



BOARD OF ADMINISTRATION

City Hall
Wing Rooms 118-120
200 East Santa Clara
Street,
San Jose, CA 95113

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

Thursday, October 17, 2019

8:30 AM

City Hall, Wing Rooms 118-120

BOARD MEMBERS

Matt Loesch, Chair
Jay Castellano, Vice-Chair
Anurag Chandra, Trustee
Elaine Orr, Trustee
Qianyu Sun, Trustee
Spencer Horowitz, Trustee
Vacant, Trustee

CITY COUNCIL LIAISON TO THE BOARD
Dev Davis

COUNSEL
Jeff Rieger, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

AGENDA

OPEN SESSION

CALL TO ORDER AND ROLL CALL

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ORDERS OF THE DAY

1. CONSENT CALENDAR

1.1 Approval for a Non-Service-Connected Disability

- a. Andres Ramos**, Warehouse Worker II, Library Department, Request for a Non Service-Connected Disability Retirement, effective March 8, 2019; 20.62* years of service. (*Disability Committee Recommendation: Approval*)

1.2 Approval for a Change in Status to Service-Connected Disability

- a. **Christine Meyers**, Groundswoker, Parks, Recreation and Neighborhood Services Department, effective April 17, 2012; 21.16* years of service. (*Disability Committee Recommendation: Approval*)

1.3 Approval of Service Retirements

- a. **Joanne Bartholdy**, Staff Specialist, City Manager's Office, effective September 7, 2019; 28.82* years of service.
- b. **Michael K. Calderon**, Electrician, Department of Transportation, effective August 31, 2019; 17.67* years of service.
- c. **Jesse Carbajal, Jr.**, Maintenance Assistant, Parks, Recreation and Neighborhood Services Department, effective September 26, 2019; 11.99* years of service.
- d. **Sharon M. Clute**, Environmental Inspector II, Planning, Building and Code Enforcement Department, effective September 21, 2019; 22.27* years of service.
- e. **Edwin Cortez**, Recreation Program Specialist, Parks, Recreation and Neighborhood Services Department, effective October 5, 2019; 23.24* years of service.
- f. **Mitchell E. Daugherty**, Enterprise Information Technology Engineer I, Information Technology Department, effective September 20, 2019; 18.19* years of service.
- g. **John Del Ponte**, Senior Maintenance Worker, Department of Transportation, effective November 16, 2019; 29.27* years of service.
- h. **Susan Gardner**, Program Manager, Fire Department, effective November 16, 2019; 7.15* years of service.
- i. **Demetrius Johnson**, Heavy Equipment Operator, Parks, Recreation and Neighborhood Services Department, effective September 21, 2019; 30.03* years of service.
- j. **Matt Newton**, Principal Construction Inspector, Public Works Department, effective October 19, 2019; 30.00* years of service.
- k. **Arlyn Villanueva**, Associate Engineer, Public Works Department, effective October 12, 2019; 22.15* years of service.
- l. **Claude Alan Wiley**, Information Systems Analyst, Fire Department, effective October 19, 2019; 30.00* years of service.

1.4 Approval of Deferred Vested

- a. **Lew Cary Bauman**, Senior Sanitary Engineer, Environmental Services Department, effective September 14, 2019; 29.57* years of service. (*With Reciprocity - CSJ YOS 7.07 + 22.5 PERS YOS*)
- b. **Daniel R. Earl**, Public Safety Radio Dispatcher, Police Department, effective November 18, 2019; 28.26* years of service.

