



# BOARD OF ADMINISTRATION

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

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Thursday, November 4, 2021

8:30 AM

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### 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: 923 0190 5674

Password: 471095

*Drew Lanza, Chair, Public Member (Term Expires 4/30/23)*  
*Andrew Gardanier, Vice-Chair, Fire Active Rep (Term Expires 11/30/23)*  
*Sunita Ganapati, Trustee, Public Member (Term Expires 11/30/22)*  
*Howard Lee, Trustee, Public Member (Term Expires 11/30/22)*  
*Eswar Menon, Trustee, Public Member (Term Expires 11/30/22)*  
*Richard Santos, Trustee, Fire Retiree Rep (Term Expires 11/30/22)*  
*Franco Vado, Trustee, Police Retiree Rep (Term Expires 11/30/24)*  
*Dave Wilson, Trustee, Police Active Rep (Term Expires 11/30/21)*  
*Vacant, Trustee, Public Member (Term Expires 11/30/24)*

*Pam Foley, City Council Liaison to the Board*

*Harvey Leiderman & Maytak Chin, General and Fiduciary Counsel*

*Roberto L. Peña, CEO, Office of Retirement Services*

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

### AGENDA

#### CALL TO ORDER AND ROLL CALL

The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met via zoom on Thursday, November 4, 2021 at 8:30 a.m. Chair Drew Lanza called the Pension Plan and Health Care Trust meeting to order at 8:32 a.m. followed by roll call.

Trustee Vado arrived at 8:37 a.m.

Council Liaison Foley arrived at 8:55 a.m. and departed at 10:13 a.m.

Retirement Staff Present via Teleconference: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Jay Kwon, Ron Kumar, Dhinesh Ganapathiappan, David Aung, Christina Wang, Arun Nallasivan, Ellen Lee, Benjie Chua-Foy, Linda Alexander, Marti Zarate, and Michelle San Miguel.

Also Present via Teleconference: Harvey Leiderman, General and Fiduciary Counsel; Maytak Chin, General and Fiduciary Counsel; Laura Wirick, Meketa Investment Group; Jared Pratt, Meketa Investment Group; Anne Harper, Cheiron, Inc; Bill Hallmark, Cheiron, Inc.; Cyril Espanol, Journalist; Ray Storm, Retiree Association; Paul Fontaine, Plan member.

### **OPEN SESSION**

#### **• ORDERS OF THE DAY**

Chair Lanza read the following Orders of the Day into the record:

- All votes will be roll call votes.
- If you are not speaking, please be on mute to cut background noise.
- We run great, open meetings. But we need a different etiquette. Do not interrupt a presenter. Take notes and ask later during the comment period.
- Board Members please stay on this zoom meeting call after the regular meeting ends – the public Special meetings for each committee to address California Assembly Bill No. 361 will take place using the same zoom meeting ID and password.

WAIVE SUNSHINE (amended attachments received late):

- 4c(2) - Discussion and action on demographic assumptions based on experience study as of June 30, 2021 presented by Cheiron.
- 4g – Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures.
- 7.2f - Discussion and action on the Committees' recommendation to approve of the Police and Fire Department Retirement Plan's Annual Comprehensive Financial Reports for the Fiscal Year 2020-2021

A motion was made to approve the Orders of the Day and Waive Sunshine on item 4c(2), 4g and 7.2f.

Approved. (M.S.C. Santos/Gardanier 7-0-0) The motion passed unanimously by roll call vote. Trustee Vado was absent from the vote.

#### **1. CONSENT CALENDAR**

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Santos/Gardanier 7-0-0) The motion passed unanimously by roll call vote.  
Trustee Vado was absent from the vote.

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

- a. **Joseph Campagna**, Police Officer, Police Department, Request for Service-Connected Disability Retirement, effective November 4, 2021; 25.63\* years of service. (*Disability Committee Recommendation: Approval*)
- b. **Paul Fontaine**, Police Sergeant, Police Department, Request for Service-Connected Disability Retirement, effective November 4, 2021; 25.16\* years of service. (*Disability Committee Recommendation: Approval*)
- c. **Erwin Martinez**, Police Officer, Police Department, Request for Service-Connected Disability Retirement, effective November 4, 2021; 15.49\* years of service. (*Disability Committee Recommendation: Approval*)

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

- a. **Jeff Butts**, Police Officer, Police Department, Request for a Change of Status to Service-Connected Disability Retirement, effective March 12, 2019; 19.72\* years of service. (*Disability Committee Recommendation: Approval*)

### **1.3 Approval Of Minutes**

- a. Approval of the Board Minutes of October 7, 2021.

