



# BOARD OF ADMINISTRATION

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

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Thursday, May 4, 2023

8:30 AM

City Hall, Wing Rooms 118-120, 200 E.  
Santa Clara St. San Jose, CA 95113

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### HYBRID MEETING

#### PHYSICAL LOCATION:

City Hall, Wing Rooms 118-120, 200 E. Santa Clara St. San Jose, Ca 95113

#### ZOOM INFORMATION:

[zoom.us](https://zoom.us)

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

Meeting ID: 952 6891 6410

Pass Code: 550918

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

**Absent:** 1 - David Kwan

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The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met in person at City Hall Wing Rooms 118-120 and via Zoom on Thursday, May 4, 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: Drew Lanza, Franco Vado, Andrew Gardanier, Richard Santos, Dave Wilson, Sunita Ganapati and Howard Lee. Chair Lanza read the following statement into the record for his participation as a trustee at this meeting:

I, Trustee Lanza, have a current term on this Board that officially ended on April 30th, but have been advised by the Plan's counsel that I may continue to hold over the office until either my reappointment or the appointment of a successor. I have elected to continue to hold over my office on this Board and intend to do so until either my reappointment or the appointment of my successor has been duly made.

Trustee Eswar Menon arrived at 8:33 a.m. Trustee David Kwan was absent.

Retirement Staff Present: Prabhu Palanai, Barbara Hayman, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, Eric Tsang, Chris Ha, Michelle San Miguel, Sherrell Aledo and Mallory Vidal.

Retirement Staff Present via Zoom: Roberto L. Peña, Sandra Castellano, Shilpi Dwivedi, Ron Kumar, Houman Boussina, and Chris Reyes.

Also Present: Pam Foley, Council Liaison; Cheryl Parkman, OER; Maytak Chin, General and Fiduciary Counsel; and Randall Campbell, Public Attendee.

Also Present via Zoom: Laura Wirick, Meketa Investment; and Cyril Espanol, Journalist.

**AB 2449 REMOTE APPEARANCE(S)**

**a. Just Cause Circumstance(s) (Gov't Code § 54953)**

- i. The following Trustee(s) have notified the Board of a "Just Cause" to attend this meeting via teleconference.

**NONE**

- ii. Call for Trustee(s) who wish to notify the Board of a "Just Cause" to attend this meeting via teleconference.

**b. Emergency Circumstance(s) (Gov't Code § 54953)**

- i. The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance."

**NONE**

- ii. Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an "Emergency Circumstance".

- iii. Take action on request(s) for remote appearance.

No action was taken for this agenda item.

### **AGENDA**

#### **CALL TO ORDER AND ROLL CALL**

#### **CLOSED SESSION**

**CLOSED SESSION AGENDA ITEMS WILL BE HEARD AT 8:30 A.M.**

#### **I. CLOSED SESSION OLD BUSINESS/CONTINUED-DEFERRED ITEMS**

The Board entered into Closed Session at 8:35 a.m.

- A. **CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO SECTION 54956.9(d)(2): ONE CASE.

The Board came out of Closed Session at 9:32 a.m.

There was no reportable action from Closed Session.

**OPEN SESSION - will reconvene following Closed Session, estimated to be 9:15 a.m.**

Open Session re-convened at 9:34 a.m.

#### **ORDERS OF THE DAY**

Chair Lanza read the following into the record:

##### **A FEW GROUND RULES FOR THIS MEETING**

- We are holding this meeting as a hybrid meeting, and so those who are attending virtually, please mute yourself unless you are speaking and if you wish to speak, please raise your hand and staff will alert the Chair.

**ORDERS OF THE DAY:**

- None

WAIVE SUNSHINE (amended/attachment posted late):

- 2c – Discussion and approval of the revised Investment Policy Statement for San Jose Police and Fire Department Retirement Plan and approval of Resolution No. 4836.
- 2d – Discussion and approval of the revised Police and Fire Department Retirement Plan Investment Committee Charter.

A motion was made to waive sunshine on the attachments for items 2c and 2d.

Approved. (M.S.C. Santos/Gardanier 7-0-0). Trustee Kwan was absent.

Trustee Menon arrived at 8:33 a.m. and did not participate in the vote.

The Board went into Closed Session thereafter at 8:35 a.m.

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

This public comment was made after Item 7.5. Randall Campbell, retired member, spoke to the Board about his severe financial hardship and medical condition that rendered it nearly impossible to repay the amounts overpaid to him in retirement benefits due to the Plan's discovery of such overpayments pursuant to his Separate Account Domestic Relations Order ("SADRO").

