principal Construction Inspector, Department of Transportation, effective January 4, 2025; 30.04\* years of service.
- h. **Richard M. Martin**, Senior Construction Inspector, Public Works Department, effective January 4, 2025; 25.87\* years of service.
- i. **Robert R. Martinez**, Maintenance Worker II, Department of Transportation, effective December 21, 2024; 27.32\* years of service.
- j. **Betty A. Mitre**, Staff Specialist, Planning, Building and Code Enforcement Department, effective January 4, 2025; 26.69\* years of service. (*With Reciprocity - 24.13 CSJ + 2.56 PERS = 26.69 YOS*)
- k. **Frank A. Penninger III**, Associate Construction Inspector, Department of Transportation, effective January 4, 2025; 27.69\* years of service.
- l. **Jesse E. Sepulveda**, Maintenance Worker II, Department of Transportation, effective December 21, 2024; 17.04\* years of service.
- m. **Valerie L. Timoteo**, Airport Operations Superintendent I, Airport Department, effective January 4, 2025; 31.62\* years of service.
- n. **Kaile J. Vierra**, Maintenance Superintendent, Department of Transportation, effective January 4, 2025; 30.04\* years of service.
- o. **Cheryl Wessling**, Public Information Manager, Planning, Building and Code Enforcement Department, effective December 21, 2024; 17.35\* years of service.
- p. **Marek Wiczorek**, Industrial Electrician, Environmental Services Department, effective December 21, 2024; 6.76\* years of service.

## **1.2 Early Retirement**

- a. **Rhonda Austin**, Community Service Officer II, Police Department, effective November 21, 2024; 7.54\* years of service. (*With Reciprocity - 0.34 CSJ + 7.20 PERS = 7.54 YOS*)
- b. **Kristine L. Zanardi**, Council Policy & Legislative Analyst, City Manager's Office, effective December 31, 2024; 30.52 \* years of service. (*With Reciprocity - 0.95 CSJ + 29.57 PERS = 30.52 YOS*)

## **1.3 Approval of Deferred Vested**

- a. **Richard M. Biggs**, Environmental Inspector Assistant, Environmental Services Department, effective November 20, 2024; 5.13\* years of service.
- b. **David P. Edrosolan**, Engineer II, Public Works Department, effective December 29, 2024; 36.13\* years of service. (*With Reciprocity - 6.70 CSJ + 2.95 San Joaquin + 26.47 PERS = 36.13 YOS*)

- c. **Mayeen G. Fernando**, Senior Account Clerk, Information Technology Department, effective December 31, 2024; 11.25\* years of service. (*With Reciprocity - 3.40 CSJ + 7.85 PERS = 11.25 YOS*)
- d. **Christopher P. Haas**, Airport Operations Superintendent I, Airport Department, effective December 30, 2024; 28.53\* years of service. (*With Reciprocity - 17.16 CSJ + 11.36 PERS = 28.53 YOS*)
- e. **Rajashree A. Lukkoor**, Environmental Services Specialist, Environmental Services Department, effective November 26, 2024; 5.10\* years of service.
- f. **Christine M. Lyle**, Public Safety Communication Specialist, Police Department, effective November 28, 2024; 10.35\* years of service.
- g. **Jorge N. Rodriguez**, Senior Custodian, Airport Department, effective December 30, 2024; 35.03\* years of service. (*With Reciprocity - 20.63 CSJ + 14.40 PERS = 35.03 YOS*)
- h. **Steven R. Stayrook**, Latent Fingerprint Examiner II, Police Department, effective December 31, 2024; 30.14\* years of service. (*With Reciprocity - 5.21 CSJ + 24.93 PERS = 30.14 YOS*)
- i. **Melody Tovar**, Deputy Director, Environmental Services Department, effective December 31, 2024; 29.27\* years of service. (*With Reciprocity - 16.18 CSJ + 13.09 PERS = 29.27 YOS*)

#### **1.4 Approval of Board Minutes**

- a. Approval of the Board Minutes of November 21, 2024.

**Attachments:**      [1.4a - FED Board 11-21-24 Minutes-Final.pdf](#)

#### **1.5 Approval of Return of Contributions**

- a. Voluntary | Involuntary

**Attachments:**      [1.5a - FED ROC - November 2024.pdf](#)

#### **1.6 Acceptance of Communication/Information Reports**

- a. Approval of Federated City Employees' Retirement Plan's Popular Annual Financial Report (PAFR) for year ended June 30, 2024.

**Attachments:**      [1.6a - FED PAFR 11-20-24.pdf](#)

- b. Report of the Monthly Board Expenses for October 2024. Receive and file.

**Attachments:**      [1.6b - FED October 2024 Monthly Expenses Report.pdf](#)

- c. Notification to Board pursuant to Paragraph 37 of CEO Charter:

- First Amendment to Retiree Services Agreement with P&A Administrative Services, Inc. entered into by CEO on behalf of Federated with NTE of \$50,000 for term of 5 years expiring on February 26, 2029.

