



# BOARD OF ADMINISTRATION

City Hall  
Wing Rooms 118-120  
200 East Santa Clara  
Street,  
San Jose, CA 95113

## Meeting Agenda - Final

### Police & Fire Department Retirement Plan and Health Care Trust

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Thursday, August 1, 2019

8:30 AM

City Hall, Wing Rooms 118-120

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The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met on Thursday, August 1, 2019 at 8:30 a.m. in regular session at City Hall Wing Rooms 118-120, 200 East Santa Clara Street, San Jose, California 95113. Chair Sunzeri called the Pension Plan and Health Care Trust meeting to order at 8:30 a.m. followed by roll call.

#### 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: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Position: Chief Executive Officer
- B. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Position: Chief Investment Officer

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

To request an accommodation or alternative format under the Americans with Disabilities Act for Board meetings, events or printed materials, please call Marti Zarate (408) 794-1112 as soon as possible, but at least three business days before the meeting.

#### • ORDERS OF THE DAY

#### 1. CONSENT CALENDAR

##### 1.1 Approval Of Minutes

- a. Approval of the Board Minutes of June 6, 2019.

Attachments:      [1.1a - 6-6-2019 PF MINUTES - FINAL](#)

##### 1.2 Approval Of Travel for Conferences and Due Diligence

a. Roberto L. Peña, CEO

- CalAPRS Administrators Institute, Quail Lodge, Carmel, CA - September 25 - 27, 2019.
- SACRS Fall Conference, Hyatt Regency Monterey Hotel & Spa, Monterey, CA - November 12 - 15, 2019.

### **1.3 Return of Contributions**

a. Voluntary / Involuntary.

**Attachments:**      [1.3a - ROC - August 2019](#)

### **1.4 Communication/Information**

a. Police and Fire Retirement System Dashboard.

**Attachments:**      [1.4a - Police and Fire Retirement Plan Dashboard for 8.1.19](#)

b. Report of the Plan Expenses for May 2019. Receive and file.

**Attachments:**      [1.4b - PF May 2019 Monthly Board Expense](#)

c. Article: “Buffett’s One Choice Buffet”, by Michael A. Mendelson, Charles E.F. Millard and Zach Mees, Chief Investment Quarterly, June 7, 2019.

**Attachments:**      [1.4c - Article - Buffetts One Choice Buffet](#)

d. Revised 2019 Scheduled Board and Standing Committee Meetings.

**Attachments:**      [1.4d - Revised 2019 Board and Committee Schedule](#)

e. 2020 Scheduled Board and Standing Committee Meetings.

**Attachments:**      [1.4e - 2020 Board and Committee Meeting Schedule](#)

f. Communication regarding new Retiree Medical Plans for 2020.

**Attachments:**      [1.4f - Memo RE New Retiree Medical Plans for 2020](#)

g. **Educational Travel Reports:**

- Pension Bridge Annual Conference 2019, Westin St. Francis Hotel, San Francisco, CA - April 9 - 10, 2019 - by Ghia Griarte and Eswar Menon.

**Attachments:**      [1.4g - Educational Travel Reports - Griarte, Menon](#)

### **1.5 Change of Retirement Application**

- a. Approval for a change in effective date for **Jaime Gonzalez** from July 13, 2019 to July 2, 2019 for a Service Retirement, approved at the June 6, 2019 Board meeting.

**Attachments:** [1.5a - Change in Retirement date - Gonzalez\\_Redacted](#)

- b. Approval for a change in effective date for **Jeannette Sivertsen** from July 1, 2019 to August 17, 2019 for a Service Retirement, approved at the June 6, 2019 Board meeting.

**Attachments:** [1.5b - Change in Retirement date - Sivertsen](#)

### **1.6. Report out of Closed Session**

- a. Report out of Closed Session from the February 26, 2019 Police & Fire Investment Committee meeting and the June 6, 2019 Police & Fire Board meeting.

**Attachments:** [1.6a - Report out of Closed Session](#)

### **1.7 Education and Training**

- a. The Cortex Report - July 2019 - Conferences, Seminars, and Educational Programs.

**Attachments:** [1.7a - Cortex Report - San Jose - July 2019](#)

- b. CalAPRS 2019 Program Calendar.

**Attachments:** [1.7b - 2019 CalAPRS Calendar](#)

- c. CalAPRS Principles of Pension Government for Trustees, Pepperdine University, Malibu, CA - August 26 -29, 2019.

**Attachments:** [1.7c - CalAPRS Principles of Pension Govt for Trustees 8.26-29.2019](#)

- d. 2019 Pension Bridge Alternatives Conference, The Beverley Wilshire, Beverly Hills, CA - October 28 - 29, 2019.

**Attachments:** [1.7d - 2019 Pension Bridge Alternatives Conference Agenda](#)

## **2. INVESTMENTS**

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.

- b. Discussion and action on asset allocation by Meketa Investment Group and staff.

**Attachments:** [2b - August AA Analysis Final - v3](#)

[2b\(2\) - SanJose Asset mixes - 20190801](#)

- c. Presentation of Calendar 4th Quarter 2018 Private Markets Report by Meketa Investment Group.