### **1.4 Approval Of Travel for Conferences and Due Diligence**

- a. Prabhu Palani, CIO
  - TAE Technologies Investor Day, Virtual Meeting - October 14, 2021.
  - TI Platform Fintech and Health Tech Ecosystem Day, Virtual conference, October 26, 2021.

### **1.5 Return of Contributions**

- a. Voluntary/Involuntary. - None

### **1.6 Communication/Information**

- a. Police and Fire Retirement System Dashboard.
- b. Report of the Plan Expenses for September 2021. Receive and file.
- c. Report of the Budget vs. Actual Expenses for 1st Quarter FY 21-22. Receive and file.

### **1.7 Recission Of Retirement Application**

- a. Approval of request to rescind the Service Retirement application of **James Le**, approved at the October 7, 2021 Board meeting for the effective date of October 30, 2021.

### **1.8 Approval of Administrative Matters**

- a. Approval of Police & Fire Retirement Plan's Popular Annual Financial Report (PAFR) for the year ended June 30, 2021.

### **1.9 Education and Training**

- a. The Cortex Report - November 2021, Conferences, Seminars and Educational Programs.
- b. CalAPRS Virtual Advanced Courses in Retirement Plan Administration, December 8 - 10, 2021.

## **2. INVESTMENTS**

- a. Oral update by CIO, Prabhu Palani.

CIO Palani updated the Board on the following:

- For FYTD through November 2, 2021 the Pension Plan was up 3.79%.
- For FYTD through November 2, 2021 the Health Care Trust was up 2.0%.

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

- a. Discussion and action on economic assumptions for the June 30, 2021 Actuarial Valuation.  
*(Continued from the October 7, 2021 Board Meeting)*

Items 3a and 4c were heard together after item 3b.

Anne Harper and Bill Hallmark, Cheiron Inc., spoke to the economic and demographic assumptions as of June 30, 2021 and answered questions from the Board. Cheiron is

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recommending no changes to the economic assumptions and only minimal changes to the mortality tables (Slide 5 of attachment for 4c). After discussion the Board agreed with Cheiron's recommendations.

A motion was made to adopt the recommended demographic assumptions from Slide 5 and to keep economic assumptions the same (Price Inflation - 2.25%; Wage Inflation - Current Bargaining agreement - 3.0%; Amortization payment increase rate - 2.25%) with a discount rate of 6.625%.

Approved. (M.S.C. Lanza/Santos 8-0-0) The motion passed unanimously by roll call vote.

- b. Discussion and action on request from the P&F Retiree Association President, Ray Storms, for Board support for an Association letter to the City advocating for retiree mental health services. This item was heard after item 2a.

Vice-Chair Gardanier spoke to the item and explained the request to the Board. P&F Retiree Association President, Ray Storms, is asking the City Council to consider offering EAP benefits to retired P&F members. Vice-Chair Gardanier spoke to the attached letter from the Board in support of the request by Mr. Storms.

A motion was made to approve the letter of support from the Board to the City Council for EAP benefits.

Approved. (M.S.C. Gardanier/Santos 8-0-0) The motion passed unanimously by roll call vote.

Chair Lanza instructed that the letter from the Board be revised to reflect that the Board voted unanimously to issue the letter in support of the request by Mr. Storm.

#### **4. NEW BUSINESS**

- a. Oral update from the CEO of Retirement Services. Roberto L. Peña.

This item was heard after item 4b.

CEO Peña updated the Board on the following:

- The City of San Jose is in Stage 2 of its mandatory vaccination program. City employees need to be vaccinated or have an approved medical/religious exemption on file.
- The City of San Jose will have a soft opening of City Hall in late November 2021.
- ORS has started to open the office slowly. Benefit staff are now in the office on a rotational basis for some in-person and virtual appointments. Staff is working on drafting procedures to allow for more staff to return to the office. The office remains closed to walk-ins and the general public.
- Staff has started recruitment for the vacant Network Technician position, as well as other vacant positions in the Office.
- November is Open Enrollment month for retirees. Open Enrollment mailings have gone out and should have been received by retirees. The Health Fair will be virtual again this year. Staff presented Open Enrollment changes to the Retiree Association on 10/14.
- Staff continues to work with the City Clerk on filling the Public Member Trustee seat vacated by Vince Sunzeri. The City Clerk is working with the City Attorney on reviewing MuniCode

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language to account for a Trustee seat being filled just prior to the terms expiration date. In the case of Dave Wilson, recently appointed to the Board to a term that expires November 30th, he will remain a Trustee until he is re-confirmed or replaced.

- The Quarterly Newsletter has been sent out.

- ORS will be closed on November 11th in observance of Veterans Day.

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

This item was heard after items 3a and 4c.

Councilwoman Foley updated the Board on pending matters before the Council.

Councilwoman Foley departed after this item.

- c. Discussion and action on demographic assumptions based on experience study as of June 30, 2021 presented by Cheiron.

Items 3a and 4c were heard together after item 3b.

See item 3a for content and vote regarding Item 4c.

- d. Discussion and action on the 2022 Scheduled Board and Standing Committee Meetings.

This item was heard after item 4a.

CEO Peña briefly spoke to the item and explained that the Board needed to approve the 2022 schedule of Board and Committee meetings. The Board had no questions.

A motion was made to approve the 2022 Scheduled Board and Committee meeting dates.

Approved. (M.S.C. Santos/Gardanier 8-0-0) The motion passed unanimously by roll call vote.

- e. Discussion and action on proposed revisions to the Election of Board Officers Policy.

Counsel Leiderman spoke to the attached red-lined Election of Board Officers Policy and explained that the proposed changes were for efficiency and at the request of the Board. Counsel Leiderman stated that the changes would mean that nominations for both Chair and Vice-Chair positions would take place every November and the elections for both positions would take place every December.

A motion was made to approve the proposed changes to the Election of Board Officers Policy.

Approved. (M.S.C. Santos/Lee 8-0-0) The motion passed unanimously by roll call vote.

- f. Nominations for the positions of Board Chair and Vice-Chair for calendar year 2022.

Trustee Santos nominated Drew Lanza for position of Board Chair and Andrew Gardanier for position of Board Vice-Chair for calendar year 2022. Chair Lanza and Vice-Chair Gardanier accepted the nominations.

- g. Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures.

Counsel Chin introduced and spoke to the item. Ms. Chin explained the contents of the memo submitted to the Board regarding evidentiary support for the Board's consideration of factual findings necessary for election to adopt AB 361's abbreviated teleconferencing procedures, which included:

- (1) Governor's proclamation on the continued state of emergency due to the ongoing COVID 19 pandemic; and
- (2) the City Council's recent resolution that continued to impose and recommend social distancing in City facilities.

A motion was made to adopt these and as the Board's factual findings under AB361 to allow the Board to continue meeting virtually for the next 30 days.

Approved. (M.S.C. Santos/Lanza 8-0-0) The motion passed unanimously by roll call vote.

## 5. RETIREMENTS

### 5.1 Service Retirements

Chair Lanza read the Service Retirements into the record.

A motion was made to approve the Service Retirements.

Approved. (M.S.C. Santos/Gardanier 8-0-0) The motion passed unanimously by roll call vote

- a. **Raul Mayorga**, Fire Captain, Fire Department, effective November 13, 2021; 32.41\* years of service. *(With Reciprocity CSJ YOS 20.00 + PERS YOS 12.40)*
- b. **Paul W. Stamm**, Fire Engineer, Fire Department, effective November 27, 2021; 25.82\* years of service. *(With Reciprocity CSJ YOS 20.04 + PERS YOS 5.77)*

### 5.2 Deferred Vested

Chair Lanza read the Deferred Vested Retirement into the record.

A motion was made to approve the Deferred Vested Retirement.

Approved. (M.S.C. Santos/Wilson 8-0-0) The motion passed unanimously by roll call vote

- a. **Jeffrey Scott**, Police Officer, Police Department, effective November 19, 2021; 25.40\* years of service. *(With Reciprocity CSJ YOS 2.98 + PERS YOS 15.42 + SCERS YOS 7.0)*

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

The Chair read the Death Notifications into the record and asked for a moment of silence for those who served and passed away. Trustee Wilson and Trustee Santos said a few kind words.

- a. Notification of the death of **Wayne Chapp**, Fire Engineer, retired March 4, 2000, died August 3, 2021. Survivorship benefits to Janey Chapp, Spouse.
- b. Notification of the death of **Clyde Henry**, Fire Captain, retired March 3, 1994, died August 17, 2021. Survivorship benefits to Elaine Henry, Spouse.
- c. Notification of the death of **Juan M. Reyes**, Police Officer, retired August 6, 2009, died July 28, 2021. Survivorship benefits to Yolanda Reyes, Spouse.
- d. Notification of the death of **Paul E. Schmidt**, Police Officer, retired January 15, 1994, died August 25, 2021. Survivorship benefits to Carol Schmidt, Spouse.
- e. Notification of the death of **Melecio Ubarre**, Police Officer, Active, died August 7, 2021. Survivorship benefits to Crystal Flores, Kai Ubarre and Cruz Ubarre Spouse and children respectively.