**d. Educational Travel Reports:**

- International Foundation of Employee Benefits, Trustees Masters Program, San Diego Conference Center, San Diego, CA, November 9 - 10, 2024 - by Deborah Abbott.
- SACRS Annual Fall Conference 2024, Hyatt Regency of Monterey, Monterey, CA, November 12 - 15, 2024 - by Matthew Faulkner.
- SACRS Annual Fall Conference 2024, Hyatt Regency of Monterey, Monterey, CA, November 12 - 15, 2024 - by Julie Jennings.

**Attachments:**      [1.6d\(1\) - Travel Content Report - TMP - Deobrah Abbott.pdf](#)  
[1.6d\(2\) - Travel Content Report - SACRS 2024 - Matthew Faulkner.pdf](#)  
[1.6d\(3\) - Travel Content Report - SACRS 2024 - Julie Jennings.pdf](#)

**1.7 Approval of Travel Attendance & Reimbursements**

**a. Reimbursements**

- International Foundation of Employee Benefits, Trustees Masters Program, San Diego Conference Center, San Diego, CA, November 9 - 10, 2024 - Deborah Abbott.
- SACRS Annual Fall Conference 2024, Hyatt Regency Monterey, Monterey, CA, November 12 - 15, 2024 - Matthew Faulkner.
- SACRS Annual Fall Conference 2024, Hyatt Regency Monterey, Monterey, CA, November 12 - 15, 2024 - Julie Jennings.

**Attachments:**      [1.7a\(1\) - Travel Reimbursement Packet - Deborah Abbott.pdf](#)  
[1.7a\(2\) - Travel Reimbursement Packet - Matthew Faulkner.pdf](#)  
[1.7a\(3\) - Travel Reimbursement Packet - Julie Jennings.pdf](#)

**2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)**

- a. Notification of the death of **James Boring**, Principal Civil Engineer, retired May 31, 1986, died October 18, 2024. No survivorship benefits.
- b. Notification of the death of **Robert Bowser**, Building Inspector, retired October 1, 2011, died November 4, 2024. No survivorship benefits.
- c. Notification of the death of **Orland Buckius**, Senior Civil Engineer, retired July 5, 1992, died October 22, 2024. No survivorship benefits.
- d. Notification of the death of **Frances A. Galloni**, Director of Human Resources, retired January 5, 1991, died October 29, 2024. Survivorship benefits to Peter Galloni, spouse.
- e. Notification of the death of **Charlie E. Hall**, Code Enforcement Inspector I, active, died September 27, 2024. Survivorship benefits to Menne Hall, spouse.
- f. Notification of the death of **Wilma J. Hunter**, Library Clerk, retired September 22, 2009, died November 13, 2024. No survivorship benefits.
- g. Notification of the death of **Nancy A. Milligan**, Librarian II, retired January 3, 2004, died

October 31, 2024. No survivorship benefits.

- h. Notification of the death of **James Sava**, Equipment Service Supervisor, retired July 25, 1987, died October 26, 2024. No survivorship benefits.

### **3. INVESTMENTS**

- a. Oral update by CIO, Prabhu Palani.
- b. Presentation of Calendar 2nd Quarter 2024 Private Equity report by Neuberger Berman.  
**Attachments:**      [3b - 2Q 2024 Private Equity Report by Neuberger Berman Legacy.pdf](#)
- c. Presentation of Calendar 2nd Quarter 2024 Private markets report by Meketa Investment Group.  
**Attachments:**      [3c - 2Q 2024 PM Report SJ FED PUBLIC.pdf](#)
- d. Presentation of Calendar 3rd Quarter 2024 Performance report for Pension Plan by Meketa Investment Group.  
**Attachments:**      [3d - 3Q 2024 Performance Report SJ FED ERS.pdf](#)
- e. Presentation of Calendar 3rd Quarter 2024 Performance report for Health Care Trust by Meketa Investment Group.  
**Attachments:**      [3e - 3Q 2024 Performance Report SJ FED RHC.pdf](#)

### **4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS-NONE**

### **5. NEW BUSINESS**

- a. Oral update by CEO, John Flynn.
- b. Oral update from the City Council Liaison to the Board.
- c. Discussion on preliminary results for the June 30, 2024, OPEB Valuation to be presented by Cheiron.  
**Attachments:**      [5c - CASJICW Preliminary June 30 2024 Actuarial Valuation Results.pdf](#)
- d. Discussion and action on the final results for the June 30, 2024, Actuarial Valuation to be presented by Cheiron.  
**Attachments:**      [5d\(1\) - SJFCERS 2024 Final Valuation Results.pdf](#)  
                                 [5d\(2\) - SJFCERS 2024 AVR.pdf](#)
- e. Discussion regarding November 6, 2024 Letter to Board sent on behalf of Federated members Wayne Tanda, Randal Turner, Lawrence Jay Castellano, and Anita Phagan regarding IRS 415 limit issues.

