



BOARD OF ADMINISTRATION

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

Thursday, November 2, 2023

8:30 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: 938 3932 5455

Pass Code: 192015

Drew Lanza, Chair, Public Member (Term Expires 4/30/27)
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)

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 8:30 A.M.

I. CLOSED SESSION NEW BUSINESS

- A. CLOSED SESSION:** CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a). Agency designated representatives: Franco Vado, Board Vice Chair. Unrepresented employees: Chief Executive Officer.
- B. CLOSED SESSION:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Chief Executive Officer and counsel.

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 Of Minutes

- a.** Approval of the Board Minutes of October 5, 2023.

Attachments: [1.1a - 10.5.23 PF Meeting Minutes - Final](#)

1.2 Approval Of Travel for Conferences and Due Diligence

- a.** Prabhu Palani, CIO
- 2023 Stanford Family Office Investor Forum, Stanford University, Palo Alto, November 8 - 9, 2023

1.3 Return of Contributions

- a.** Voluntary | Involuntary

Attachments: [1.3a - PF ROC Review - September 2023](#)

1.4 Communication/Information

- a. Police and Fire Retirement System Dashboard.

Attachments: [1.4a - PF Dashboard for 11.2.23](#)

- b. Report of the Monthly Board Expenses for June, August and September 2023. Receive and file.

Attachments: [1.4b\(1\) - PF June 2023 Monthly Expense Reports](#)
 [1.4b\(2\) - PF August 2023 Monthly Expense Reports](#)
 [1.4b\(3\) - PF September 2023 Monthly Expense Reports](#)

- c. Q4 FY 22-23 Budget to Actual Quarterly Budget Reports.

Attachments: [1.4c - Q4 FY22-23 PF Budget Report](#)

- d. Q1 FY 23-24 Budget to Actual Quarterly Budget Reports.

Attachments: [1.4d - Q1 FY23-24 PF Budget Report](#)

- e. Contract entered into by the CEO: Risk Strategies Company Client Agreement.

Attachments: [1.4e - Risk Strategies Company Client Agreement](#)

- f. Report out of closed session from the April 1, 2021 Police and Fire board meeting.

Attachments: [1.4f - PF Report out of Closed Session](#)

- g. Engineering Alpha.

Attachments: [1.4g - Engineering Alpha](#)

1.5 Education and Training

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

Attachments: [1.5a - San Jose Cortex Report - November 2023 Edition](#)

- b. CALAPRS 2023 Program Calendar.

Attachments: [1.5b - CALAPRS 2023 Program Calendar](#)

1.6 Change of Retirement Application

- a. Approval for a change in effective date for **Andrew T. Brown**, Police Officer, Police Department, from October 20, 2023, to October 27, 2023, for a Service Retirement approved at the October 5, 2023 Board meeting.

Attachments: [1.6a - Change RetDate Memo - Brown](#)

- b. Approval for a change in effective date for **Neil Connelly**, Fire Captain, Fire Department, from September 30, 2023, to September 28, 2023, for a Service Retirement approved at the September 7, 2023 Board meeting.

Attachments: [1.6b - Change RetDate Memo - Connelly](#)

1.7 Notice of Alternate Payee Benefit Election

- a. Approval of Alternate Payee Benefit election of Reduced Lifetime Monthly Payment Option to be paid to Lisa Strasen, ex-spouse of Police Officer, **Omar Prieto** to be effective October 6, 2023 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

Attachments: [1.7a - DRS430 Strasen, Lisa](#)

2. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS

- a. Discussion and action on economic assumptions to be used in the pension fund June 30, 2023 actuarial valuation to be presented by Cheiron.

Attachments: [3a - SJPF00P 2023 Economic Assumptions Decisions](#)

- b. Discussion and action of asset smoothing method to be used in the pension fund June 30, 2023 actuarial valuation to be presented by Cheiron.

Attachments: [3b - SJPF00P 2023 Economic Assumptions Decisions](#)

- c. Discussion and possible action on 2023 Police and Fire Board self-assessment evaluation.

Attachments: [3c - Oct 2023 Findings of PF Board Evaluation Memo](#)

- d. Discussion and action on merit increase and executive days for the CEO position.

4. NEW BUSINESS

- a. Oral update by CEO, Roberto L. Peña.
- b. Oral update from the City Council Liaison to the Board.
- c. Discussion and action on the 2024 Scheduled Board and Standing Committee Meetings.

Attachments: [4c - PF 2024 Meeting Schedule MEMO](#)

- d. Discussion of Board's scope of legal authority under governing Plan provisions regarding ORS operations, presented by counsel Reed Smith.

Attachments: [4d - Memo to Boards re Jurisdiction and Authority](#)

- e. Discussion on Preliminary Pension Valuation Results as of June 30, 2023 presented by Cheiron.

