



BOARD OF ADMINISTRATION

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

Thursday, December 1, 2022

8:30 AM

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

zoom.us

Dial In: +1 669 900 9128 US (San Jose)

Meeting ID: 958 3622 7611

Pass Code: 852840

Drew Lanza, Chair, Public Member (Term Expires 4/30/23)
Andrew Gardanier, Vice-Chair, Fire Active Rep (Term Expires 11/30/23)
David Kwan, Trustee, Public Member (Term Expires 11/30/24)
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 11/30/25)

Pam Foley, City Council Liaison to the Board

Harvey Leiderman & Maytak Chin, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

Present: 9 - Andrew Gardanier, David Kwan, Sunita Ganapati, Dave Wilson, Franco Vado, Drew Lanza, Richard Santos, Howard Lee and Eswar Menon

The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met via zoom on Thursday, December 1, 2022 at 8:30 a.m. Chair Drew Lanza called the Pension Plan and Health Care Trust meeting to order at 8:31 a.m. followed by roll call.

Retirement Staff Present via Teleconference: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Jay Kwon, Ron Kumar, Dhinesh Ganapathiappan, Christina Wang, Sachin Sadana, Arun Nallasivan, Ellen Lee, Eric Tsang, David Aung, Julie He, Houman Boussina, Linda Alexander, Khadijah Onyeije and Michelle San Miguel.

Also Present via Teleconference: Harvey Leiderman, General and Fiduciary Counsel; Laura Wirick, Jared Pratt, Meketa Investment Group; Kaci Boyer, Neuberger Berman; Kevin Balaod, Journalist; Pam Foley, City Council Liaison; Shane, Public Attendee; Robert Sapien, Jr., Fire Chief; Bill Hallmark, Anne Harper, Michael Schionning, Cheiron, Inc.

AGENDA

CALL TO ORDER AND ROLL CALL

OPEN SESSION

• ORDERS OF THE DAY

Chair Lanza noted the re-appointment of four of the current trustees for new terms and thanked them for their service. He 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.
- If necessary, there will be a hard recess from 1:00pm 1:05pm to accommodate Civic Center TV's broadcasting process.
- 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.

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

None.

1. CONSENT CALENDAR

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Santos/Gardanier 9-0-0) The motion passed unanimously by roll call vote.

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

- Francois DeGroen**, Fire Captain, Fire department, Request for Change of Status to Service-Connected Disability Retirement, effective January 14, 2017; 21.50* years of service.
(Disability Committee Recommendation: Approval)
- Kevin Holston**, Fire Captain, Fire department, Request for Change of Status to Service-Connected Disability Retirement effective July 13, 2017; 25.08* years of service.
(Disability Committee Recommendation: Approval)

1.2 Approval Of Minutes

- a. Approval of the Board Minutes of November 3, 2022.

1.3 Approval Of Travel for Conferences and Due Diligence

- a. Prabhu Palani, CIO
 - 9th Annual California Institutional Forum, Napa Valley Marriott Hotel, Napa, CA - December 7, 2022.
 - Transpose Fintech/Innovation Day Summit, Shangri La Hotel, Tokyo, Japan - December 15, 2022.

1.4 Return of Contributions

- a. Voluntary | Involuntary.

1.5 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Report of the Plan Expenses for October 2022. Receive and file.
- c. ORS's Quarterly Newsletter - The Retirement Connection: October 2022 Edition.
- d. 2023 Scheduled Board and Standing Committee Meetings. Receive and file.
- e. Educational Travel Reports:
 - CALAPRS Principles of Pension Governance - The Lodge at Tiburon, Tiburon, CA - August 29, 2022 - September 1, 2022 - by David Kwan

1.6 Change of Retirement Application

- a. Approval for a change in effective date for **Steven Biakanja**, Fire Captain, from November 11, 2022 to November 10, 2022 for a Service Retirement approved at the November 3, 2022 Board meeting.

1.7 Termination of Alternate Payee Benefit Election

- a. Approval of the termination of the Alternate Payee Reduced Lifetime Monthly benefits for Lisa Strasen, ex-spouse of retired Police Officer, **Omar Prieto**, effective May 12, 2022.

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, 2022.

1.9 Education and Training

- a. The Cortex Report - November 2022, Conferences, Seminars and Educational Programs.

2. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

CIO Palani updated the Board on the following:

- For FYTD through November 29, 2022 the Pension Plan was down 2.09%.
- For FYTD through November 29, 2022 the Health Care Trust was down 1.41%.
- The Investment Fee Report for Calendar Year 2021 was presented to the City Council with Trustee Ganapati's assistance on November 8th. The report was well received.

- b. Presentation of Calendar 2nd Quarter 2022 Private Equity report by Neuberger Berman.

Kaci Boyer, Neuberger Berman, spoke to the Calendar 2nd Quarter 2022 private equity report and answered questions from the Board.

- c. Presentation of Calendar 2nd Quarter 2022 Private Markets report by Meketa Investment Group.