- c. **Julie Edmonds-Mares**, Deputy City Manager, City Manager's Office, effective September 30, 2019, 11.81* years of service. *(With Reciprocity CSJ YOS 10.56 + 1.25 PERS YOS)*
- d. **Randolph Hom**, Senior Deputy City Attorney, City Attorney's Office, effective August 30, 2019; 23.15* years of service. *(With Reciprocity CSJ YOS 2.05 + 19.03 PERS YOS + 2.07 LACERS YOS)*
- e. **Ronald M. Homen**, Maintenance Worker II, Department of Transportation, effective October 12, 2019, 18.36* years of service.
- f. **Rebecca Muñoz**, Maintenance Assistant, Parks, Recreation and Neighborhood Services Department, effective October 28, 2019; 10.62* years of service.
- g. **George Mark Schriefer**, Building Inspector Supervisor, Planning, Building and Code Enforcement Department, effective November 1, 2019; 10.42* years of service. *(With Reciprocity CSJ YOS 3.54 + 6.87 PERS YOS)*
- h. **Francisco V. Valle**, Maintenance Worker, Environmental Services Department, effective September 9, 2019; 11.82* years of service.
- i. **Todd Waltrip**, Code Enforcement Supervisor, Planning, Building and Code Enforcement Department, effective October 22, 2019; 19.72* years of service.

1.5 Approval of Board Minutes

- a. Approval of the Board Minutes of August 15, 2019.

Attachments: [1.5a - 8-15-2019 FED Minutes - FINAL](#)

- b. Approval of the Board Retreat Minutes of September 19, 2019.

Attachments: [1.5b - 9-19-2019 FED BOARD RETREAT MINUTES - FINAL](#)

1.6 Approval of Return of Contributions

- a. Voluntary | Involuntary.

Attachments: [1.6a - Return of Contribution](#)

1.7 Acceptance of Communication/Information Reports

- a. Report of the Plan Expenses for June and July 2019. Receive and file.

Attachments: [1.7a\(1\) - Fed June 2019 Monthly Board Expense](#)
 [1.7a\(2\) - Fed July 2019 Monthly Board Expense](#)

- b. Report of the Budget vs. Actual Expenses for 4th Quarter FY 18-19. Receive and file.

Attachments: [1.7b - FED Q4 FY18-19 Budget Report](#)

c. Educational Travel Reports:

- CALAPRS Principles of Pension Governance, Pepperdine University, Malibu, CA - August 26-29, 2019 - by Jay Castellano
- CALAPRS Principles of Pension Governance, Pepperdine University, Malibu, CA - August 26-29, 2019 - by Qianyu Sun
- 2019 Women's Leadership Unbound Summit, Ritz Carlton, Half Moon Bay, CA - September 11-13, 2019 - by Elaine Orr

Attachments: [1.7c - Travel Content Reports - All](#)

- d.** Government Finance Officers Association (GFOA) Certificate and Award of Financial Reporting Achievement on the Comprehensive Annual Financial (CAFR) for the Fiscal Year ended June 2018.

Attachments: [1.7d - FED GFOA](#)

- e.** Matrix of the City Auditor's Recommendations from the 2017 Audit.

Attachments: [1.7e - City Auditor Recommendations 17-06 Retirement 7.12.19](#)

- f.** Communication to retirees regarding the launch of the new Member Direct Portal.

Attachments: [1.7f - Sample Enrollment Pin Letter De-personalized](#)

- g. REVISED 2020 Scheduled Board and Standing Committee Meetings.**

Attachments: [1.7g - REVISED 2020 Schedule Meetings Memo](#)

- h.** Notification of Private Market Commitments by Investment Staff.

Attachments: [1.7h - New Private Markets Commitments - 20190905 \(item# 1 Communications](#)

- i.** The City's and Board's responses to the Grand Jury report.

Attachments: [1.7i\(1\) - Grand Jury Response from the City](#)
 [1.7i\(2\) - GRAND JURY RESPONSE FROM THE BOARD- Final](#)

1.8 Report out of Closed Session

- a.** Report out of Closed Session from the December 20, 2018 Federated Board meeting.

Attachments: [1.8a - Fed Report out of Closed Session - 20191017](#)

2. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a.** Notification of the death of **Carlos Agustin**, Painter, retired July 3, 1993; died August 28, 2019. Survivorship benefits to Beverly Agustin, Spouse.

