



# 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

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Thursday, November 21, 2019

8:30 AM

City Hall, Wing Rooms 118-120

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### 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

*Harvey Leiderman, General and Fiduciary Counsel*

*Roberto L. Peña, CEO, Office of Retirement Services*

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### CEREMONIAL ITEM

Presentation of a commendation to Matt Loesch for his service as Trustee of the Federated City Employees' Retirement Board of Administration.

### CLOSED SESSION

### I. CLOSED SESSION INVESTMENTS

- A. CLOSED SESSION: CONFERENCE WITH INVESTMENT CONSULTANT PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER PURCHASE OR SALE OF PARTICULAR PENSION FUND INVESTMENT (ONE INVESTMENT).

### OPEN SESSION

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

### **1.1 Application for a Service-Connected Disability**

- a. **Albert Matteroli**, Electrician, Public Works Department, Application for a Service-Connected Disability Retirement, effective July 13, 2012; 5.59\* years of service. (*Disability Committee - No Recommendation*) (TIME CERTAIN: 8:45 A.M.)
- b. **Rosanna Pizzuti**, Potential Cancellation of Service-Connected Disability Retirement Allowance, Pursuant to Municipal Code Sections 3.28.1370 - 3.28.1390. (*Disability Committee Recommendation: Cancellation of Allowance*) (TIME CERTAIN: 9:30 A.M.)

### **1.2 Change In Status to Service-Connected Disability**

None.

## **2. CONSENT CALENDAR**

### **2.1 Approval of Service Retirements**

- a. **Patricia Amii**, Administrative Assistant, Housing Department, effective November 16, 2019; 12.17\* years of service.
- b. **Chen-Tung Chiang**, Senior Engineer, Planning, Building and Code Enforcement Department, effective November 16, 2019; 20.82\* years of service.
- c. **April A. Davison**, Staff Specialist, Information Technology Department, effective November 16, 2019; 12.78\* years of service.
- d. **Paul F. Formico**, Park Facilities Supervisor, Parks, Recreation and Neighborhood Services Department, effective December 28, 2019; 30.00\* years of service.
- e. **Antonio Gonzalez, Jr.**, Code Inspector II, Planning, Building and Code Enforcement Department, effective November 30, 2019; 24.33\* years of service.
- f. **Daniel LeVeque**, Building Inspection Manager, Planning, Building and Code Enforcement Department, effective November 16, 2019; 19.92\* years of service.
- g. **Maria G. Loera**, Analyst II, Office of Retirement Services, effective November 6, 2019, 27.92\* years of service.
- h. **Cong Thanh Nguyen**, Mechanic, Public Works Department, effective December 14, 2019, 29.00\* years of service.
- i. **Joseph Paul Pomeroy**, Maintenance Superintendent, Department of Transportation, effective November 2, 2019; 30.11\* years of service.
- j. **Brad James Sedin**, Associate Engineering Technician, Department of Transportation, effective December 14, 2019; 21.00\* years of service.
- k. **Kristine Snell**, Police Property Specialist, Police Department, effective November 30, 2019; 30.22\*

years of service.

- l. Julia Tranchina**, Network Engineer, Library Department, effective December 14, 2019; 21.93\* years of service.

## **2.2 Approval of Deferred Vested**

- a. Steven Leonard Adams**, Senior Security Officer, Library Department, effective December 27, 2019; 11.72\* years of service.
- b. Jose S. Balingit**, Associate Land Designer, Public Works Department, effective October 9, 2019; 16.42\* years of service.
- c. Patrick Chew**, Fire Protection Engineer, Fire Department, effective December 3, 2019; 25.00\* years of service. *(With Reciprocity CSJ YOS 8.32 + 16.68 PERS YOS)*
- d. Tracy L. Deitschman**, Senior Public Safety Dispatcher, Fire Department, effective December 31, 2019; 29.31\* years of service. *(With Reciprocity CSJ YOS 24.32 + 4.98 PERS YOS)*
- e. Gregory W. Elliott**, Senior Program Performance Auditor, Office of the City Auditor, effective December 1, 2019; 15.92\* years of service.
- f. Kimberlee M. Gaddis**, Crime Prevention Specialist, Police Department, effective December 29, 2019; 25.09\* years of service.
- g. Michael C. Nausin**, Program Manager, Airport Department, effective December 31, 2019; 27.38\* years of service. *(With Reciprocity CSJ YOS 8.69 + 18.69 PERS YOS)*
- h. Marino S. Paunil**, Civil Engineer, Public Works Department, effective December 28, 2019; 21.87\* years of service. *(With Reciprocity CSJ YOS 3.87 + 18.00 PERS YOS)*
- i. Ilaria Rossi**, Senior Account Clerk, Airport Department, effective November 30, 2019; 8.52\* years of service.
- j. Jeff Stiles**, Senior Analyst, Human Resources Department, effective December 24, 2019; 17.58\* years of service. *(With Reciprocity CSJ YOS 6.80 + 10.77 PER YOS)*
- k. Donna L. Tanaka**, Principal Office Specialist, Environmental Services Department, effective December 14, 2019; 10.47\* years of service. *(With Reciprocity CSJ YOS 0.47 + 10.00 PERS YOS)*
- l. Leslie Tisdale**, Supervisor, Animal Services Operations, Public Works Department, effective December 11, 2019; 19.80\* years of service. *(With Reciprocity CSJ YOS 4.84 + 1.50 SFERS + 13.45 PERS)*
- m. Martin F. Torres**, Network Engineer, Information Technology Department, effective December 1, 2019, 26.44\* years of service. *(With Reciprocity CSJ YOS 17.94 + 2.19 SFERS + 6.30 SAM CERA)*

