



BOARD OF ADMINISTRATION

1737 N. First Street, Suite
580 5th Floor Board Room,
San Jose, CA 95112

Meeting Minutes - Final Police and Fire Investment Committee

Tuesday, June 26, 2018

12:00 PM

1737 N. First Street, Suite 580
5th Floor Board Room,
San Jose, CA 95112

CALL TO ORDER AND ROLL CALL

The Police and Fire Investment Committee met on Tuesday, June 26, 2018 at the Retirement Services 5th Floor Board Room, 1737 N. First Street, Suite 580, San Jose, California 95112. Chair Brennan of the Police and Fire Investment Committee called the meeting to order at 12:02 p.m.

Present 3 - Stephen Brennan, Jeremy Ebnine, and Andrew Gardanier

Absent 1 - Nick Muyo

• ORDERS OF THE DAY

There were no changes to the Orders of the Day.

OPEN SESSION

1. Approval of Minutes of the May 22, 2018 Police and Fire Investment Committee Meeting.

A motion was made to approve the May 22, 2018 Police and Fire Investment Committee meeting minutes.

Approved. (M.S.C. Ebnine/Gardanier 3-0-0). The motion passed unanimously.

2. Discussion and action on investing the annual prefunding City Retirement contribution by Staff.

Mr. Brian Starr stated that the goal is to invest the contribution amount in a low cost manner. It will be invested based on the asset allocation that staff believes will be approved by the Board in August.

Trustee Brennan asked about the process and philosophy on the restructuring and philosophically how can we get value of the funds we'll receive? CIO Palani stated that new functional approach and recommended the asset allocation finds value in short term cash. There is also a possibility that the board may not approve the asset allocation in August. We need to strike a balance between frictional cash.

CEO Peña stated that we don't want to discourage the City from prefunding. At the same time, they are looking at their savings which is a lot in the budget process. Trustee Brennan stated that if this really is in the best interest of the fund, we should plan for it and place leverage on to take advantage of it.

Following extensive discussion, a motion was made to move staff recommendation to the full Board on June 7, 2018.

Approved. (M.S.C. Brennan/Evnine 3-0-0). The motion passed unanimously.

3. Discussion and approval to renew three-year agreements for transaction cost analysis with Abel Noser and Klarity FX for an annual fee of \$14,000 and \$21,416, respectively.

Mr. Ron Kumar stated that the Plan's agreements with Abel Noser and Klarity FX is currently on an annual renewal schedule and the Board has extended the annual contracts since 2013. Staff recommends extending the agreements for a three-year term for the same annual fee. Mr. Jay Kwon was also available to answer questions from the Trustees and added that the contracts have a 30-day termination clause.

Approved. (M.S.C. Evnine/Brennan 3-0-0). The motion passed unanimously.

COMMUNICATION

4. 4th Quarter 2017 Private Markets Report by Meketa Investment Group.

This Item was received and filed

5. 1st Quarter 2018 FX and Equity Trading Cost Analysis.

This Item was received and filed

- **ADJOURNMENT**

The meeting was adjourned at 12:55 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

APPROVED:

ROBERTO L. PEÑA
CEO, OFFICE OF RETIREMENT SERVICES