- b. Notification of the death of **Amelita Aranda**, Office Specialist II, retired January 14, 2006, died September 4, 2019. Survivorship benefits to Jose Aranda, Spouse.
- c. Notification of the death of **Thomas Brown**, Maintenance Worker I, retired March 5, 2011, died September 20, 2019. Survivorship benefits to Elizabeth Bailey, Spouse.
- d. Notification of the death of **Felix Guido**, Custodian, retired July 12, 2004, died August 11, 2019. Survivorship benefits to Gail Guido, Spouse.
- e. Notification of the death of **Bobby Heikkila**, Assistant Fire Master Mechanic, retired May 30, 1987, died August 3, 2019. Survivorship benefits to Heide Heikkila, Spouse.
- f. Notification of the death of **Carol Lazetera**, Senior Account Clerk, retired December 7, 2002, died June 21, 2019. No survivorship benefits.
- g. Notification of the death of **Art. T. Mendoza**, Principal Civil Engineer, retired October 4, 1987, died June 24, 2019. No survivorship benefits.
- h. Notification of the death of **Richard Molano**, Groundswoker, retired November 8, 2001, died August 17, 2019. No survivorship benefits.
- i. Notification of the death of **Alberto Oxonian**, Senior Civil Engineer, retired April 7, 2000, died September 7, 2019. Survivorship benefits to Alegria Oxonian, Spouse.
- j. Notification of the death of **Roberta Roggeveen**, Senior Typist Clerk, retired January 30, 1988, died May 5, 2019. No survivorship benefits.
- k. Notification of the death of **Sydney P. Soucy**, Police Data Systems Specialist Supervisor, retired May 20, 1973, died August 21, 2019. No survivorship benefits.
- l. Notification of the death of **Joseph Sturak**, Electrician, retired October 3, 1987, died August 28, 2019. No survivorship benefits.
- m. Notification of the death of **Lori Wallace-Pushinaitis**, Associate Environmental Services Specialist, Deferred Vested, died October 21, 2018. Survivorship benefits to Mark Pushinatis, Spouse.

3. INVESTMENTS

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.
- b. Discussion and approval to renew a 1 year agreement with Albourne America, LLC for \$20,000 per month on a month-to-month basis and for the Secretary to negotiate and execute the agreement for a not-to-exceed amount of \$260,000.

Attachments: [3b - Albourne America contract renewal 100719](#)

- c. Discussion and approval to renew the agreement with Meketa Investment Group for \$28,333 per month through February 2020 and for the Secretary to negotiate and execute the agreement for a not-to-exceed amount of \$240,000.

Attachments: [3c - Meketa Investment contract renewal 100719](#)

- d. Discussion and action on asset allocation by Meketa Investment Group.

Attachments: [3d -191017 Asset Allocation San Jose Fed ERS \(item 6\)](#)

- e. Presentation of Calendar 1st Quarter 2019 Private Equity Report by Neuberger Berman.

Attachments: [3e - 03312019 FOIA Investment Report for San Jose Federated NB \(item 2\)](#)

- f. Presentation of Calendar 1st Quarter 2019 Private Markets Report by Meketa Investment Group.

Attachments: [3f - Q1 19 PM Interim Report San Jose Public Meketa \(item# 3\)](#)

- g. Presentation of Calendar 2nd Quarter 2019 Performance Report for the Pension Plan by Meketa Investment Group.

Attachments: [3g - 190827 2Q19 Performance Review San Jose Fed ERS \(item 4\)](#)

- h. Presentation of Calendar 2nd Quarter 2019 Performance Report for the Health Care Trust by Meketa Investment Group.

Attachments: [3h - 190827 2Q19 Performance Review San Jose Fed RHC \(item 5\)](#)

4. OLD BUSINESS-DEFERRED/CONTINUED ITEMS

NONE.

5. NEW BUSINESS

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

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

- c. Discussion and action on review of economic assumptions for June 2019 actuarial valuations presented by Cheiron:

- Price inflation (Pension and OPEB valuations)
- Wage inflation (Pension and OPEB valuations)
- Discount rate (Pension valuation only)

Attachments: [5c - 2019 Economic Assumptions Review - Cheiron](#)

- d. Interviews for Public Member Trustee for Board of Administration for the Federated City Employees Retirement System. **(TIME CERTAIN: 10:00 A.M.)**

- Mark Keleher
- John Klobe

Attachments: [5d\(1\) - Mark Keleher](#)

[5d\(2\) - John Klobe](#)

- e. Discussion and action regarding Committee assignments.

