BOARD OF ADMINISTRATION

Meeting Agenda - Final

Police & Fire Department Retirement Plan and Health Care Trust

Thursday, March 2, 2023 **8:30 AM** **City Hall, Council Chambers, 200 E. Santa Clara St. San Jose, CA 95113**

HYBRID MEETING

PHYSICAL LOCATION:
City Hall, Council Chambers, 200 E. Santa Clara St. San Jose, Ca 95113

ZOOM INFORMATION:
zoom.us
Dial In: +1 669 900 9128 US (San Jose)
Meeting ID: 946 4747 2360
Pass Code: 466665

Drew Lanza, Chair, Public Member (Term Expires 4/30/23)
Franco Vado, Vice-Chair, Police Retiree Rep (Term Expires 11/30/24)
Sunita Ganapati, Trustee, Public Member (Term Expires 11/30/26)
Andrew Gardanier, Trustee, Fire Active Rep (Term Expires 11/30/23)
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)

Pam Foley, City Council Liaison to the Board

Harvey Leiderman & Maytak Chin, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

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)

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.

I. CLOSED SESSION NEW BUSINESS

A. **CLOSED SESSION:** PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2), SIGNIFICANT EXPOSURE TO LITIGATION.

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

• ORDERS OF THE DAY

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

1. CONSENT CALENDAR

1.1 Approval for a Service-Connected Disability Retirement

a. **Ken Allen**, Firefighter/Paramedic, Fire Department, Request for Service-Connected Disability Retirement, effective April 16, 2022; 10.06* years of service. *(Disability Committee Recommendation: Approval)*

b. **Martin Wallace,** Police Sergeant, Police Department, Request for Service-Connected Disability Retirement, effective March 2, 2023; 17.18* years of service. *(Disability Committee Recommendation: Approval)*

1.2 Approval Of Minutes

a. Approval of the Board Minutes of February 2, 2023.

Attachments: 1.2a - PF Minutes 2.2.23 - Final

1.3 Approval Of Travel for Conferences and Due Diligence

a. Prabhu Palani, CIO

- Pension Bridge Annual 2023, Hotel Fairmont, San Francisco, CA April 17-19th, 2023.
- Innovation Endeavors 2023 Summit, Napa, CA, April 25, 2023.
- Milken Institute Global Conference, Beverly Hilton, Los Angeles, CA, April 30 - May 3, 2023.

1.4 Return of Contributions

a. Voluntary | Involuntary.

Attachments: 1.4a - ROC Review - PFFeb2023

1.5 Communication/Information

a. Police and Fire Retirement System Dashboard.

Attachments: 1.5a - P&F Dashboard for 3.2.23

b. Report of the Monthly Board Expenses for January 2023. Receive and file.

Attachments: 1.5b - PFJan2023ExpenseReport

c. ORS's Quarterly Newsletter - The Retirement Connection: January 2023 Edition.

Attachments: 1.5c - CSJ_Retirement News_Jan 2023_FINAL

d. Return to in person meetings for members of the P&F and FCERS Boards of Administration - AB 2449 and Post Covid Public Meetings informational memorandum. Receive and file.

Attachments: 1.5d - InfoMemo_AB 2449_2-21-2023

1.6 Change of Retirement Application

a. Approval for a change in effective date for **Melvin P. Meeks**, Fire Captain, from January 7, 2023, to February 23, 2023, for a Service Retirement approved at the January 5, 2023 Board meeting.

Attachments: 1.6a - ChangeRETDateMemo - MEEKS

1.7 Notice of Alternate Payee Benefit Election

a. Approval of Alternate Payee Benefit election of Unreduced Lifetime Monthly Payment Option to be paid to Shirley Feliciano, ex-spouse of Police Officer, **Mark Goings** to be effective January 30, 2023 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

Attachments: 1.7a - SADRO - Goings

1.8 Education and Training

a. The Cortex Report - March 2023, Conferences, Seminars and Educational Programs.

Attachments: 1.8a - Cortex Report - March 2023

b. CalAPRS 2023 Program Calendar.

Attachments: 1.8b - CALAPRS 2023 Program Calendar

c. CalAPRS Advanced Principles of Pension Governance for Trustees, UCLA Luskin Conference Center, Los Angeles, CA - March 29 -31, 2023.

Attachments: 1.8c - CALAPRS_UCLA2023_Agenda

d. SACRS Annual Spring Conference, Paradise Point Resort & Spa, San Diego, CA - May 9 - 12, 2023.

Attachments: 1.8d - SACRS Spring Conf 2023_PrelimAgenda

2. INVESTMENTS

a. Oral update by CIO, Prabhu Palani.

b. Presentation of Calendar 3rd Quarter 2022 Private Equity report by Neuberger Berman.

Attachments: 2b - InvReportSJPFD Retirement Plan - Q3

c. Presentation of Calendar 3rd Quarter 2022 Private Markets report by Meketa Investment Group.

Attachments: 2c - Q3 2022 PM Report SJ PF_PUBLIC

d. Presentation of Calendar 4th Quarter 2022 Performance report for Pension Plan by Meketa Investment Group.

Attachments: 2d - 4Q22_Performance Report_SJ PF Retirement

e. Presentation of Calendar 4th Quarter 2022 Performance report for Health Care Trust by Meketa Investment Group.