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

### **7.1 Investment Committee (Menon - CH/Gardanier/Lanza/Lee)**

**Last Meeting: October 7, 2021 (Special Meeting) Next Meeting: November 4, 2021 (Special Meeting)**

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

**There was no update.**

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

**Last Meeting: October 21, 2021 Next Meeting: November 4, 2021 (Special Meeting)**

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

**Trustee Ganapati recapped the last Joint Audit Committee meeting and summarized the Committee decisions regarding the recommendations for full Board approval for the external audit performed by Grant Thornton and the Annual Comprehensive Financial Report (ACFR) that was produced by Staff.**

- b. Minutes of the August 19, 2021 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

**This Committees/Reports/Recommendations was received and filed.**



- c. 7/1/21 - 9/30/21 Quarterly Travel and attendance for Police & Fire. Receive and file.

**This Committees/Reports/Recommendations was received and filed.**

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

**This Committees/Reports/Recommendations was received and filed.**

- e. Discussion and action regarding Committees' recommendation to accept the Communication to the Board of Administration of the City of San Jose Police and Fire Department Retirement Plan from Grant Thornton, LLP (GT) the Plan's external auditor:

a. Independent auditor's report on the internal control over financial reporting and on compliance and other matters based on an Audit of Financial Statements performed in accordance with Government Auditing Standards and Management comments and recommendations. b. Required communications.

**CEO Peña briefly spoke to the external audit and stated that ORS Accounting Division Manager, Benjie Chua-Foy was available if the Board had any questions. There were no questions.**

**A motion was made to accept the Communication to the Board of Administration of the City of San Jose Police and Fire Department Retirement Plan from Grant Thornton, LLP (GT) the Plan's external auditor.**

**Approved. (M.S.C. Lanza/Santos 8-0-0) The motion passed unanimously by roll call vote.**

- f. Discussion and action on the Committees' recommendation to approve of the Police and Fire Department Retirement Plan's Annual Comprehensive Financial Reports for the Fiscal Year 2020-2021.

**CEO Peña briefly spoke to the Annual Comprehensive Financial Report (ACFR) and briefly explained the renaming of the report from prior years. There were no questions from the Board.**

**A motion was made to approve the Police and Fire Department Retirement Plan's Annual Comprehensive Financial Reports for the Fiscal Year 2020-2021.**

**Approved. (M.S.C. Lanza/Santos 8-0-0) The motion passed unanimously by roll call vote.**

### **7.3 Governance Committee (Vado - CH/ Ganapati/Santos)**

**Last Meeting: October 7, 2021 (Special Meeting) Next Meeting: November 4, 2021 (Special Meeting)**

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

There was no update.

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

**Last Meeting: October 12, 2021**      **Next Meeting: November 4, 2021 (Special Meeting)**

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

Trustee Santos spoke to the next Disability Committee meeting, which will be held on December 6, 2021.

- b. Minutes from the September 7, 2021 Police and Fire Disability Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed.

- c. 2021 2nd Quarter Dashboard Reports and the 2021 2nd Quarter Detailed Statistics Reports. Receive and file.

This Committees/Reports/Recommendations was received and filed.

**7.5 Joint Personnel Committee (Gardanier/Lanza/Menon)**

**Last Meeting: April 30, 2021**      **Next Meeting: TBD**

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

CEO Peña spoke to the next JPC meeting date and stated that staff has issued a Doodle and are waiting for Trustee responses on their availability in order to finalize a potential meeting date for December 2021.

• **PROPOSED AGENDA ITEMS**

None.

• **PUBLIC COMMENTS**

Trustee Santos thanked Chair Lanza and Vice-Chair Gardanier for their excellent service to the Board as Chair/Vice-Chair.

• **ADJOURNMENT**

**Next Meeting: December 2, 2021**

The meeting adjourned at 10:56 a.m.

\*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

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DREW LANZA, CHAIR  
BOARD OF ADMINISTRATION

ATTEST:

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ROBERTO L. PEÑA, CEO  
OFFICE OF RETIREMENT SERVICES