



BOARD OF ADMINISTRATION

Meeting Minutes - Final Police & Fire Department Retirement Plan and Health Care Trust

Thursday, October 3, 2024

9:00 AM

City Hall, Wing Rooms 118-120
200 E. Santa Clara St. San Jose, CA 95113

HYBRID MEETING

PHYSICAL LOCATION:

City Hall, Wing Rooms 118-120, 200 E. Santa Clara St. San Jose, Ca 95113

ZOOM INFORMATION:

zoom.us

Dial In: +1 669 900 9128 US (San Jose)

Meeting ID: 932 0079 3944

Pass Code: 467544

Franco Vado, Chair, Police Retiree Rep (Term Expires 11/30/24)
Sunita Ganapati, Vice-Chair, Public Member (Term Expires 11/30/26)
Andrew Gardanier, Trustee, Fire Active Rep (Term Expires 11/30/27)
David Kwan, Trustee, Public Member (Term Expires 11/30/24)
Howard Lee, Trustee, Public Member (Term Expires 11/30/26)
Eswar Menon, Trustee, Public Member (Term Expires 11/30/26)
Richard Santos, Trustee, Fire Retiree Rep (Term Expires 11/30/26)
Dave Wilson, Trustee, Police Active Rep (Term Expires 11/30/25)
Vacant, Trustee, Public Member

Pam Foley, City Council Liaison to the Board

Maytak Chin, General and Fiduciary Counsel

John Flynn, CEO, Office of Retirement Services

Present: 8 - David Kwan, Sunita Ganapati, Dave Wilson, Franco Vado, Howard Lee,
Eswar Menon, Richard Santos and Andrew Gardanier

The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met in person at City Hall Wing Rooms 118-120 and via Zoom on Thursday, October 3, 2024 at 9:00 a.m. Chair Vado called the Pension Plan and Health Care Trust meeting to order at 9:02 a.m. followed by roll call.

Board Members Present: Franco Vado, Sunita Ganapati, Dave Wilson, Richard Santos, David Kwan, Howard Lee, Andrew Gardanier and Eswar Menon.

Retirement Staff Present: John Flynn, Prabhu Palani, Barbara Hayman, Amy Dickinson, Harrison Pearce, Christina Wang, Dhinesh Ganapathiappan, Jay Kwon, Arun Nallasivan, Chris Ha, Edith Aldama, Linda Alexander, and Cynthia Ayala.

Retirement Staff Present via Zoom: Julie He, Ron Kumar, Nam Cao, David Aung, Ellen Lee, Benjie Chua-Foy, Shilpi Dwivedi, and Veronica Solorio.

Also Present: Bill Gold, OER; Maytak Chin, General and Fiduciary Counsel; Pam Foley, Council Liaison; Bill Hallmark and Anne Harper, Cheiron.

Also Present via Zoom: Laura Wirick, Colin Kowalski and Ian Schirato, Meketa Investment Group; Kevin Balaod, Journalist; and Blake Phillips, Public Attendee.

ADA ALERT

In accordance with the requirements of AB 2449, the Board of Administration (“Board”) will generally, upon request, provide appropriate aids and services leading to effective communication for individuals with disabilities so they can participate equally in the Board’s meetings, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, vision or other disabilities.

Anyone who requires an auxiliary aid or service for effective communication to participate in a Board meeting should contact the designated contact in Office of Retirement Services as far in advance of the scheduled meeting as possible. The Board strongly encourages individuals with disabilities to endeavor to submit requests for reasonable accommodation no later than five (5) business days before the scheduled meeting, as the Board may not be able to grant requests for reasonable accommodations without sufficient advance notice. The Board strongly encourages individuals with disabilities to submit their written requests via email or regular mail to facilitate tracking and response; however, if the submission of a written request constitutes a hardship, individuals may call the Office of Retirement Services to submit an oral request.