**Attachments:** [2c - Q4 18\\_PM Annual Report\\_San Jose PF\\_Public](#)

### **3. OLD BUSINESS CONTINUED-DEFERRED ITEMS**

- a. Update on Matrix of City Auditor's Recommendations from the 2017 Audit.

**Attachments:**      [3a\(1\) - City Auditor Recommendations 17-06 Retirement 7.12.19](#)  
[3a\(2\) - Board Investment Authority Memo](#)  
[3a\(3\) - CAO memo RE Council Approved Budget for Administration of Ret Plans](#)  
[3a\(4\) - Budget Policies and Procedures - Clean](#)

### **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 and action on Cortex Consulting services agreement for FY 2019-20 for the amount of \$45,000.

**Attachments:**      [4c\(1\) - Cover memo for Cortex Agreement](#)  
[4c\(2\) - CORTEX POLICE AND FIRE 2019 AGREEMENT FOR PROFESSIONALS](#)

- d. Discussion and action on proposed annual member statement for reclassified members from Tier 2 to Tier 1 to be prepared by the Board's actuary.

**Attachments:**      [4d - Reclassified Tier 1 Annual Statements Memo dated 7.24.19](#)

- e. Discussion and action on appropriate response to the County of Santa Clara Civil Grand Jury Report.

**Attachments:**      [4e\(1\) - San José - Unfunded Pension Liabilities - Rev. 06.19.19 Signed](#)  
[4e\(2\) - 2 Day - Police and Fire Board of Administration - 06.14.19](#)

- f. Discussion and action on Committee Assignments.

**Attachments:**      [4f - BOARDS-COMMITTEES-Members-Participants-PF - Updated 7.24.19](#)

### **5. RETIREMENTS**

#### **5.1 Service Retirements**

- a. **Colin L. Crooker**, Police Officer, Police Department, effective August 10, 2019; 22.56\* years of service. (*With Reciprocity - CSJ YOS - 20.69 + 1.86 PERS YOS*)
- b. **Robert Finnie**, Police Sergeant, Police Department, effective August 24, 2019; 25.03\* years of service.
- c. **Eric J. Hernandez**, Fire Captain, Fire Department, effective August 10, 2019; 25.18\* years of service.

- d. **Christopher D. Proft**, Police Officer, Police Department, effective June 26, 2019; 26.51\* years of service.

## **5.2 Deferred Vested**

- a. **Parker L. Hathaway, III**, Police Officer, Police Department, effective August 31, 2019; 26.50\* years of service.

## **6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)**

- a. Notification of the death of **Russell Hansen**, Police Officer, retired June 6, 1998, died June 6, 2019. No survivorship benefits.
- b. Notification of the death of **Franklin Jost**, Fire Captain, retired April 29, 1979, died June 10, 2019. Survivorship benefits to Clarice Jost, Spouse.
- c. Notification of the death of **Phillip Norton**, Police Lieutenant, retired March 2, 1982, died April 22, 2019. Survivorship benefits to Joyce Norton, Spouse.
- d. Notification of the death of **Phillip Rice**, Firefighter, retired February 5, 1989, died May 22, 2019. No survivorship benefits.
- e. Notification of the death of **John Taylor**, Fire Captain, retired April 1, 1993, died May 26, 2019. No survivorship benefits.
- f. Notification of the death of **Leland Wilson**, Police Officer, retired January 7, 1999, died April 29, 2019. Survivorship benefits to Teresa Wilson, Spouse.

## **7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS**

### **7.1 Investment Committee (Griarte - CH/Gardanier/Oswal/Sunzeri)**

**Last Meeting: June 25, 2019**                      **Next Meeting: August 27, 2019**

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

### **7.2 Audit/Risk Committee (Lanza - CH/Menon/Vado – Alt: Gardanier)**

**Last Meeting: May 16, 2019**                      **Next Meeting: August 15, 2019**

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

### **7.3 Governance Committee (Vado - CH/Menon/Muyo – Alt: Santos)**

**Last Meeting: November 26, 2018**                      **Next Meeting: September 5, 2019**

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

**7.4 Disability Committee (Santos - CH/Lanza - Alts: Muyo/Sunzeri)**

**Last Meeting: May 13, 2019**                      **Next Meeting: August 5, 2019**

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

**7.5 Joint Personnel Committee (Sunzeri - CH/Griarte/Muyo)**

**Last Meeting: February 20, 2019**                      **Next Meeting: August 6, 2019**

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

**• PROPOSED AGENDA ITEMS**

**• PUBLIC COMMENTS**

**• ADJOURNMENT**

**The meeting adjourned at 1:05 p.m.**

**Next Meeting: September 5, 2019**

\*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

\_\_\_\_\_  
VINCENT SUNZERI, CHAIR  
BOARD OF ADMINISTRATION

ATTEST:

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ROBERTO L. PEÑA  
CEO, OFFICE OF RETIREMENT SERVICES