

Welcome to The Retirement Connection!

SJ Firefighters Climb to Fight Cancer

This Spring, 17 of our own San Jose firefighters travelled to Seattle for the joy of climbing the Columbia Center Tower to benefit the Leukemia and Lymphoma Society's drive to fund blood cancer research. No small feat: the climb entails 788 feet of vertical elevation, better known as 69 flights and 1,356 steps – all while wearing full gear. The team raised \$14,656 to add to \$20 million raised by this event since 1991.

The obviously fit and generous San Jose firefighters participating included: Charles Aquino, Tyler Anderson, John Sargent, Kevin Huynh, Matthew Kelly, Mark Barbour, Rich Anderson, Pierre Delaye, Walter Rivera, Dustin Reich, Jon Hsu, Josh Osborn, Gavin Menges, Luz Tejada, David Harzell, Christian Morris, and Ludwin Marroquin.

We at ORS are proud of these VERY active members.



ORS staff work diligently during busiest retirement season

Each year, the first quarter tends to be the busiest for new retirement applications from working members of both the Federated plan and the Police and Fire plan. This year was no exception, and ORS staff worked very hard to help those aspiring retirees make the leap and begin collecting their earned pension benefits in a timely fashion. Each one requires careful attention and coordination to ensure all necessary documentation is accurately completed and in place. Some also require more coordination and detailed analysis than others. Whatever the case, whether straight forward or complex, we are committed to giving each application careful attention to ensure we get it right, and on time.

Here is a look at the workload of retirement applications to process between January and April by the numbers:

- 159** Number of applications, both service and deferred vested, processed.
- 115** Number of members who underwent group counseling prior to retiring.
- 52** Number of members who attended retirement planning workshops.

Typically, one application may take three or more hours for the initial review, followed by an analyst's review. An application may include many factors such as reciprocity, divorce, etc. Of course, all this work requires additional time for input to set up in the system.

All these important steps ensure the best service for new retirees and help protect the integrity of the system for all members, retired and active. They also provide some insight as to why we regularly urge any members thinking of retirement to begin planning very early, and submit their application at least three months ahead of the intended retirement date.

CIO Investment Update



Many factors are impacting the financial markets in 2022, including rising interest rates and Russia's invasion of Ukraine. As the financial markets continue to be volatile and uncertain, it is important to be prepared for further declines as well as to take advantage of opportunities that may present themselves. We trust in our Strategic Asset Allocation process, as long term investors that is our best preparation.

The Retirement funds' portfolios are designed to perform across a variety of market conditions. Our portfolio construction is built around the concept of resilient growth – maintaining an immunized cash flow portfolio to meet near-term pension payments, investing in low beta strategies that offer diversification and downside protection, and a growth portfolio that produces sufficient risk-adjusted returns to meet our funding needs.

Our plans are not immune from an occasional shock to the system, as had happened in 2008-09, in 2000, and very briefly in 2020. In the event of further market declines, the investment team are ready to present options to the Boards to help protect the portfolio.

Your boards are fully aware of, and focused on, the unique circumstances surrounding our pension plans. Both boards are aware of the potential for increased volatility in coming months. Together, your boards, the investment team, and consultants constantly monitor market risks associated with the plans against the backdrop of greater return potential over the long-term, keeping in mind both the requirement of meeting our actuarial return assumptions while balancing the risks to our sponsor.

Message from CEO Roberto L. Peña



It feels like the proverbial broken record to once again share our hope to hold our next Board meetings in person. But here we are optimistically projecting that the worst of the pandemic is ebbing and we can safely get together in the near future for in person meetings for each Board.

To update members on another issue, I'm happy to report that as of this writing, we have recruited a new Information Technology manager. This is a crucial position that has been vacant. We can continue the work we started last year of enhancing our newly redesigned website and our social media platforms. We know, for example, that the new website is far more attractive, functional and user-friendly than the old site. We also know it has more potential beyond what we are fulfilling at present. We also still have tasks to complete to make the information and programs loaded on the site even more useful, organized and accessible. Continuing

to strengthen the revamped website is vital to us, and we look forward to working with our new IT Manager who can manage the project.

On another topic, for our active employee population, the Boards of Administration approved new retirement contribution rates for the fiscal year 2022-2023. These new rates became effective June 26, 2022. The Retirement Boards set the rates of contribution based on actuarial studies of the retirement funds' projected benefit costs and expected fund earnings that are performed annually. Member and employer contribution rates are approved by the Boards annually.

Finally, I'm delighted we can share a feature in this issue celebrating the effort by 17 of our active firefighter members on behalf of the Leukemia and Lymphoma Society. We are constantly seeking unusual achievements, talents or activities among our interesting and diverse membership. We hope to feature these stars across our communications platforms. Once again, I ask you to consider your story, or the story of a friend or colleague, who might be a perfect subject for us to share. Reach out with your idea at retirement.dept@sanjoseca.gov

Quarterly Question

Q: What are the essential rules about returning to work as a retired annuitant?

A: This is an excellent question – especially now, when the pandemic has left us with real challenges recruiting talented new employees to replace departing staff. At this time of year, the unofficial “retirement season” has just passed and some new retirees are thinking of returning part-time.