- 1. **CONSENT CALENDAR**

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Santos/Wilson 8-0-0). Trustee Kwan was absent.

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

- a. **Alvarez-Gonzalez, Vicente**, Police Officer, Police Department, Request for Service-Connected Disability Retirement, effective May 4, 2023; 26.66\* years of service. (*Disability Committee Recommendation: Approval*)

- 1.2 **Approval Of Minutes**

- a. Approval of the Board Minutes of April 6, 2023.

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

- a. Sunita Ganapati, Trustee
  - Pension Bridge Annual 2023, Hotel Fairmont, San Francisco, CA, April 17-19, 2023.
  - CalAPRS Virtual Trustee Round Table, May 5, 2023.

#### **1.4 Return of Contributions**

- a. Voluntary | Involuntary

#### **1.5 Communication/Information**

- a. Police and Fire Retirement System Dashboard.
- b. Report of the Monthly Board Expenses for March 2023. Receive and file.
- c. Report of the Budget vs. Actual Expenses for 3rd Quarter FY 2022-2023. Receive and file.

#### **1.6 Education and Training**

- a. The Cortex Report - May 2023, Conferences, Seminars and Educational Programs.
- b. CalAPRS 2023 Program Calendar.
- c. SACRS Annual Spring Conference, Paradise Point Resort & Spa, San Diego, CA - May 9 - 12, 2023.
- d. CalAPRS Virtual Trustee Round Table, May 5, 2023.

#### **1.7 Report out of Closed Session**

- a. Report out of closed session from April 1, 2021 and January 5, 2023 board meetings.

#### **2. INVESTMENTS**

- a. Oral update by CIO, Prabhu Palani.

CIO Palani and Laura Wirick from Meketa updated the Board and on the following unaudited estimated performance and answered questions:

- For FYTD through May 2nd, the Pension Plan was up 4.7%, MTD the Pension Plan was down 0.5%.
- For FYTD through May 2nd, the Health Care Trust was up 5.4%, MTD the Health Care Trust

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was down 0.7%.

- b. Discussion and action on fiscal year 2023-2024 private markets pacing plan by Dhinesh Ganapathiappan, Senior Investment Officer.

CIO Palani introduced Dhinesh Ganapathiappan, Senior Investment Officer, who spoke to the item. Mr. Ganapathiappan presented the pacing plan models and answered questions from the Board.

A motion was made to approve the FY 2023-2024 private markets pacing plan.

Approved. (M.S.C. Menon/Santos 8-0-0). Trustee Kwan was absent.

- c. Discussion and approval of the revised Investment Policy Statement for San Jose Police and Fire Department Retirement Plan and approval of Resolution No. 4836.

Items 2c and 2d were heard together but voted on separately.

Chair Lanza spoke to the item and provided background on the item. He explained the reasoning behind the proposed changes to the Investment Policy Statement (IPS) for San Jose Police and Fire Department Retirement Plan and Venture Capital. CIO Prabhu Palani also spoke on the item and stated his request and proposed changes to IPS.

A motion was made to approve the revised Investment Policy Statement.

Approved. (M.S.C. Santos/Menon 8-0-0). Trustee Kwan was absent. The makers of the motions clarified for the record that their motion covered both the Investment Policy Statement and the related Resolution No. 4836, which were attached together as back-up materials for this item.

- d. Discussion and approval of the revised Police and Fire Department Retirement Plan Investment Committee Charter.

CIO Prabhu Palani spoke to the item and stated his request and proposed changes to the Investment Committee Charter.

A motion was made to approve the revised Police and Fire Department Retirement Plan Investment Committee Charter.

Approved. (M.S.C Santos/Menon 8-0-0). Trustee Kwan was absent.

**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:

- Isela Chaparro left ORS for the Santa Clara Valley Water District.

- Michelle San Miguel will be interim Executive Assistant.
- Staff conducted interviews for the vacant Staff Specialist position and made offers.
- The recruitment for accounting position has begun.
- Medicare Part-B reimbursements for qualified members is being completed. ORS received over 800 forms and over 700 have been processed so far, and 155 will be processed and paid in May.
- The Trustee Travel process is being revised; Staff thanks the Trustees for their patience on travel processing/reimbursements at this time.
- Friendly Reminder that Waiver of Recourse Fees for FY 23-24 Fiduciary Insurance are due by May 31st by Trustees.

**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 compensation adjustment to current salary ranges for CEO, CIO and Investment Officers.

Trustee Gardanier spoke to the item and explained the process the Joint - Personnel Committee (JPC) undertook to formulate their recommendation to increase the CEO salary range to the 75th percentile of comparators, as stated in the Koff and Associates February 3, 2023 memorandum attached to the Agenda as back-up materials to this Item.

Trustee Gardanier also spoke to the CIO and Investment Officers (IO) salary range disparity amongst their peers. He presented rationale for increasing the salary range for both the CIO and IO positions and the JPC recommendation is to move CEO, CIO and IOs salary ranges to 75th percentile of comparators, as stated in the Koff and Associates February 3, 2023 memorandum attached to the Agenda as back-up materials to this Item.

A motion was made to approve to increase the CEO salary range to the 75th percentile of comparators, as recommended by the JPC.

Approved. (M.S.C. Santos/Gardanier 8-0-0). Trustee Kwan was absent.

A motion was made to approve to increase CIO and IOs salary range to 75th percentile of comparators, as recommended by the JPC.

Approved. (M.S.C. Santos/Ganapati 8-0-0). Trustee Kwan was absent.

**d.** Trustee Interviews to Recommend 9th Board Member to City Council:

**Candidates:**

- **Andrew Lanza**

Trustee Santos spoke to Drew Lanza's candidacy and recommended the Board vote to ask the City Council to re-appoint Drew Lanza as the 9th Board member of the Police and Fire Retirement Board. Trustee Ganapati also spoke to this item.

A motion was made to approve recommend approval Andrew Lanza to the City Council for re-appointment to the 9th Seat of the Police & Fire Board.

Approved. Trustees Vado, Gardanier, Menon, Wilson, Ganapati, Lee, and Santos voted to

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approve the recommendation. Trustee Kwan was absent. Chair Lanza did not participate in the 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/Vado 8-0-0). Trustee Kwan was absent. Trustee Wilson made a few kind remarks.

- a. **Bret L. Moiseff**, Police Officer, Police Department, effective May 13, 2023; 32.11\* years of service.
- b. **Martin S. Walker**, Fire Captain, Fire Department, effective May 13, 2023; 25.82\* years of service.

### **5.2 Early Retirement**

Chair Lanza read the Early Service Retirement into the record.

A motion was made to approve the Early Service Retirements.

Approved. (M.S.C. Santos/Wilson 8-0-0). Trustee Kwan was absent.

- a. **Craig Black**, Fire Engineer, Fire Department, effective May 13, 2023; 22.55\* 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. Trustees Santos and Vado said a few kind words.

- a. Notification of the death of **Joseph Carrillo**, Batallion, retired January 22, 2011, died February 25, 2023. Survivorship benefits Keri Carrillo, spouse.
- b. Notification of the death of **Marvin M. Coffey**, Fire Captain, retired January 28, 2006, died March 22, 2023. No survivorship benefits.
- c. Notification of the death of **William E. Erfurth**, Lieutenant, retired March 24, 1996, died March 4, 2023. No survivorship benefits.

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



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

**Last Meeting: April 27, 2023 Next Meeting: June 20, 2023**

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

IC Chair Menon provided an update on the contents of the last Investment Committee meeting.

- b. Minutes of the February 28, 2023 Police and Fire Investment Committee meeting. Receive and file.

The Minutes were received and filed.

- c. Minutes of the March 27, 2023 Special Police and Fire Investment Committee meeting. Receive and file.

The Minutes were received and filed.

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

**Last Meeting: February 16, 2023 Next Meeting: May 18, 2023**

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

There was no update.

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

**Last Meeting: December 1, 2022 Next Meeting: June 15, 2023**

- 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: April 10, 2023 Next Meeting: May 8, 2023**

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

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Disability Committee Chair Santos spoke to the next Committee meeting date which is Monday, May 8th at ORS's 5th Floor Boardroom.

- b. Minutes from the March 13, 2023, 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: April 3, 2023 Next Meeting: May 11, 2023**

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

Trustee Menon spoke briefly on the contents from the last meeting and noted that the next meeting would be on May 11, 2023.

- **PROPOSED AGENDA ITEMS**

Trustee Santos proposed discussion and action on the DRO and tax related issues. Maytak Chin, General and Fiduciary Counsel, will reach out to Mr. Randy Campbell, public attendee, regarding the issues raised during his public comment to the Board.

- **ADJOURNMENT**

The meeting was adjourned at 11:57 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