Attachments: [5e - BOARDS-COMMITTEES-Members-Participants-FED - Updated 8-28-19](#)

- f. Discussion on City's Resolution endorsing the declaration of a Climate Emergency by the City Council.

Attachments: [5f\(1\) - Climate Emergency Resolution](#)
 [5f\(2\) - Federated Retirement Item 5f Climate Emergency re Investments](#)

6. COMMITTEES/REPORTS/RECOMMENDATIONS

6.1 Investment Committee (Loesch, Chandra)

Last Meeting: August 27, 2019 Next Meeting: October 22, 2019

- a. Oral update from the Chair of the Investment Committee
- b. Minutes of the May 28, 2019 Federated Investment Committee Meeting. Receive and file.

Attachments: [6.1b - 05.28.19 FED IC meeting minutes signed](#)

- c. Minutes of the May 28, 2019 Joint Investment Committee Meeting. Receive and file.

Attachments: [6.1c - 05.28.2019 Joint IC minutes - Signed](#)

6.2 Governance Committee (Orr, Sun)

Last Meeting: November 26, 2018 Next Meeting: December 5, 2019
(September 5, 2019 Meeting Cancelled)

- a. Oral update from the Chair of the Governance Committee.
- b. Approval of the Minutes of the November 26, 2018 Joint Governance Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan.

Attachments: [6.2b - Joint Governance Committee Minutes - 11.26.18 - Final](#)

- c. Discussion and action on approval of Forward Calendar for the Joint Governance Committee.

Attachments: [6.2c - JGC Forward Calendar](#)

- d. Discussion and action on amendments to the charters of the CEO and CIO:
 - a. To confirm the relationship between the two positions for the benefit of JPC, which is developing the performance evaluation policies for each position
 - b. To reflect recent changes to IPS
 - c. To eliminate any unnecessary inconsistencies between the Boards

Attachments: [6.2d\(1\) - Cortex Cover Memo](#)
 [6.2d\(2\) - FED CEO Charter CLEAN](#)
 [6.2d\(3\) - FED CEO Charter REVISED](#)
 [6.2d\(4\) - FED CIO Charter CLEAN](#)
 [6.2d\(5\) - FED CIO Charter REVISED](#)

- e. Discussion and action on minor revisions to governance policies and charters to achieve full consistency across the two Boards:
 - a. Board Communications Policy
 - b. Board Education Policy
 - c. Policy on Vendor Selection (to reflect recent changes to IPS)

Attachments: [6.2e\(1\) - Cortex Cover Memo](#)
 [6.2e\(2\) - FED Board Communications Policy CLEAN](#)
 [6.2e\(3\) - FED Board Communications Policy REVISED](#)
 [6.2e\(4\) - FED Board Education Policy CLEAN](#)
 [6.2e\(5\) - FED Board Education Policy REVISED](#)
 [6.2e\(6\) - FED Vendor Selection Policy CLEAN](#)
 [6.2e\(7\) - FED Vendor Selection Policy REVISED](#)

6.3 Audit Committee (Orr, Castellano)

Last Meeting: August 15, 2019

Next Meeting: October 17, 2019

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

6.4 Joint Personnel Committee (Loesch, Chandra)

Last Meeting: September 9, 2019

Next Meeting: October 28, 2019

- a. Oral update from the Chair of the Joint Personnel Committee.
- b. Minutes of the August 6, 2019 Joint Personnel Committee meeting. Receive and file.

Attachments: [6.4b - 8-6-19 JPC Minutes - Signed](#)

7. EDUCATION & TRAINING

- a. The Cortex Report - November 2019 - Conferences, Seminars, and Educational Programs.

Attachments: [7a -San Jose Cortex Report - Nov 2019](#)

- b. CALAPRS 2019 Program Calendar.

Attachments: [7b - 2019 CalAPRS Calendar](#)

- c. 2019 Pension Bridge Alternatives Conference, The Beverly Wilshire, Beverly Hills, CA - October 28 - 29, 2019.

Attachments: [7c -2019-Pension Bridge Alternatives](#)

FUTURE AGENDA ITEMS

PUBLIC/RETIREE COMMENTS

ADJOURNMENT

*Estimated

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