## **2.3 Approval of Board Minutes**

- a. Approval of the Board Minutes of October 17, 2019.

Attachments:      [2.3a - 10.17.2019 FED MINUTES - FINAL](#)

## **2.4 Approval of Return of Contributions**

- a. Voluntary | Involuntary.

Attachments:      [2.4a - Return of Contributions](#)

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

- a. Report of the Plan Expenses for August and September. Receive and file.

Attachments:      [2.5a\(1\) - Fed August 2019 Monthly Board Expense](#)  
                             [2.5a\(2\) - Fed September 2019 Monthly Board Expense](#)

- b. Report of the Budget vs. Actual Expenses for the 1st Quarter FY 19-20. Receive and file.

Attachments:      [2.5b - FED Q1 FY19-20 Budget Report](#)

- c. Notification of Private Market Commitments to Rockpoint Real Estate Fund VI and Exeter Industrial Value Fund V by Investment Staff.

Attachments:      [2.5c - New Private Markets Commitments - 20191121](#)

## **2.6 Approval of Travel / Conference Attendance**

- a. Roberto L. Peña, CEO
- **TRAVEL CANCELLED** - SACRS Fall Conference, Hyatt Regency Monterey Hotel & Spa, Monterey, CA - November 12-15, 2019.
- b. Prabhu Palani, CIO
- 2019 Stanford Investor Forum, Stanford University, Palo Alto, CA - November 18-19, 2019.
  - 3rd Annual Private Equity and Secondaries Investor Summit, Harmonie Club, New York, NY - December 3-4, 2019.
- c. Spencer Horowitz, Trustee
- Risk & Liquidity Forum, Ritz-Carlton, San Francisco, CA - January 28-29, 2020.
- d. Elaine Orr, Trustee
- CALAPRS General Assembly, Omni Rancho Mirage Las Palmas Resort & Spa, Rancho Mirage, CA - March 7 - 10, 2020.
  - Impact Capitalism Summit, Le Meridien Downtown Denver, Denver, CO - March 31 - April 1, 2020.

## **3. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)**

- a. Notification of the death of **Edward E. Chaparro**, Maintenance Worker I, retired January 18, 2018, died October 16, 2019. Survivorship benefits to Isela Chaparro, Spouse.
- b. Notification of the death of **Raymond Clausen**, Maintenance Supervisor, retired October 4, 1987, died September 22, 2019. No survivorship benefits.
- c. Notification of the death of **Harwood Fox**, Staff Analyst II, retired August 4, 1986, died March 11, 2019. No survivorship benefits.
- d. Notification of the death of **Marilyn D. Haughey**, Steno Clerk III, retired March 15, 1979, died October 4, 2019. No survivorship benefits.
- e. Notification of the death of **Bertha Johnson**, Principal Clerk, retired August 1, 1992, died September 26, 2019. No survivorship benefits.
- f. Notification of the death of **Robert Johnson**, Master Mechanic, retired July 16, 1995, died September 15, 2019. No survivorship benefits.
- g. Notification of the death of **Verna Johnson**, Secretary I, retired August 9, 1975, died October 6, 2019. No survivorship benefits.
- h. Notification of the death of **Luis G. Juarez**, Housing Code Administrator, retired March 31, 1979, died September 1, 2019. No survivorship benefits.
- i. Notification of the death of **Annette Pirie**, Librarian III, retired December 17, 1989, died September 19, 2019. No survivorship benefits.
- j. Notification of the death of **Carol Sisemore**, Staff Technician, retired April 13, 1991, died September 19, 2019. No survivorship benefits.

#### **4. INVESTMENTS**

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.
- b. Presentation of Calendar 2nd Quarter 2019 Private Markets Report by Meketa Investment Group.  
  
**Attachments:**     [4b - Q219\\_PM Report\\_SJ FED\\_PUBLIC.pdf](#)
- c. Presentation of Calendar 2nd Quarter 2019 Private Equity Report by Neuberger Berman.  
  
**Attachments:**     [4c - 06-30-2019 FOIA Investment Report for San Jose Federated City Employee](#)
- d. Presentation of Calendar 3rd Quarter 2019 Performance Report for the Pension Plan by Meketa Investment Group.  
  