The designated contact in the Office of Retirement Services will endeavor to respond to each request within three (3) business days of receipt of the request. Depending on the request, the designated contact in the Office of Retirement Services may ask to schedule a time to discuss the request (which may occur virtually) to determine the most appropriate auxiliary aid or service, before the request is resolved.

ADA Designated Contact Information

Attention: Deputy Director/Chief Operations Officer, Office of Retirement Services
Address: 1737 N First St #600, San Jose, CA 95112
Email: #Retire_Admin@sanjoseca.gov
Phone: 408-794-1000 (ORS Main Line)

THE LEVINE ACT

Senate Bill 1439 (“Levine Act”) amended Government Code Section 84308 and requires disclosure and recusal by a local elected official and some members of boards and commissions if they receive campaign contributions over \$250 from a party, a participant with a financial interest in a proceeding, or their respective agents. The Levine Act was an anti-corruption law intended to curb “pay-to-play” and enhance public trust so that decision-makers can maintain their independence from the influence of donations for political campaigns. SB 1439 expanded the scope from state agency appointees or appointed local officials to include local elected officials. Please visit <https://www.sanjoseca.gov/your-government/appointees/city-clerk/levine-act> for updated forms and information.

AB 2449 REMOTE APPEARANCE(S)

a. Just Cause Circumstance(s) (Gov’t Code § 54953)

- i. The following Trustee(s) have notified the Board of a “Just Cause” to attend this meeting via teleconference.

NONE

- ii. Call for Trustee(s) who wish to notify the Board of a “Just Cause” to attend this meeting via teleconference.

b. Emergency Circumstance(s) (Gov't Code § 54953)

- i. The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance."

NONE

- ii. Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance."
- iii. Take action on request(s) for remote appearance.

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 9:00 A.M.

I. CLOSED SESSION NEW BUSINESS

Closed session was heard immediately after Orders of the Day. The Board entered into Closed Session at 9:04 a.m.

- A. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Position: Chief Investment Officer.**
There was no reportable action for this item from Closed Session.

- B. CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a). Agency designated representatives: Trustee Eswar Menon; Unrepresented employees: Chief Investment Officer.**

Counsel Chin announced the reportable action for this item as follows: The Board has authorized the labor negotiator, Trustee Menon, to have the authority to negotiate the CIO's contract up to 2.5% merit base increase and 5 executive days.

- C. CLOSED SESSION: THREAT TO PUBLIC SERVICES OR FACILITIES Consultation with: Legal Counsel pursuant to Government Code section 54957(a).**
There was no reportable action for this item from Closed Session.

The Board came out of Closed Session at 9:15 a.m.

OPEN SESSION - will reconvene following Closed Session, estimated to be 9:30 a.m.

Open Session re-convened at 9:21 a.m.

- **ORDERS OF THE DAY**

Orders of the Day was heard immediately after roll call attendance.

ORDERS OF THE DAY:

- None.

WAIVE SUNSHINE:

- None.

- **PUBLIC/RETIREE/GENERAL COMMENTS - Not Related to A Specific Agenda Item**

None.

- 1. **CONSENT CALENDAR**

The Consent Calendar was heard after Closed Session.

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Wilson/Santos 8-0-0).

- 1.1 **Approval for a Service-Connected Disability Retirement**

- a. **Bruce Barthelemy**, Police Officer, Police Department, Request for Service-Connected Disability Retirement, effective July 9, 2024; 16.50* years of service. (*Disability Committee Recommendation: Approval*)

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

- a. **Damian Bortolotti**, Police Sergeant, Police Department, Request for Change of Status to Service-Connected Disability Retirement, effective January 9, 2021; 27.83* years of service. (*Disability Committee Recommendation: Approval*)
- b. **Peter Caponio**, Fire Captain, Fire Department, Request for Change of Status to Service-Connected Disability Retirement, effective August 7, 2021; 26.56* years of service. (*Disability Committee Recommendation: Approval*)
- c. **James Cowan**, Fire Captain, Fire Department, Request for Change of Status to Service-Connected Disability Retirement, effective January 8, 2022; 26.70* years of service. (*Disability Committee Recommendation: Approval*)