Retired annuitants – those who retire, then choose to return to the job on a part-time and temporary basis – are an important source of experience and institutional knowledge at a time when the City needs them. But there are a few strict guidelines that govern the practice to stay within the law and prevent abuse.

First, a new retiree may not begin working as a retired annuitant until they have been fully retired and separated from City employment for at least 30 days. Second, they may never work more than 960 hours in any one year, regardless of how long they remain working as an annuitant. Retired annuitants will continue to receive their full pension benefit while they work as annuitants as long as they stay within these guidelines. There is no timeline as to length of service you can work as an annuitant. The positions are closely monitored to ensure compliance, and violations can result in significant penalties.

ORS recognized for excellence in financial reporting!



A certificate for excellence in financial reporting was awarded to ORS, marking 22 years in a row that ORS has received this special recognition. The Government Finance Officers Association (GFOA) issued its latest certificate for the fiscal year ended June 30, 2021.

GFOA represents public finance officials throughout the US and Canada. Its mission is to advance excellence in public finance.

NEW Quarterly Online Medicare Workshops, Hosted by Kaiser*!



ORS is pleased to offer online Medicare informational sessions to assist you in navigating the social security enrollment process, ORS enrollment process and required forms. Our first session is August 3, 2022, at 10:00 a.m. You must pre-register to receive a link to the online workshop. A recording of the workshop will be provided to those who pre-register. If you're unable to attend the live workshop, we encourage you to pre-register to receive the recording. To register visit:

<https://webinars.on24.com/Medicare/CSJ>. Questions? Call 408-794-1000 or email retirement.dept@sanjoseca.gov

Note: *This is an informational event open to all members.

Profile:

ORS Investments Group

Ellen Lee

Staff Specialist, Investments



Q: What are your responsibilities at ORS?

A: I am responsible for setting up the meetings of the Investment Committee meetings and making sure members have the materials they need and that things go smoothly.

Q: What is your experience as a member of the ORS team? What brought you here?

A: I like my co-workers. I feel there is good camaraderie at work. I came to the job after taking a lengthy absence to raise my three kids.

Q: What does your out-of-the-office life look like?

A: I love to travel and have visited about 40 countries. We haven't been able to travel much during the pandemic, obviously, so I am hoping to go to Europe next year once my youngest goes off to college. I especially loved the two years I spent living in Japan and teaching English. Japan became like a second home country to me.

During the pandemic, some friends and I started playing online games, so you will find me in front of the computer many Friday and Saturday nights!

Julie He

Financial Analyst, Investments

Q: What are your responsibilities for the pension funds?

A: As a financial analyst, I provide support for our investment and accounting teams and external auditors. I oversee cash-related processes and reports, among other things.

Q: Can you share your journey to your position at ORS?

A: I was hired in 2019 after working for 15 years in the Accounting and Finance Departments for a global investment company. I grew up in China and came to the U.S. 25 years ago.

Q: What is most satisfying about your job?

A: I get great satisfaction from teamwork, and am very proud of our team. Members are available all the time and I can always get any help I need right away. That is very important when dealing with the challenge to work proactively to problem-solve and prevent a problem from happening again.

Q: Who is Julie He when not at work?

A: I am a proud mom and my 18-year-old son will go off to college this fall. I enjoy playing table tennis and dancing, as well as gardening.

Sachin Sadana

Investment Analyst

Q: Tell us about your work at ORS.

A: I'm part of the investments team, and I focus on the private markets investments. I really enjoy growing in the job while seeking toward strong returns that will provide security for retirees.

Q: What is the biggest challenge in your job?

A: The biggest challenge is making the actual decision about what to invest in from the entire universe of options. There are so many funds. What we have to find are the funds that provide great return on our investment, but also make good long-term partners.

Q: Share a bit about your background.

A: I was born on the East Coast and lived in Texas for a few years, but came to the Bay Area in eighth grade. I attended university in Southern California and came back to the Bay Area after graduation for my first job.

I've been at ORS about eight months. Prior to this position, I consulted in a mix of finance and accounting positions. I really came to ORS because I wanted to focus on the investment side of finance, and I am really enjoying it!

Q: How do you spend your time off-duty?

A: I like to play basketball, read finance, health and fitness materials, eat healthy, and hang out with my two dogs Leo and Cheeku. I enjoy hanging out with friends, too.

Staffing Updates

Johnny Nguyen, Accounting Clerk pursued other opportunities within the City.

Connie Molloy, Benefits Analyst relocated to Washington State with her family.

Welcome to ORS!

Shilpi Dwivedi, IT Manager

Tracy Tanner, Benefits

Tara Tran, Benefits

Christopher Reyes, Accounting



The Retirement Connection

1737 N. First Street, Suite 600, San Jose, CA 95112

Executive Editor: Barbara Hayman
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 electronically, via email or if you prefer to access the newsletter online at our website
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:

August 4 September 1 October 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:

August 18 September 15 October 20

BOARD UPDATES

Welcome to new Police & Fire Trustee David Kwan!

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

Upcoming City Closures

September 5
Labor Day
October 10
Indigenous People's Day

CONTACT US!

408-794-1000 or 1-800-732-6477
Our staff directory can be found on our website at: www.sjretirement.com
Click on "About us"/"Office Staff" or email us at retirement.dept@sanjoseca.gov