Attachments: 2e - 4Q22_Performance Report_SJ PF HCT

f. Discussion and action on strategic asset allocation by Meketa Investment Group.

Attachments: 2f(1) - Asset Allocation Analysis_SJ PF v2
2f(2) - 2023-San Jose PF Risk Allocation

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

Attachments: 2g(1) - Prefunding Cover Memo -- PF Board
2g(2) - 121754362_1
2g(3) - Prefunding Risk MitigationProcess-1
2g(4) - PrefundingRiskMitigationProcessUpdateRec
2g(5) - PFRetPrepaymentMemo23-24 (1)

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS - NONE

4. 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 on SJMC § 3.36.3660 Disability retirement of participant and the impact on the Benefit of Disability Retirees with Separate Account Alternate Payees.
Time Certain: 9:30 a.m.

Attachments: 4c - FAQ re SCD and DRO Tax Issue-PF

d. Discussion and action regarding approval to increase the FY22-23 administrative budget for professional services by $200,000 to a total of $998,000.

Attachments: 4d - Professional Services Budget Increase 3.2.23

e. Discussion and action on the Office of Retirement Services proposed administrative budget for FY23-24.

Attachments: 4e(1) - PF 23-24 budget presentation 3.2.23
4e(2) - PF ProposedBudget Memo for FY2024
4e(3) - PF Proposed Budget for FY2024

5. RETIREMENTS

5.1 Service Retirements

a. **Steven A. Forman**, Battalion Chief, Fire Department, effective January 23, 2023; 26.48* years of service.

b. **Gregory A. Lombardo**, Police Captain, Police Department, effective March 18, 2023; 28.19* years of service.

c. **Abraham Ra'oof**, Police Officer, Police Department, effective March 18, 2023; 26.53* years of service.

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

a. Notification of the death of **Dennis G. Anderson**, Fire Captain, retired December 16, 1985, died January 25, 2023. Survivorship benefits to Helen Anderson, spouse.

b. Notification of the death of **James Christensen**, Fire Captain, retired August 5, 2000, died December 10, 2022. No survivorship benefits.

c. Notification of the death of **John W. Earnest**, Fire Engineer, retired May 21, 1996, died February 8, 2023. Survivorship benefits to Janice F. Earnest, spouse.

d. Notification of the death of **Michael Gilligan**, Fire Fighter, retired January 7, 1993, died January 24, 2023. No survivorship benefits.

e. Notification of the death of **Jerry L. Harrell**, Fire Engineer, retired July 9, 1998, died January 14, 2023. No survivorship benefits.

f. Notification of the death of **Billy Key**, Police Officer, retired March 3, 1983, died January 2, 2023. No survivorship benefits.

g. Notification of the death of **Marcel Lassalle**, Fire Engineer, retired January 7, 1990, died December 6, 2022. Survivorship benefits to Nadine Lassalle, spouse.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

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

Last Meeting: February 28, 2023 (Regular) Next Meeting: April 25, 2023 (Regular)

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

b. Minutes of the January 5, 2023, Special Police and Fire Investment Committee meeting. Received and file.

Attachments: 7.1b - SPCPFIC 1.5.23 - Final

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

Last Meeting: February 16, 2023 (Regular) Next Meeting: May 18, 2023 (Regular)

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

b. Minutes of the Special Audit/Risk Committee meeting from January 5, 2023. Receive and file.

Attachments: 7.2b - SPCPFAC 1.5.23 - Final

c. Minutes of the October 20, 2022, Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

Attachments: 7.2c - Joint ACMin10.20.22 - Final

d. Update on the City Auditor's Recommendation to the Office of Retirement Services. Receive and file.

Attachments: 7.2d - CARecs17-06Retirement 1.31.23

e. Status of Audit Recommendations by Internal Auditor, Houman Boussina. Receive and file.

Attachments: 7.2e(1) - PresRecFollowUp_021623
7.2e(2) - FINAL_Rec_FollowUp_2023

f. 2022 Internal Staff Survey by Internal Auditor, Houman Boussina. Receive and file.

Attachments: 7.2f(1) - Pres_StaffSurvey_021623
7.2f(2) - FINAL_StaffSurvey_ORS_2023

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

Last Meeting: December 1, 2022 (Special) Next Meeting: March 2, 2023 (Regular)

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

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

Last Meeting: February 6, 2023 (Regular) Next Meeting: March 13, 2023 (Regular)

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

b. Minutes from the November 7, 2022 Police and Fire Disability Committee meeting. Receive and file.

Attachments: 7.4b - PF DC 11.7.22 - Minutes - Final

c. Minutes of the Special Disability Committee meeting from January 5, 2022. Receive and file.

Attachments: 7.4c - SPCPFDC 1.5.23 - Final

7.5 Joint Personnel Committee (Gardanier/Lanza/Menon)

Last Meeting: February 9, 2023 (Regular) Next Meeting: March 9, 2023 (Regular)

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

b. Minutes from the January 12, 2023, Special JPC meeting. Receive and file.

Attachments: 7.5b - 1.12.23 JPC Minutes - Final

• PROPOSED AGENDA ITEMS

• ADJOURNMENT

Next Meeting: April 6, 2023

***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.

The Code of Conduct (https://www.sanjoseca.gov/home/showpublisheddocument/12901/636670004966630000) 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.