- d. **Jason Herr**, Police Lieutenant, Police Department, Request for Change of Status to Service-Connected Disability Retirement, effective January 8, 2022; 27.04* years of service. *(Disability Committee Recommendation: Approval)*
- e. **Paul Hickey**, Police Officer, Police Department, Request for Change of Status to Service-Connected Disability Retirement, effective January 22, 2022; 25.82* years of service. *(Disability Committee Recommendation: Approval)*
- f. **David Tindall**, Deputy Chief of Police, Police Department, Request for Change of Status to Service-Connected Disability Retirement, effective July 24, 2021; 26.99* years of service. (With Reciprocity - 25.77 CSJ YOS + 1.22 PERS YOS) *(Disability Committee Recommendation: Approval)*
- g. **Erik Westcott**, Fire Captain, Fire Department, Request for Change of Status to Service-Connected Disability Retirement, effective January 9, 2022; 24.04* years of service. *(Disability Committee Recommendation: Approval)*
- h. **Keith Woeste**, Fire Captain, Fire Department, Request for Change of Status to Service-Connected Disability Retirement, effective January 8, 2022; 23.73* years of service. *(Disability Committee Recommendation: Approval)*

1.3 Approval Of Minutes

- a. Approval of the Board Minutes of September 5, 2024.

1.4 Approval Of Travel for Conferences and Reimbursements

- a. John Flynn
 - CALAPRS Administrators Institute, Carmel-by-the-Sea, CA, September 25 - 27, 2024.
 - CALAPRS Compliance Roundtable, San Jose, CA, October 11, 2024.
- b. Reimbursements
 - John Flynn's 'House Hunting Trip 1,' July 31, 2024 - August 3, 2024 pursuant to CEO Employment Contract, Paragraph 3(C), Exhibit E.
 - John Flynn's 'House Hunting Trip 2,' August 14, 2024 - August 16, 2024 pursuant to CEO Employment Contract, Paragraph 3(C), Exhibit E.

1.5 Return of Contributions

- a. Voluntary | Involuntary

1.6 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Report of the Monthly Board Expenses for June 2024. Receive and file.
- c. Q4 FY23-24 Budget to Actual Quarterly Budget Report.

1.7 Education and Training

- a. The Cortex Report - September 2024, Conferences, Seminars and Educational Programs.
- b. CALAPRS 2024 Program Calendar.
- c. SACRS Annual Fall Conference 2024, Hyatt Regency Hotel and Spa, Monterey, CA, November 12 - 15, 2024.
- d. CALAPRS General Assembly 2025, Silverado Resort, Napa, CA, March 2 - 5, 2025.

1.8 Change of Alternate Payee Benefit Election

- a. Approval for a change in effective date from July 23, 2024 to September 1, 2024 for Ms. Gina Ferreira, ex-spouse of Police Officer, Kenneth Hardesty.

2. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

CIO Palani advised the Board that ORS investment staff is scheduled to present to the Investment Fee report for Calendar year 2023 to the City Council on November 5, 2024.

CIO Palani also updated the Board and reported on the following unaudited estimated performance by Meketa Investment Group:

- For FYTD as of October 1, 2024, the Pension Plan was up 3.81%.
- For FYTD as of October 1, 2024, the Health Care Trust was up 5.25%.

Chair Vado and Trustees Menon and Wilson made some comments.

- b. Presentation of Investment Fee report for Calendar year 2023 by Investment Staff.

Harrison Pearce, Retirement Investment Analyst, and Dhinesh Ganapathiappan, Senior Investment Officer, presented the Investment Fee report for Calendar year 2023 and answered questions from the Board. CIO Palani assisted with answering questions from the Board. Trustees Menon and Gardanier added a few comments.

