



BOARD OF ADMINISTRATION

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

Thursday, February 2, 2023

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: 999 7125 0468

Pass Code: 952471

Drew Lanza, Chair, Public Member (Term Expires 4/30/23)
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

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

The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met via zoom on Thursday, February 2, 2023 at 8:30 a.m. Chair Lanza called the Pension Plan and Health Care Trust meeting to order at 8:30 a.m. followed by roll call.

Board Members Present via Zoom: Drew Lanza, Franco Vado, Sunita Ganapati, Andrew Gardanier, David Kwan, Howard Lee, Eswar Menon, Richard Santos and David Wilson.

Retirement Staff Present via Zoom: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Jay Kwon, Ron Kumar, Dhinesh Ganapathiappan, Arun Nallasivan, Ellen Lee, Eric Tsang, David Aung, Julie He, Houman Boussina, Sandra Castellano, Stacey Fischer, Khadijah Onyeije, Michelle San Miguel and Sherrell Aledo.

Also Present via Zoom: Harvey Leiderman, General and Fiduciary Counsel; Maytak Chin, General and Fiduciary Counsel; Laura Wirick, Jared Pratt, Meketa Investment Group; Bill Hallmark, Cheiron, Inc.; Michael Schionning, Cheiron, Inc.; Pam Foley, Council Liaison; Joe Ebisa, Public Attendee; Carolyn Gibson, OER; Lisa Perez, PD; Elizabeth LeNguyen, SamCERA; James Mason, Applicant; Gary Johnson, Public Attendee; Cerwynne Sajorda, S&P Global; Russ Richeda, Disability Counsel.

AGENDA

CALL TO ORDER AND ROLL CALL

OPEN SESSION

- **ORDERS OF THE DAY**

Chair Lanza read the following into the record:

A FEW GROUND RULES FOR THIS MEETING

- We are continuing to meet virtually at this meeting and are doing so pursuant to AB 361.
- As such, all votes will be roll call votes.
- If you are not speaking, please be on mute to cut background noise.
- For discussion items, each trustee will have a turn to speak in roll call order, more than once if desired.
- The public will have an opportunity to speak on each item after trustees.

ORDERS OF THE DAY:

Item 5.3a - will be Time Certain at 9:30 a.m.

- **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/Lanza 9-0-0) The motion passed unanimously by roll call vote.

- 1.1 **Approval Of Minutes**

- a. Approval of the Board Minutes of January 5, 2023.

- 1.2 **Approval Of Travel for Conferences and Due Diligence**

- a. Roberto L Peña, CEO
 - CalAPRS Virtual Administrators' Round Table, February 9th, 2023.
- b. Richard Santos, Trustee
 - CalAPRS General Assembly, Monterey Marriott, Monterey, CA - March 4 -7, 2023.
- c. Eswar Menon, Trustee
 - CalAPRS Advanced Principles of Pension Governance for Trustees, UCLA Luskin Conference Center, Los Angeles, CA - March 29 -31, 2023.

1.3 Return of Contributions

- a. Voluntary | Involuntary. - **None.**

1.4 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Report of the Plan Expenses for November and December 2022. Receive and file.
- c. Report of the Budget vs. Actual Expenses for 2nd Quarter FY 22-23. Receive and file
- d. Board of Administration's Policy on Procedure for Americans with Disabilities Act (ADA) Requests for Reasonable Accommodation. Receive and file.

1.5 Rescission Of Retirement Application

- a. Approval of request to rescind the Service Retirement application of **John Hoge**, Police Officer, approved at the January 5, 2023 Board meeting for the effective date of January 21, 2023.
- b. Approval of request to rescind the Service Retirement application of **John M. Hutchings**, Police Lieutenant, approved at the January 5, 2023 Board meeting for the effective date of January 7, 2023.
- c. Approval of request to rescind the Service Retirement application of **Edward R. Schroder**, Deputy Chief of Police, approved at the January 5, 2023 Board meeting for the effective date of January 21, 2023.

1.6 Notice of Alternate Payee Benefit Election

- a. Approval of Alternate Payee Benefit election of Unreduced Lifetime Monthly Payment Option to be paid to Jeannette Krassow, ex-spouse of Firefighter, **Jason Krassow** to be effective February 6, 2023 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

1.7 Report out of Closed Session

- a. Report out of Closed Session from the April 1, 2021 P&F Board meeting.

1.8 Education and Training

- a. The Cortex Report - January 2023, Conferences, Seminars and Educational Programs.
- b. CalAPRS General Assembly, Monterey Marriott, Monterey, CA - March 4 -7, 2023.
- c. CalAPRS Advanced Principles of Pension Governance for Trustees, UCLA Luskin Conference Center, Los Angeles, CA - March 29 -31, 2023.
- d. SACRS Annual Spring Conference, Paradise Point Resort & Spa, San Diego, CA - May 9 - 12, 2023.

2. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

CIO Palani updated the Board and on the following performance and answered questions:

- For FYTD through January 31st, the Pension Plan was up 5.02%
- For FYTD through January 31st, the Health Care Trust was up 6.46%

CIO Palani also spoke to the upcoming Investment Committee meeting in which Strategic Asset allocation and pre-funding options will be reviewed and discussed before presenting to the full Board in March.

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS

- a. Discussion and action on Other Post Employment Benefits (OPEB) Valuation Results as of June 30, 2022 presented by Cheiron.

Bill Hallmark and Michael Schionning, Cheiron Inc., introduced and spoke to the Final Other

Post-Employment Benefits (OPEB) Valuation results as of June 30, 2022 and answered questions from the Board.

A motion was made to approve the Final Other Post Employment Benefits (OPEB) Valuation Report as of June 30, 2022.