**Attachments:**     [4d - 3Q19\\_Performance Report\\_SJ Fed ERS\\_Meketa.pdf](#)
- e. Presentation of Calendar 3rd Quarter 2019 Performance Report for the Health Care Trust by Meketa Investment Group.  
  
**Attachments:**     [4e - 3Q19\\_Performance Report\\_SJ Fed RHC-Meketa.pdf](#)

## **5. OLD BUSINESS-DEFERRED/CONTINUED ITEMS**

- a. Discussion and action on assigning one Trustee to the Joint Personnel Committee.

**Attachments:**      [5a - BOARDS-COMMITTEES-Members-Participants-FED - Updated 10-22-19](#)

## **6. 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 demographic assumptions and methods for the June 30, 2019 Pension Actuarial Valuation to be presented by Cheiron.

**Attachments:**      [6c\(1\) - Cheiron Presentation](#)  
                             [6c\(2\) - Cheiron Experience Study .pdf](#)

- d. Discussion and action on compensation and benefits for the Office of Retirement Services's Chief Executive Officer (CEO) and Chief Investment Officer (CIO).

## **7. COMMITTEES/REPORTS/RECOMMENDATIONS**

### **7.1 Investment Committee (Chandra, Loesch, Orr)**

**Last Meeting: October 22, 2019      Next Meeting: December 17, 2019**

- a. Oral update from the Chair of the Investment Committee.
- b. Minutes of the August 27, 2019 Federated Investment Committee Meeting. Receive and file.

**Attachments:**      [7.1b - 08.27.2019 FED IC meeting minutes \(signed\)](#)

- c. Minutes of the August 27, 2019 Joint Investment Committee Meeting. Receive and file.

**Attachments:**      [7.1c - 08.27.2019 Joint IC meeting minutes \(signed\)](#)

### **7.2 Governance Committee (Orr, Sun, Vacant)**

**Last Meeting: November 26, 2018      Next Meeting: December 5, 2019**

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

### **7.3 Audit Committee (Castellano, Orr, Horowitz)**

**Last Meeting: October 17, 2019      Next Meeting: February 20, 2020**

- a. Oral update from the Chair of the Audit Committee.
- b. 7/1/19-9/30/19 Quarterly Travel and attendance analysis for Federated. Receive and file.  
  
Attachments:      [7.3b - Trustee Travel Analysis FED 7-1-2019-9-30-2019-REVISED](#)
- c. Update on the City Auditor's Recommendations to Office of Retirement Services. Receive and file.  
  
Attachments:      [7.3c- City Auditor Recommendations 17-06 Retirement 7.12.19](#)
- d. Update on the Pension Administration System implementation project. Receive and file.  
  
Attachments:      [7.3d - PAS Update - Revised](#)
- e. Discussion and action on the Committee's recommendation on the approval of the Federated City Employees' Retirement System's Comprehensive Annual Financial Report for the Fiscal Year 2018-2019.  
  
Attachments:      [7.3e - 2019 Federated CAFR 11-13-2019 v3.pdf](#)
- f. Discussion and action on the Committee's recommendation regarding Communication to the Board of Administration of the City of San Jose 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.  
Attachments:      [7.3f\(1\) - City of San Jose Federated City Report on Internal Control Letter FINAL](#)  
                              [7.3f\(2\) - FED Findings 2019 with mgmt comment \(DRAFT 10.10\)](#)  
                              [7.3f\(3\) - FED and PF FY19 AC Presentation \(FINAL 11.12\)](#)
- g. Report on the Investment Wires and Internal Transfers Audit. Receive and file.  
  
Attachments:      [7.3g\(1\) - Investment Wires and Internal Transfers Audit](#)  
                              [7.3g\(2\) - Internal Audit Response 10-08-2019](#)
- h. Report on the Death Verification and Overpayment Tracking Process. Receive and file.  
  
Attachments:      [7.3h\(1\) - Death Verification and Overpayment Tracking Process](#)  
                              [7.3h\(2\) - Response to Death Verification-Overpymt Tracking Process - Distribut](#)

#### **7.4 Joint Personnel Committee (Loesch, Chandra, Castellano)**

**Last Meeting: October 28, 2019**

**Next Meeting: TBD**

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

- b. Minutes of the September 9, 2019 Joint Personnel Committee. Receive and file.

Attachments:      [7.4b - 9.9.19 - JPC Minutes - Signed](#)

## **8. EDUCATION & TRAINING**

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

Attachments:      [8a -San Jose Cortex Report - Nov 2019](#)

- b. CALAPRS 2019 Program Calendar.

Attachments:      [8b - 2019 CalAPRS Calendar](#)

## **FUTURE AGENDA ITEMS**

## **PUBLIC/RETIREE COMMENTS**

## **ADJOURNMENT**

\*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.