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS

- a. Discussion and action to amend prior September 5, 2024 motion to authorize CEO to negotiate and execute 1st Amendment with Saltzman & Johnson Law Corporation to increase not to exceed amount by \$250,000, from \$500,000 to \$750,000, through the end of the current term of the agreement.

CEO Flynn spoke to this item.

A motion was made to amend prior September 5, 2024 motion to authorize CEO to negotiate and execute 1st Amendment with Saltzman & Johnson Law Corporation to increase not to exceed amount from by \$250,000, from \$500,000 to \$750,000, through the end of the current term of the agreement on June 30, 2025.

Approved. (M.S.C. Santos/Gardanier 8-0-0).

4. NEW BUSINESS

- a. Oral update by CEO, John Flynn.

CEO Flynn updated the Board on the following topics:

- ORS recruitment
- Open Enrollment and Health Fair
- ORS Office Lease
- City Auditors Update to Council
- ORS Policy meeting with interim Finance Director
- ORS's annual business continuity mock event and city-wide COOP tabletop exercise
- 9th board member process and process for unscheduled trustee vacancy
- The Retirement Connection newsletter
- Annual Fee Report to the City Council
- Upcoming ORS holidays
- CEO Transition

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

City Council Liaison updated the Board on matters before the City Council.

- c. Actuarial educational presentation by Cheiron.

Bill Hallmark and Anne Harper, Cheiron, presented this item and answered questions from the Board and Councilmember Foley. CIO Palani assisted with answering questions from the Board. Chair Vado, Trustee Wilson and Trustee Gardanier added comments.

- d.** Discussion and action on Pension economic assumptions for the June 30, 2024 Actuarial Valuation to be presented by Cheiron.

Bill Hallmark and Anne Harper, Cheiron, presented this item and answered questions from the Board. Counsel Chin assisted with answering questions from the Board. Trustees Wilson and Gardanier added comments. Vice-Chair Ganapati also provided a few comments.

After a lengthy discussion, a motion was made to accept no wage inflation increase and all other economic assumption recommendations by Cheiron.

Approved. (M.S.C. Wilson/Menon 7-1-0). Aye: Vado, Wilson, Santos, Gardanier, Lee, Kwan, Menon. Abstain: Ganapati.

A second motion was made to accept the “quick change” option for the tracking of allocation of City’s Tier 1 amortization payment between Police and Fire members.

Approved. (M.S.C. Wilson/Ganapati 8-0-0).

The Board took a break from 11:55 a.m. - 12:05 p.m.

After the Board returned from the break, Trustee Santos made a few comments regarding the economic assumptions under item 4d.

- e.** Discussion and action to approve the reallocation of the FY23-24 administrative budget to 1) increase professional services by \$10,000, 2) increase medical services by \$50,000, and 3) reduce non-personnel services/equipment by \$60,000 with no effect on the total administrative budget.

CEO Flynn spoke to this item.

A motion was made to approve the reallocation of the FY23-24 administrative budget to 1) increase professional services by \$10,000, 2) increase medical services by \$50,000, and 3) reduce non-personnel services/equipment by \$60,000 with no effect on the total administrative budget.

Approved. (M.S.C. Wilson/Santos 8-0-0).

- f.** Discussion and action for the appointment of an ad hoc committee for the procurement of legal services for ORS and the Plan.

This item was deferred to the next Board meeting.

- g.** Discussion and action to authorize Chair to amend agreement between Board and Roberto Peña to include reimbursement of housing rental costs incidental to new CEO transition with a total not to exceed amount of \$5,003.92 for a term of one month.

Chair Vado spoke to this item.

A motion was made authorize Chair to amend agreement between Board and Roberto Peña to include reimbursement of housing rental costs incidental to new CEO transition with a total not to exceed amount of \$5,003.92 for a term of one month.

Approved. (M.S.C. Santos/Wilson 8-0-0).

5. RETIREMENTS

5.1 Service Retirements

Chair Vado read the Service Retirements into the record.