Laura Wirick and Jared Pratt, Meketa Investment Group, introduced and spoke to the Calendar 2nd Quarter 2022 private markets report and answered questions from the Board.

- d. Presentation of Calendar 3rd Quarter 2022 performance report for Pension Plan by Meketa Investment Group.

Jared Pratt, Meketa Investment Group, introduced and spoke to the Calendar 3rd Quarter 2022 performance report for Pension Plan and answered questions from the Board. She reported that the value of the City of San Jose Police & Fire Department Retirement Plan's assets on September 30, 2022 was roughly the same as at the end of the prior quarter (\$4.4 billion). The Plan had net cash inflows of \$136 million and investment losses of \$156 million during the

quarter.

- e. Presentation of Calendar 3rd Quarter 2022 performance report for Health Care Trust by Meketa Investment Group.

Laura Wirick, Meketa Investment Group, introduced and spoke to the Calendar 3rd Quarter 2022 performance report for Health Care Trust and answered questions from the Board. She reported that the value of the City of San Jose Police and Fire Department Retirement Plan Health Care Trust's assets was \$259.3 million on September 30, 2022, compared to \$244.9 million at the end of the prior quarter. The Trust had net cash inflows of \$27.8 million and an investment loss of \$13.4 million in the 3-month period.

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS - NONE

4. NEW BUSINESS

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

CEO Peña updated the Board on the following:

- The 4 Trustees that were up for re-appointment have completed the process and were sworn in prior to this meeting.
- In-Person Board meetings look likely to resume in March or April of 2023. There will be construction in the Wing Rooms from January - July 2023. Retirement Board meetings will be held in the City Council chambers or the ORS office 5th floor boardroom.
- Recruitment for the vacant Staff Specialist position in the Admin group has begun. Mari Co-Garcia was promoted within the Benefits group to a Senior Supervisor position; her current position will be backfilled by staff.
- Open Enrollment is over; data from this year's Open Enrollment period is not ready yet, but it was a busy season.
- Quarterly All Staff meeting for ORS was conducted recently.
- ORS office will be closed for the holidays. There will be bare bones staff on site during the City furlough.

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

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

- c. Discussion and action on the final results for the June 30, 2022, Actuarial Valuation to be presented by Cheiron.

Bill Hallmark and Anne Harper, Cheiron Inc., spoke to the attached final results for the June 30, 2022, Pension Actuarial Valuation and answered questions from the Board.

A motion was made to accept the final results for Pension Plan's Actuarial Valuation as of June 30, 2022.

Approved. (M.S.C. Santos/Ganapti 9-0-0) The motion passed unanimously by roll call vote.

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- d. Discussion on preliminary results for the June 30, 2022, OPEB Valuation to be presented by Cheiron.
- Bill Hallmark and Michael Schionning, Cheiron Inc., spoke to the preliminary results for the June 30, 2022, Other Post-Retirement Benefits (OPEB) Valuation and answered questions from the Board. The final results will return for approval in January 2023.**
- e. Discussion and action on authorizing the CEO to execute the 3rd Amendment to the Agreement with Cortex Consulting, Inc. for an additional \$30,000 for calendar year 2023, for a total NTE amount of \$130,000.
- CEO Peña introduced and spoke to the request before the Board and answered questions.**
- A motion was made to authorize the CEO to execute the 3rd Amendment to the Agreement with Cortex Consulting, Inc. for an additional \$30,000 for calendar year 2023, for a total NTE amount of \$130,000.**
- Approved. (M.S.C. Wilson/Gardanier 9-0-0) The motion passed unanimously by roll call vote.**
- f. Elections for the positions of Board Chair and Vice-Chair for calendar year 2023.
- Chair Lanza called for a vote on the nomination by the Board at the November meeting to reappoint himself as Chair for Calendar year 2023.**
- Approved. The election of Drew Lanza as Chair for CY 2023 passed unanimously by roll call vote.**
- Chair Lanza called for a vote on the nomination by the Board at the November meeting to appoint Franco Vado as Vice-Chair for Calendar year 2023.**
- Approved. The election of Franco Vado as Vice-Chair for CY 2023 passed unanimously by roll call vote.**
- g. Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures.
- Counsel Leiderman introduced and spoke to the item. Mr. Leiderman 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 as the Board's factual findings under AB361 and authorize the Board to continue meeting virtually for the next 30 days.**
- Approved. (M.S.C. Santos/Gardanier 9-0-0) 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 9-0-0) The motion passed unanimously by roll call vote.
Trustee Vado, Santos, Wilson and Gardanier said a few kind words.

