



BOARD OF ADMINISTRATION

Meeting Minutes Police and Fire Investment Committee

Tuesday, February 28, 2023

8:30 AM

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

zoom.us

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

Meeting ID: 92695893756

Pass Code: 923832

Eswar Menon, Chair
Andrew Gardanier, Vice-Chair
Sunita Ganapati, Trustee
Howard Lee, Trustee

Roberto L. Peña, CEO, Office of Retirement Services
Prabhu Palani, Chief Investment Officer

• CALL TO ORDER AND ROLL CALL

The Police and Fire Investment Committee met via Zoom on Tuesday, February 28, 2023. The meeting was called to order at 8:32 a.m. by Chair Menon followed by roll call.

Police and Fire Committee members present via Teleconference: Eswar Menon, Andrew Gardanier, Sunita Ganapati and Howard Lee. (Trustee Lee joined after the motion to waive Sunshine on item#3)

Retirement Staff Present via Zoom: Prabhu Palani, Linda Alexander, Isela Chaparro, Christina Wang, Jay Kwon, David Aung, Dhinesh Ganapathiappan, Arun Nallasivan, Ron Kumar, Ellen Lee, Eric Tsang and Julie He.

Also Present via Zoom: Laura Wirick, Meketa Investments, Jared Pratt, Meketa Investments, Eileen Neill, Verus, Danny Sullivan, Verus and Joe Ebisa, With Intelligence

• ORDERS OF THE DAY

A motion was made to waive Sunshine on item# 3

Approved (M.S.C. Gardanier/Ganapati 3-0) The motion passed by a roll call vote.

OPEN SESSION

1. Approval of minutes of the December 20, 2022 Police and Fire Investment Committee meeting.

A motion was made to approve the minutes of the December 20, 2022 Police and Fire Investment Committee meeting.

Approved (M.S.C. Menon/Gardanier 3-0-1), Trustee Ganapati abstained from the vote since she was absent from the December meeting.

2. Oral Update by CIO, Prabhu Palani

CIO Palani discussed the agenda for today's meeting.

3. Discussion and action on strategic asset allocation by Meketa Investments.

Ms. Laura Wirick from Meketa Investments gave an overview of current market environment and Meketa's capital market expectations. She then presented the current asset allocation and two alternative mixes. After a thorough discussion, the trustees asked Meketa to provide additional mixes for further discussion. A special investment committee meeting will be scheduled before bringing the asset allocation discussion to the board meeting.

4. Discussion and action regarding the prefunding of the City's retirement contribution.

Senior Investment Officer, Jay Kwon, presented the background on prefunding. He stated that according to the methodology adopted last year, the City will be offered the full discount rate. The City has notified Retirement Services that they will be prefunding the Police and Fire sponsor contribution. There was a motion made to adopt the staff recommendation of offering the City the full discount rate.

Approved (M.S.C. Gardanier/Lee 4-0) The motion passed by a roll call vote.

5. Discussion and action regarding investment and risk consultant contracts.

CIO Prabhu Palani spoke to the item and requested a motion to recommend the approval of the extension of the Meketa and Verus contracts by one additional year. He also stated that Barra is paired with Verus for risk analytics data. The plan is to issue a RFP in 2024. The motion was made to make that recommendation.

Approved (M.S.C. Ganapati/Gardanier 4-0) The item was approved by a roll call vote.

6. Risk Overview by Verus Investments.

Eileen Neill from Verus Investments presented an update on the risk overview of the Police and Fire investment portfolio. She expressed that the risk remains elevated but below the Board level of 12%. Portfolio volatility remains in line with policy. Overall, there is no area of special concerns.

CLOSED SESSION

- **PUBLIC COMMENTS**
- **ADJOURNMENT**

The meeting adjourned at 11:05 AM

APPROVED:

Roberto L. Peña

Roberto L. Peña
CEO, Office of Retirement Services