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

4. NEW BUSINESS

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

CEO Peña updated the Board on the following:

- The April 6, 2023 P&F Board meeting will likely be in person. The location of the meeting is still pending due to potential construction in the usual City Hall Wing Room meeting rooms. The meeting may be held at the ORS offices in the 5th Floor Boardroom.
- The annual Cost of Living Adjustment (COLA) and Guaranteed Purchasing Power (GPP) will be applied to the P&F retirees' February pension payments.
- Medicare Part-B Reimbursement letters and forms are being mailed out to P&F retirees in February. Completed forms are due back to ORS by April 1, 2023.
- Retiree 1099-R's were mailed out to retirees by January 31st.
- The Quarterly Newsletter was emailed and mailed out to retirees last week.
- The vacant Senior Analyst position in Benefits has been filled. The new staff member came from the private sector and ORS is happy to welcome her.
- The office will be closed on Monday, February 20th in observance of the President's Day holiday.
- Trustees may have received an email from the City Clerk's Office regarding completing and submitting the Form 700. Staff asks that Trustees complete and submit the documentation to the City Clerk by the April 3rd deadline.

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

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

- c. Educational Presentation and Discussion on Conflicts of Interest and Undue Influence by Fiduciary Counsel Reed Smith, LLP.

This Item was heard after item 5.3 and presented by Plan counsel Harvey Leiderman and Maytak Chin, with participation from the Board.

- d. Oral update from Counsel on the resumption of in-person meetings.

Counsel Chin spoke to the item and answered questions from the Board. The Governor has given every indication of allowing AB 361 to lapse after February 28, 2023. The Board would be able to meet in March via Zoom, however, the April meeting will need to be in-person.

- e. 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 as the Board's factual findings under AB361 and to authorize the Board to continue meeting virtually for the next 30 days.

Approved. (M.S.C Santos/Wilson 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.

- a. **Bien Doan**, Fire Captain, Fire Department, effective January 1, 2023; 22.56* years of service.
- b. **David Lee Dorman**, Fire Captain, Fire Department, effective January 22, 2023; 24.92* years of service.
- c. **Mark Roberts**, Fire Captain, Fire Department, effective January 31, 2023; 25.53* years of service.

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 9-0-0) The motion passed unanimously by roll call vote.

- a. **David Cendejas**, Police Officer, Police Department, effective February 23, 2023; 13.62* years of service. (*With Reciprocity - 11.54 CSJ YOS + 2.08 PERS YOS*)

5.3 Application for a Change in Status to Service-Connected Disability Retirement

- a. **James R. Mason**, Police Sergeant, Police Department, Request for Change of Status to

Service-Connected Disability Retirement, effective October 2, 2021; 29.43* years of service.
(With Reciprocity CSJ YOS 19.49 + PERS YOS 9.93) (Recommendation: Grant)

Time Certain: 9:30 a.m.

This item was heard after item 7.5c.

Chair Lanza introduced and spoke to the item. He explained that the case had been heard by SamCERA to avoid any conflict of interest as the applicant is a former Trustee of the Board. Applicant James Mason was present and unrepresented. Stacey Fischer, Disability Analyst, read the case information into the record. Counsel Leiderman spoke to the recommendation from SamCERA to grant the Change in Status to a Service-Connected Disability Retirement. Mr. Mason spoke to his case and thanked SamCERA for their review and time. Disability Counsel Russ Richeda spoke to his conclusion of supporting SamCERA's recommendation to approve the application.

A motion was made to approve a Change in Status to a Service-Connected Disability Retirement for applicant James Mason.

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

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

This item was heard after item 5.2a.

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

- a. Notification of the death of **Charles Cosce**, Fire Engineer, retired March 2, 1995, died October 14, 2022. Survivorship benefits to Gail Cosce, spouse.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

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

Last Meeting: January 5, 2023 (Special) Next Meeting: February 2, 2023 (Special),
February 21, 2023 (Regular)

- 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 October 25, 2022 Police & Fire Investment Committee meeting. Receive and file.

The Minutes were received and filed.

- c. Minutes of the Special Investment Committee meeting from December 1, 2022. Receive and file.

The Minutes were received and filed.

- d. Minutes of the Special Investment Committee meeting from December 13, 2022. Receive and file.

The Minutes were received and filed.

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

**Last Meeting: January 5, 2023 (Special) Next Meeting: February 2, 2023 (Special),
February 16, 2023 (Regular)**

- 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 December 1, 2022. Receive and file.

The Minutes were received and filed.

- c. Minutes of the Special Audit/Risk Committee meeting from December 13, 2022. Receive and file.

The Minutes were received and filed.

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.

There was no update.

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

**Last Meeting: January 5, 2023 (Special) Next Meeting: February 2, 2023 (Special),
February 6, 2023 (Regular)**

- 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 a regular meeting will be held on Monday, February 6th.

- b. Minutes of the Special Disability Committee meeting from December 1, 2022. Receive and file.

The Minutes were received and filed.

- c. Minutes of the Special Disability Committee meeting from December 13, 2022. Receive and file.

The Minutes were received and filed.

7.5 Joint Personnel Committee (Gardanier/Lanza/Menon)

Last Meeting: January 12, 2023 (Regular)

Next Meeting: February 9, 2023 (Regular)

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

Chair Menon updated the Board on the ongoing work on incentive compensation issues being undertaken by the Joint Personnel Committee.

- b. Minutes from the December 8, 2022 Special JPC meeting. Receive and file.

The Minutes were received and filed.

- c. Minutes from the January 6, 2023, Special JPC meeting. Receive and file.

The Minutes were received and filed.

- **PROPOSED AGENDA ITEMS**

None.

- **ADJOURNMENT**

The meeting adjourned at 10:55 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