Attachments: [4e - SJPF00P 2023 Preliminary Valuation Results](#)

- f. Discussion and action on of demographic experience study results and demographic assumptions to be used in the pension fund June 30, 2023 actuarial valuation to be presented by Cheiron.

Attachments: [4f - SJPF00P 2023 Demographic Experience Study](#)

- g. Discussion and action on assumptions for the OPEB June 30, 2023 actuarial valuation to be presented by Cheiron.

Attachments: [4g - CASJPFCW 2023 OPEB Assumptions](#)

- h. Discussion and action to appoint ad-hoc Executive Search Committee.

- i. Nominations for the positions of Board Chair and Vice-Chair for calendar year 2024.

- j. Discussion and action on Board's adoption of certain City policies for Office of Retirement Services operations.

Attachments: [4j - ORS - Board Adoption of Certain City Policies](#)

5. RETIREMENTS

5.1 Service Retirements

- a. **Kim M. Borreson**, Fire Engineer, Fire Department, effective October 13, 2023; 21.01* years of service.
- b. **Brett Macdonell**, Fire Engineer, Fire Department, effective December 7, 2023; 29.00* years of service. (*With Reciprocity - 23.50 CSJ YOS + 5.50 PERS YOS*)
- c. **Edward Ramos**, Police Officer, Police Department, effective December 8, 2023; 25.09* years of service.
- d. **Jonathan D. Shaheen**, Police Officer, Police Department, effective December 9, 2023; 27.26* years of service.
- e. **Donald Torres**, Fire Captain, Fire Department, effective December 7, 2023; 27.86* years of service. (*With Reciprocity - 22.22 CSJ YOS + 5.64 PERS YOS*)

5.2 Deferred Vested-Early Retirement

- a. **Dawn M. Marchetti**, Police Officer, Police Department, effective November 23, 2023; 20.16* years of service. (*With Reciprocity - 9.81 CSJ YOS + 10.34 PERS YOS*)

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a. Notification of the death of **Edward C. Marini**, Police Officer, retired January 12, 2008, died September 6, 2023. Survivorship benefits to Nancy Marini, spouse.
- b. Notification of the death of **Lorrence J. Otter**, Police Captain, retired March 7, 1985, died July 27, 2023. No survivorship benefits.
- c. Notification of the death of **Terrence P. Ryan**, Fire Captain, retired March 6, 1997, died August 21, 2023. Survivorship benefits to Irene Ryan, spouse.
- d. Notification of the death of **Gustavo Vega**, Police Officer, retired July 29, 2013, died October 10, 2023. No survivorship benefits.
- e. Job title correction for deceased retiree, **Roy Ilse** from Fire Captain to Police Lieutenant from the October 5, 2023 Board meeting.

Attachments: [6e - RAD Job Title Correction - Ilse](#)

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

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

Last Meeting: September 7, 2023

Next Meeting: December 7, 2023

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

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

Last Meeting: October 19, 2023

Next Meeting: November 16, 2023

- a. Oral update from the Chair of the Audit/Risk Committee.
 - b. Minutes of the P&F Audit Committee meeting from September 21, 2023. Receive and file.
- Attachments: [7.2b - JAC 9.21.23 Minutes - Final](#)
- c. Discussion and action on ORS Management's Response on Finding 1 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023, regarding Granicus contract.
 - d. Discussion and action on ORS Management's Response on Finding 3 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023, regarding laptop purchase during COVID-19.
 - e. Discussion and action regarding Communication to the Board of Administration of the City of San Jose Police and Fire Department Retirement Plan from Macias Gini & O'Connell (MGO) the Plan's external auditor:
 - a. Independent auditor's report on the internal control over financial reporting, compliance and

other matters based on an Audit of Financial Statements performed.

b. Independent auditor's Management Letter comments and recommendations regarding audit findings.

Attachments: [7.2e-a - CSJ P&F Retirement Plan - IAR](#)
 [7.2e-b - FY2023 Required Communications - MGO](#)

- f. Discussion and action on the approval of the Police and Fire Department Retirement Plan's Annual Comprehensive Financial Reports for the Fiscal Year 2022-2023.

Attachments: [7.2f - 2023 PF ACFR Full 10 26 23](#)

- g. Discussion and action regarding audit workplan for Cortex Consulting for evaluation of ORS policies with legal counsel on procurement and contracting issues.

Attachments: [7.2g - Draft Workplan for Procurement & Contract Oversight](#)

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

Last Meeting: December 1, 2022 (Special)

Next Meeting: TBD

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

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

Last Meeting: September 15, 2023

Next Meeting: November 6, 2023

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

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

Last Meeting: May 11, 2023

Next Meeting: TBD

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

• PROPOSED AGENDA ITEMS

• ADJOURNMENT

Next Meeting: December 7, 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/12901/63667000496663000>

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.