**TIME CERTAIN: 11:00 a.m.**

**Attachments:**      [5e - 20241112 - Tanda - Turner - Castellano - Phagan Correspondence.pdf](#)

- f. Discussion and action on election of Vice-Chair of Board.
- g. Discussion and action on election of Chair of Board.
- h. Discussion and action on adoption of updated City Policy Manual #1.8.2 - Employee Travel Policy with Revised Date of November 21, 2024, for ORS Operations, approved by City on November 21, 2024.

**Attachments:**      [5h - CPM 182 Employee Travel rev 11-21-24.pdf](#)

- i. Discussion and action on adoption of updated City Policy Manual #4.1.4 - Employee Appreciation and Recognition with Revised Date of December 4, 2024, for ORS Operations, approved by City on December 4, 2024.

**Attachments:**      [5i - CPM 414 Employee Recognition Policy rev 12-04-24.pdf](#)

## **6. COMMITTEES/REPORTS/RECOMMENDATIONS**

### **6.1 Investment Committee (Chandra, Horowitz, Faulkner)**

**Last Meeting: December 11, 2024    Next Meeting: February 25, 2025**

- a. Oral update from the Chair of the Investment Committee.
- b. Minutes of the Federated Investment Committee meeting from August 21, 2024. Receive and file.

**Attachments:**      [6.1b - FED IC 08-21-24 Minutes-Final.pdf](#)

### **6.2 Audit Committee (Avasthy, Jennings, Abbott)**

**Last Meeting: August 15, 2024    Next Meeting: February 20, 2025**

- a. Oral update from the Chair of the Audit/Risk Committee.
- b. 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 Macias Gini & O'Connell (MGO), the Plan's external auditor:
  - 1. Independent auditor's Management Letter comments and recommendations regarding audit findings.

**Attachments:**      [6.2b-1 - Management Letter - YE.06-30-24-Final-Secured.pdf](#)

### **6.3 Governance Committee (Linder, Abbott, Avasthy)**



**Last Meeting: June 18, 2024    Next Meeting: December 19, 2024**

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

**6.4 FCERS Disability Committee (Linder, Jennings, Faulkner)**

**Last Meeting: November 20, 2024    Next Meeting: February 4, 2025**

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

**6.5 Joint Personnel Committee (Chandra, Horowitz, Linder)**

**Last Meeting: April 25, 2024    Next Meeting: January 21, 2025**

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

**6.6 Legal Services Joint Adhoc Committee (Abbott, Chandra)**

**Last Meeting: December 13, 2024    Next Meeting: TBD**

- a. Oral update from the Legal Service Joint Adhoc Committee.

**6.7 Actuarial Services Joint Adhoc Committee (Avasthy)**

**Last Meeting: December 9, 2024    Next Meeting: TBD**

- a. Oral update from the Actuarial Services Joint Adhoc Committee.

**7. EDUCATION & TRAINING**

- a. The Cortex Report - January 2025 Conferences, Seminars and Educational Programs.

**Attachments:**     [7a - The Cortex Report - January 2025 Edition.pdf](#)

- b. CALAPRS 2025 Program Calendar.

**Attachments:**     [7b - CALAPRS 2025 Program Calendar-Final.pdf](#)

- c. CALAPRS General Assembly 2025, Silverado Resort, Napa, CA, March 2 - 5, 2025.

**Attachments:**     [7c - CALAPRS 2025 General Assembly Agenda.pdf](#)

- d. Pension Bridge The Annual 2025, Ritz-Carlton, Half Moon Bay, CA, March 24 - 26, 2025.

**• PROPOSED AGENDA ITEMS**

**• ADJOURNMENT**

**• Next FCERS Board Meeting: January 16, 2025**

\*Estimated

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.

Access the video or audio, the agenda and related reports for this meeting by visiting the Retirement Services website at <http://sjrs.legistar.com/calendar.aspx>. If you have any questions, please contact the Office of Retirement Services at (408) 794 - 1000.

## **The Code of Conduct**

(<https://www.sanjoseca.gov/home/showpublisheddocument/12901/63667000496663000>) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

### **1. Public Meeting Decorum:**

- a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
- b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
- c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
- d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
- e) Persons in the audience will not place their feet on the seats in front of them.
- f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
- g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

### **2. Signs, Objects or Symbolic Material:**

- a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions: § No objects will be larger than 2 feet by 3 feet.
  - No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
  - The items cannot create a building maintenance problem or a fire or safety hazard.
- b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
- c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can

openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

**3. Addressing the Council, Committee, Board or Commission:**

- a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
  - b) Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the total amount of time allocated for public testimony for each public speaker or for an agenda item is in the discretion of the Chair of the meeting and may be limited when appropriate. (California Government Code Section 54954.3; Council Policy 0-37) Applicants and appellants in land use matters are usually given more time to speak. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Council, Committee, Board or Commission.
  - c) Speakers should discuss only the agenda item when called to speak for that item, and only topics related to City business when called to speak during open forum on the agenda.
  - d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
  - e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
  - f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
  - g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.
- Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.