A motion was made to approve the Service Retirements.

Approved. (M.S.C. Santos/Wilson 8-0-0). Trustees Santos, Wilson and Gardanier said a few kind words.

- a. **Cleotis D. Doss**, Fire Captain, Fire Department, effective October 13, 2024; 27.27* years of service.
- b. **Sean D. Pierce**, Police Sergeant, Police Department, effective October 25, 2024; 27.10* years of service.
- c. **Atanacio Garcia**, Fire Engineer, Fire Department, effective October 13, 2024; 25.06* years of service. *(With Reciprocity - 23.81 CSJ YOS + 1.25 PERS YOS)*

5.2 Deferred Vested

Chair Vado read the Deferred Vested Retirements into the record.

A motion was made to approve the Deferred Vested Retirements.

Approved. (M.S.C. Santos/Wilson 8-0-0).

- a. **Jonathan Atkinson**, Police Lieutenant, Police Department, effective October 12, 2024; 25.07* years of service. *(With Reciprocity - 10.00 CSJ YOS + 15.07 PERS YOS)*
- b. **Michael McMahon**, Police Officer, Police Department, effective November 23, 2024; 29.26* years of service. *(With Reciprocity - 16.38 CSJ YOS + 12.87 PERS YOS)*

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence) - NONE

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

7.1 Investment Committee (Menon - CH/Gardanier/Ganapati/Lee)

Last Meeting: August 20, 2024

Next Meeting: December 17, 2024

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

There was no update.

7.2 Audit/Risk Committee (Lee - CH/Ganapati/Wilson)

Last Meeting: August 15, 2024

Next Meeting: October 31, 2024

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

There was no update.

7.3 Governance Committee (Vado - CH/Kwan/Santos)

Last Meeting: June 18, 2024

Next Meeting: December 19, 2024

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

There was no update.

7.4 Disability Committee (Santos - CH/Wilson - Alts: Menon/Vado/Lee)

Last Meeting: September 9, 2024

Next Meeting: November 15, 2024

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

Chair Santos updated the Board. Trustees Gardanier and Wilson thanked the Disability Committee and staff for their hard work.

- b. Minutes of the P&F Disability Committee meeting from August 12, 2024. Receive and file.

The Minutes were received and filed.

7.5 Joint Personnel Committee (Menon - CH/Gardanier/Vado)

Last Meeting: April 25, 2024

Next Meeting: January 21, 2025

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

There was no update.

• **PROPOSED AGENDA ITEMS**

Trustee Menon proposed an agenda item. CIO Palani made a comment, and Counsel Chin also made a comment regarding Brown Act issues.

• **ADJOURNMENT**

Next Meeting: November 7, 2024

The meeting adjourned at 12:18 p.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

FRANCO VADO, CHAIR
BOARD OF ADMINISTRATION
ATTEST:

JOHN FLYNN, CEO
OFFICE OF RETIREMENT SERVICES

The Code of Conduct

(<https://www.sanjoseca.gov/home/showpublisheddocument/12901/63667000496663000>)

0) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:

- a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
- b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
- c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
- d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
- e) Persons in the audience will not place their feet on the seats in front of them.
- f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
- g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

2. Signs, Objects or Symbolic Material:

- a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions: § No objects will be larger than 2 feet by 3 feet.
 - No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - The items cannot create a building maintenance problem or a fire or safety hazard.
- b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
- c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged

weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Committee, Board or Commission:

- a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
 - b) Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the total amount of time allocated for public testimony for each public speaker or for an agenda item is in the discretion of the Chair of the meeting and may be limited when appropriate. (California Government Code Section 54954.3; Council Policy 0-37) Applicants and appellants in land use matters are usually given more time to speak. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Council, Committee, Board or Commission.
 - c) Speakers should discuss only the agenda item when called to speak for that item, and only topics related to City business when called to speak during open forum on the agenda.
 - d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
 - e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
 - f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
 - g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.
- Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.