- a. **Javier Acosta**, Police Officer, Police Department, effective December 10, 2022; 25.23* years of service.
- b. **Thomas M. Boyle**, Police Lieutenant, Police Department, effective December 22, 2022; 26.76* years of service.
- c. **Kevin L. Erbe**, Fire Captain, Fire Department, effective December 11, 2022; 26.86* years of service.
- d. **Jonas J. Escalera**, Fire Captain, Fire Department, effective December 11, 2022; 28.13* years of service. (*With Reciprocity - CSJ YOS 24.55 + 3.57 PERS YOS*)
- e. **Bret Gervasoni**, Battalion Chief, Fire Department, effective December 11, 2022; 29.10* years of service. (*With Reciprocity - CSJ YOS 22.50 + 6.60 PERS YOS*)
- f. **Nabil Haidar**, Police Officer, Police Department, effective December 24, 2022; 25.76* years of service.
- g. **Jon C. Hartman**, Police Sergeant, Police Department, effective December 23, 2022; 26.30* years of service.
- h. **Minh H. Le**, Police Officer, Police Department, effective December 23, 2022; 26.30* years of service.
- i. **Alex A. Lee**, Fire Captain, Fire Department, effective December 11, 2022; 25.36* years of service.
- j. **Eric J. Magnuson**, Police Lieutenant, Police Department, effective December 11, 2022; 28.16* years of service. (*With Reciprocity - CSJ YOS 26.11 + 2.05 PERS YOS*)
- k. **Mario Pagcaliuagan**, Firefighter, Fire Department, effective December 24, 2022; 25.00* years

of service.

- l. Scott M. Rosingana**, Fire Engineer, Fire Department, effective December 22, 2022; 27.25* years of service. *(With Reciprocity - CSJ YOS 25.45 + 1.8 PERS YOS)*
- m. Christopher J. Singleton**, Police Sergeant, Police Department, effective December 23, 2022; 27.22* years of service.
- n. Craig G. Storlie**, Police Lietenant, Police Department, effective December 10, 2022; 26.73* years of service.
- o. Glen S. Thompson**, Fire Prevention Inspector, Fire Department, effective December 11, 2022; 26.81* years of service.
- p. Richard G. Tomlin Jr.**, Police Sergeant, Police Department, effective December 23, 2022; 29.37* years of service.
- q. Bach T. Tran**, Police Officer, Police Department, effective December 11, 2022; 30.01* years of service.
- r. Eric M. Ulrich**, Fire Engineer, Fire Department, effective December 25, 2022; 26.69* years of service. *(With Reciprocity - CSJ YOS 25.00 + 1.69 PERS YOS)*
- s. Michael L. Villanueva**, Police Officer, Police Department, effective December 10, 2022; 25.50* years of service.
- t. William B. Wargo**, Fire Engineer, Fire Department, effective December 25, 2022; 21.10* years of service.
- u. Bryant Washington**, Police Officer, Police Department, effective December 10, 2022; 27.18* years of service.

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

Chair Lanza read the Death Notification into the record and asked for a moment of silence for those who have served and passed away.

- a.** Notification of the death of **Michael Moffett**, Firefighter, retired March 2, 2000, died October 13, 2022. Survivorship benefits to Patricia Moffett, Spouse.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

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

Last Meeting: November 3, 2022 (Special) Next Meeting: December 1, 2022 (Special)

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

Chair Menon reported that the AB361 findings were adopted by the Committee at the last Special Meeting.

- b. Minutes of the Special Investment Committee meeting from October 6, 2022. Receive and file.

The Minutes were received and filed.

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

Last Meeting: November 3, 2022 (Special) Next Meeting: December 1, 2022 (Special)

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

Chair Ganapati reported that the AB361 findings were adopted by the Committee at the last Special Meeting.

- b. Minutes of the Special Audit/Risk Committee meeting from October 6, 2022. Receive and file.

The Minutes were received and filed.

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

Last Meeting: November 3, 2022 (Special) Next Meeting: December 1, 2022 (Special)

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

Chair Vado reported that the AB361 findings were adopted by the Committee at the last Special Meeting.

- b. Minutes of the Special Governance Committee meeting from October 6, 2022. Receive and file.

The Minutes were received and filed.

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

**Last Meeting: November 7, 2022 (Regular) Next Meeting: December 1, 2022 (Special),
December 5, 2022 REGULAR MEETING CANCELLED**

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

Chair Santos reported that the AB361 findings were adopted by the Committee at the last Special Meeting and that the December 5, 2022 Disability Committee meeting is cancelled.

- b. Minutes of the Special Disability Committee meeting from October 6, 2022. Receive and file.

The Minutes were received and filed.

- c. Minutes from the October 11, 2022 Police and Fire Disability Committee meeting. Receive and file.

The Minutes were received and filed.

7.5 Joint Personnel Committee (Gardanier/Lanza/Menon)

**Last Meeting: November 10, 2022 (Regular) Next Meeting: December 8, 2022
(Regular)**

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

Trustee Gardanier reported on the contents of the last Joint Personnel Committee meeting.

• **PROPOSED AGENDA ITEMS**

None.

• **ADJOURNMENT**

Next Meeting: January 5, 2023

The meeting adjourned at 11:55 a.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

DREW LANZA, CHAIR
BOARD OF ADMINISTRATION

ATTEST:

ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES