

*Welcome to The Retirement Connection!*

## Fascinating Members

### San Jose Emerald Society

San Jose Emerald Society honors fallen, passing public safety. It started as a gesture to honor fallen police officers and became a passionate commitment. The San Jose Emerald Society, about 25 sets of bagpipes and drums strong, includes retired and active City public safety members as well as “civilian” talent. Founded in 2017 by retired San Jose Sgt. Brian Hyland, president of the group, the Emerald Society is patterned after versions found across the nation but first established in New York City. In Brian’s case, founding San Jose’s Society was almost destiny. Twenty years ago, just before the tragic events of 9/11, he spotted a flier posted at headquarters seeking officers who wanted to learn bagpipes. He quickly began the year-long training necessary before actually playing the pipes and began performing with a Los Gatos group in 2002. Brian has been at it ever since. The Society is also an official non-profit foundation, supported by about 90 members who give time and money to the cause. They are always seeking new members, experienced or not. The Society takes adult students and provides the training. About that lovely tartan plaid they wear? Brian designed it, registered it in Scotland, and buys the fabric from Scotland in bulk. The colors are no accident – green for the emerald, blue for law enforcement, black to mourn a passing, and silver to represent the badge. The Society’s biggest annual fundraising event was held on Sept. 11, featuring a banquet and party and auctions to support their commitment to bringing this powerful tribute to those who served.



## Message from CIO Prabhu Palani



The Shiller P/E ratio (or Cyclically-Adjusted P/E Ratio) stood at 37.09 this month, not too far from its monthly high of 38.44 on August 1st, 2021, the second highest monthly reading in the last 150 years after the period between December 1st, 1998 to Nov 1st, 2000 when it was consistently above this level (with an all-time high of 44.19 on December 1, 1999). Even during the Great Depression, the CAPE only hit a monthly high of 32.56, on December 1st, 1929.

Unlike the Nasdaq bubble of 2000 or the Great Financial Crisis (GFC) of 2008/09, corporate profitability continues to be strong, we are in an expansion phase economically, and there seem to be no lurking structural issues (barring Black Swans). Moreover, countries are starting to open, albeit slowly, as vaccination rates continue to increase. This should result in greater consumer spending and confidence. According to the University of Michigan Survey of Consumers, consumer confidence is still below its pre-pandemic levels, which means that a recovery in confidence will lead to greater consumer spending and bolster economic recovery.

Risk assets have been supported by Central Banks since the GFC. Bond buying has kept interest rates low and greased the wheels of economies. A natural consequence has been the reach for yield,

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## Open Enrollment for Retirees and Beneficiaries is Coming Soon!

Retirees and Beneficiaries will have the opportunity to make changes to their health care plans for 2022 starting Monday, November 1 through Tuesday, November 30. Office of Retirement Services will not be hosting an in-person Retiree Health Fair this year. Retirees can get answers to all Open Enrollment questions by reading the information in the open enrollment packet, visiting our main website at [www.sjretirement.com](http://www.sjretirement.com), visiting our Open Enrollment website at <https://openenrollment.sjretirement.com>, sending an email to [csj\\_retirement@sanjoseca.gov](mailto:csj_retirement@sanjoseca.gov) or call ORS at 408-794-1000 or 1-800-732-6477. All Open Enrollment events will be virtual in 2021! The plan providers will be hosting webinars and offering virtual office hours for members to speak directly with them. The schedule for the webinars and virtual office hours are available on our open enrollment website, <https://openenrollment.sjretirement.com>.

In addition, rates and plan changes are also available on the site.

### Key Changes in 2022

2022 Rate Changes for Current Kaiser and Anthem Plans - There will be a rate decrease of 8.7% for the Anthem Select \$20 Copay HMO plan and 0.46% for the Kaiser plans. The Anthem PPO rates are increasing by approximately 19%.

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## What will “the new normal” look like at ORS?

Among the most commonly asked questions we hear from both members and staff is what the Office of Retirement Services’ new normal might be once we feel confident the Covid crisis is truly under control. While we have some general answers and predictions, the details remain a work in progress, to be determined in the months ahead based on developments, COVID cases, exposures and experience. We do expect that the new staffing model at ORS will be a hybrid mode, much as other City departments and employers throughout the region are planning. Of course, we will have essential workers in the office. But we have learned that many tasks can be accomplished remotely. Some staff members may work a combination of remote and in-office schedules. Please note when ready, we plan on sharing our plans to bring back our employees to the worksite through our website and social media Twitter and Facebook accounts. In the meantime, we plan to introduce an appointment system that will allow members to schedule time with staff either in person, at the office, or virtually. It’s a model we are testing and I will be sharing details in the coming weeks. We continue to consider guidelines and quality assurance measures for this concept, but so far, nothing would indicate this could not be an effective, efficient and convenient way to serve you and conduct business. On a related note, we have decided the health fair for Open Enrollment, set for all of November we will held virtually just like last year. Please make sure you watch our Facebook and Twitter pages for timely updates on this event. We hope to use the above new appointment model discussed above to help members through Open Enrollment. We would like to remind everyone that Public Board meetings, generally held the 1st and 3rd Thursdays of the month, will continue to be held virtually. You can view Board meeting instructions and agendas on our website.

## Staffing Updates

**Brian Starr**, Senior Investment Officer pursued other opportunities outside of the City.

**Dhinesh Ganapathiappan** was promoted from Investment Officer to Senior Investment Officer.

**Peter Pham**, IT pursued other opportunities within the City.

## Welcome to ORS!

**Sandra Castellano**, Benefits Division Manager.

**Michelle Saechao**, Benefits Analyst.

**Sachin Sadana**, Investment Analyst.

## Message from the CIO, continued from page 1

which has benefited risk assets immensely. One potential market overhang is the Fed’s recently announced taper strategy. But BCA Research has pointed out that the Fed’s strategy is one of ‘taper’ and not ‘tightening’. The central bank’s balance sheet will continue to expand, though at a slower pace. The Fed’s taper is a sign of underlying economic strength. Inflation can also have a negative impact on asset prices. However, despite recent high levels of inflation caused by supply chain disruptions and pent-up demand, longer term forecasts continue to be benign. A nasty shock on the upside can greatly upset the appletart and force the Fed’s hands into raising rates sooner than expected.

The size and strength of the Chinese economy dictates that what happens in China will have global implications. Recent moves by the Chinese government to exercise greater control in the tech sector as well as the well-publicized woes of Evergrande have factored in recent market declines. The Chinese government has considerable control over its economy and should be able to prevent these problems from posing a systemic risk to the global financial system.

Finally, let us look at bond yields. The US 10-year has sold off in recent weeks, with the yield now at 1.5%. While this is quite a bit higher than the 0.68% yield a year ago, it is still below the 1.6% yield of 5 years ago and 1.91% of 10 years. Shorter-term expect greater stock market volatility – more price swings of 1% or higher in equity prices. A correction (technically defined as a fall of greater than 10%) is very much on the cards. If history is any indication, the Shiller P/E will moderate and revert towards mean. Whether it does so by a sharp price contraction or a gradual increase in earnings remains to be seen. For now, low bond yields, an expansionary economic phase, increase in consumer spending, and improved Covid outlook (the Merck pill could be a game changer), favor elevated asset prices. Nasty inflationary shocks, unexpected spike in bond yields, abnormally high valuations, China, and Black Swans can pose headwinds.

As pension plan investors, we have a long-term horizon. Volatility can also be a friend and help us take advantage of price fluctuations by periodically rebalancing to our strategic asset allocation targets. The prudent course will be to stay long risk assets, diversify across asset classes, minimize costs, and follow the data. Reduced capital market expectations will be the norm.

## Open Enrollment, continued from page 1

In 2022:

**Kaiser** - the medical plan offerings will remain the same, the Meals and Transportation benefit will continue and the Senior Advantage Silver&Fit free gym membership will also be available again.

**Anthem** - NEW Anthem Traditional \$20 Copay HMO Plan (Pilot), the new plan offers a wider network than the Select HMO, including Palo Alto Medical Foundation (PAMF), Affinity Medical Group, & Silicon Valley Network. The SilverSneakers Program will continue.

The **Delta Dental PPO** plan annual maximum is increasing from \$1,500 per person per year to \$2,100 per person per year.

The **VSP** Frame allowance for both VSP Signature and Choice plans will increase to \$150. Also, Walmart and Sam’s Club/Costco will be added as retail chain providers. The frame allowance at these providers will be \$80 since these retailers have unique pricing.



# Profile:

## ORS Administration Division Group

### Linda Alexander Executive Assistant to the CEO/ Supervisor, Administration Division



- Q:** Share a bit about the experience and background that brought you to ORS.
- A:** I spent 10 years managing contracts in the hi-tech industry and also served as a director for a non-profit staffing recruitment company. I came to public service in 2005 and spent eight years working for a City councilmember. After the councilmember termed out, I was hired by ORS in 2013 and have been here since.
- Q:** What are the responsibilities of the Administration Division supervisor?
- A:** I provide direct support to the CEO, serve as the liaison to both Boards and their 16 members, and supervise the work of my team in setting the agendas and other administrative duties. I am also the liaison between the City staff, Attorneys office and the Clerk's Office.
- Q:** Has Covid and remote work changed your job and experience with colleagues?
- A:** In our division, we took on many technology tasks and changed gears to recreate our business on Zoom or MS Teams from home offices. We had to learn all these new modes of communication and meetings, as well as provide training for trustees, consultants, and staff.
- Q:** What is most satisfying about your job?
- A:** I learn so much from Senior Staff and I enjoy the variety of work. And, we have great camaraderie here at ORS.
- Q:** Share a little about Linda, the person off-duty.
- A:** I grew up in Milpitas, CA. I attended Sacramento State University and received my BA Degree in Business Communications. My husband and I are parents of two adult children – a son who graduated from Alabama State University and a daughter who is a senior at Cal State Dominguez Hills.
- My husband and I are very active in the community. I am a member of Alpha Kappa Alpha Sorority and President of a progressive women's group. When we are truly "off duty," we love to walk in the mountains where we live in San Jose and play golf. I also paint and spend relaxing time playing with our dogs and chickens.

### Michelle San Miguel Staff Specialist



- Q:** Share your journey to working at ORS, and a bit about your background.
- A:** I was born in San Jose and have lived most of my life here. I attended college at what was then California State University at Hayward (now Cal State East Bay) and

lived in Hayward during that time. My first stint with ORS was as a temporary worker in 2012 and I have worked in the Administrative and Benefits Units, both of which taught me a great deal about retirement issues and the process.

- Q:** What are your duties at ORS?
- A:** I serve the Police & Fire Board and support the Governance Committees of both Boards. My job is to make their meetings run smoothly, and I take pride in assisting trustees and staff accomplish the goals of ORS.
- Q:** How has Covid affected your work experience?
- A:** It certainly has created new challenges, but also new opportunities to enhance online service. If there are silver linings to the pandemic, meeting the challenges of Covid has been one of them.
- Q:** What do you like to do to relax?
- A:** I enjoy reading and writing, and I really look forward each year to participating in a fantasy football league.

### Marti Zarate Staff Specialist



- Q:** Share a bit about your background.
- A:** I was born and raised in Santa Barbara but have lived and worked in the San Jose area for 30 years. I still enjoy visiting family whenever I can.
- Q:** Tell us how you came to work for the Office of Retirement Services?
- A:** I started with the City in 1991 as a pool employee and wound up accepting a temporary position in Workers Compensation Unit of Risk Management, then a permanent position there. After 8 years, I transferred to Libraries in Administration for King Library. I spent 18 years there and got to assist the project manager for the new King Library. The opportunity to work at ORS came around in 2017, and I support the Federated Board and several committees, as well as help trustees with travel arrangements.
- Q:** What have you learned and how has your work changed with Covid?
- A:** Ironically, while Covid forced us apart, it brought the Administrative Unit together as a team as we navigated the challenges of converting ORS' work to Zoom and Team formats while supporting trustees remotely.
- Q:** What has been particularly satisfying for you in this position?
- A:** I'm proud of how far we have come in these innovative efforts to provide excellent services during such difficult times.
- Q:** What do you do during free time?
- A:** You can find me browsing Pinterest for decorating and craft ideas. I love spending time with my husband of 25 years, our two children and two dogs.

# The Retirement Connection

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Editor: Linda Alexander

## GO GREEN!

Send ORS an email to retirement.  
dept@sanjoseca.gov if you would like  
to receive your copy of the newsletter  
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prefer to access the newsletter online  
at our website  
[www.sjretirement.com](http://www.sjretirement.com)

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## Upcoming Board Meetings

COVID-19 virus has had an impact on our operations. Meetings are being held by teleconference. Please check our website for the latest information.

*Police and Fire Board meetings* are held on the 1st Thursdays of each month except in July and September. Upcoming meetings will be held on the following dates:  
November 4    December 2    January 6

*Federated Board meetings* are held on the 3rd Thursdays of each month except in July and September. Upcoming meetings will be held on the following dates:  
November 18    December 16    January 20

### BOARD UPDATES

Vincent Sunzeri, Public member for Police and Fire (PF) has resigned from the Board. Thank you for your service and we wish Vince well! We welcome retired Representative Franco Vado and active member Dave Wilson to the PF Board!

The Board vacancies for recruitment are posted on the City Clerk's website at:  
<https://sanjose.granicus.com/boards/w/923860ac785826ef>

All meetings unless otherwise posted on the Agenda, are at City Hall, 200 E. Santa Clara Street, Wing Rooms 118-120. Meetings are also live-streamed on our website at [www.sjretirement.com](http://www.sjretirement.com)

### Upcoming City Closures

November 11 Veteran's Day  
November 25-26 Thanksgiving  
December 23-31 Holiday Closure

### CONTACT US!

408-794-1000 or 1-800-732-6477  
Our staff directory can be found on our  
website at: [www.sjretirement.com](http://www.sjretirement.com)  
Click on "About us"/"Office Staff" or email  
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