



BOARD OF ADMINISTRATION

Meeting Minutes - Final

Police & Fire Department Retirement Plan and Health Care Trust

Thursday, September 7, 2023

8:30 AM

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

HYBRID MEETING

PHYSICAL LOCATION:

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

ZOOM INFORMATION:

zoom.us

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

Meeting ID: 938 1501 0095

Pass Code: 450676

Drew Lanza, Chair, Public Member (Term Expires 4/30/27)
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, David Kwan, Sunita Ganapati, Dave Wilson, Franco Vado, Howard Lee, Eswar Menon and Richard Santos

Absent: 1 - Drew Lanza

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, September 7, 2023, at 8:30 a.m. Vice-Chair Vado called the Pension Plan and Health Care Trust meeting to order at 8:33 a.m. followed by roll call.

Board Members Present: Franco Vado, Richard Santos, Dave Wilson, Sunita Ganapati, David Kwan, and Andrew Gardanier.

Trustee Howard Lee arrived at 8:41 a.m.

Trustee Eswar Menon arrived at 8:47 a.m.

Chair Drew Lanza absent.

Retirement Staff Present: Prabhu Palani, Robert L. Peña, Barbara Hayman, Jay Kwon, Eric Tsang, Harrison Pearce, Ron Kumar, Ellen Lee, David Aung, Christina Wang, Dhinesh Ganapathiappan, Arun Nallasivan, Chris Ha, Edith Aldama, Sherrell Aledo and Mallory Vidal.

Retirement Staff Present via Zoom: Linda Alexander, Shilpi Dwivedi, Houman Boussina, Sandra Castellano and Julie He.

Also Present: Pam Foley, Council Liaison; Cheryl Parkman, OER; Valter Viola, Cortex Consulting; Laura Wirick, Meketa Investment Group; Maytak Chin and Harvey Leiderman, General and Fiduciary Counsel.

Also Present via Zoom: Jared Pratt, Meketa Investment Group; Kaci Boyer, Neuberger Berman; Joe Ebisa and Kevin Baload, Journalists.

ADA ALERT

In accordance with the requirements of AB 2449, the Board of Administration ("Board") will generally, upon request, provide appropriate aids and services leading to effective communication for individuals with disabilities so they can participate equally in the Board's meetings, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, vision or other disabilities.

Anyone who requires an auxiliary aid or service for effective communication to participate in a Board meeting should contact the designated contact in Office of Retirement Services as far in advance of the scheduled meeting as possible. The Board strongly encourages individuals with disabilities to endeavor to submit requests for reasonable accommodation no later than five (5) business days before the scheduled meeting, as the Board may not be able to grant requests for reasonable accommodations without sufficient advance notice. The Board strongly encourages individuals with disabilities to submit their written requests via email or regular mail to facilitate tracking and response; however, if the submission of a written request constitutes a hardship, individuals may call the Office of Retirement Services to submit an oral request.

The designated contact in the Office of Retirement Services will endeavor to respond to each request within three (3) business days of receipt of the request. Depending on the request, the designated contact in the Office of Retirement Services may ask to schedule a time to discuss the request (which may occur virtually) to determine the most appropriate auxiliary aid or service, before the request is resolved.

ADA Designated Contact Information

Attention: Deputy Director/Chief Operations Officer, Office of Retirement Services
Address: 1737 N First St #600, San Jose, CA 95112
Email: #Retire_Admin@sanjoseca.gov
Phone: 408-794-1000 (ORS Main Line)

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.

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

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

I. CLOSED SESSION NEW BUSINESS

The Board entered into Closed Session at 8:35 a.m. and came out of Closed Session at 9:51 a.m.

- A. CLOSED SESSION: THREAT TO PUBLIC SERVICES OR FACILITIES.** Consultation with: Legal Counsel pursuant to Government Code section 54957(a).

Vice-Chair Vado announced the reportable action from Closed Session item IA: The Board voted to waive confidentiality and make public of a memorandum from Reed Smith regarding its investigation of an anonymous whistleblower complaint submitted to the City. The waiver is limited to this single memorandum.

The vote was 7-1-0. Chair Lanza was absent.

- B. CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a).** Agency designated representatives: Drew Lanza, Board Chair and Eswar Menon, Investment Committee. Unrepresented employees: Chief Executive Officer and Chief Investment Officer.

There was no reportable action for this item from Closed Session.

OPEN SESSION - will reconvene following Closed Session, estimated to be 9:30 a.m.

Open Session re-convened at 9:54 a.m.

ORDERS OF THE DAY

Vice-Chair Vado 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:

- The September 7th Joint Governance Committee meeting has been cancelled.

WAIVE SUNSHINE:

This item was heard before Closed Session.

- 1.5b(2) - Sunita Ganapati Approval of Trustee Travel and Reimbursement memo.

A motion was made to waive sunshine on the attachment for item 1.5b(2).

Approved. (M.S.C. Santos/Gardanier 6-0-0). Trustees Lee, Menon and Lanza were absent.

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

None.

1. CONSENT CALENDAR

This item was heard after Closed Session.

The Vice-Chair pulled Item 1.5.b.2 from the Consent Calendar. A motion was made to approve the remainder of the Consent Calendar. Approved. (M.S.C. Santos/Gardanier 8-0-0). Chair Lanza was absent.

Following discussion, a motion was made to approve the travel expenses as described in the attachment to item 1.5.b.2.

Approved. (M.S.C. Santos/Gardanier 8-0-0). Chair Lanza was absent.

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

- a. **Michael G. Igno**, Firefighter, Fire Department, Request for Change in Status to Service-Connected Disability Retirement, effective July 15, 2017; 25.08* years of service. *(Disability Committee Recommendation: Approval)*
- b. **Daniele T. McCollum**, Police Officer, Police Department, Request for Change of Status to Service-Connected Disability Retirement effective November 12, 2016; 26.80* years of service. (With Reciprocity - 21.13 CSJ YOS + 5.67 PERS YOS). *(Disability Committee Recommendation: Approval)*
- c. **Michael Okubo**, Police Officer, Police Department, Request for Change of Status to Service-Connected Disability Retirement effective June 20, 2015; 25.51* years of service. (With Reciprocity - 20.07 CSJ YOS + 5.44 PERS YOS). *(Disability Committee Recommendation: Approval)*
- d. **Christopher Proft**, Police Officer, Police Department, Request for Change of Status to

Service-Connected Disability Retirement effective June 26, 2019; 26.51* years of service.
(Disability Committee Recommendation: Approval)

- e. **Barry Stallard**, Fire Battalion Chief, Fire Department, Request for Change of Status to Service-Connected Disability Retirement effective August 12, 2017; 30.89* years of service.
(Disability Committee Recommendation: Approval)
- f. **Javier G. Valle**, Fire Battalion Chief, Fire Department, Request for Change of Status to Service-Connected Disability Retirement effective January 28, 2017; 30.31* years of service.
(Disability Committee Recommendation: Approval)

1.2 Approval Of Travel for Conferences and Due Diligence

- a. Prabhu Palani, CIO
 - ALTSSV 2023, Computer History Museum, Mountain View, CA, September 7, 2023
 - Collective Global Founders' Summit, Montage Laguna Beach, Laguna Beach, CA, September 11-12, 2023

1.3 Approval Of Minutes

- a. Approval of the Board Minutes of August 3, 2023.

1.4 Return of Contributions-NONE

- a. Voluntary | Involuntary

1.5 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Educational Travel Reports:
 - Pension Bridge Annual 2022, The Westin St. Francis, San Francisco, CA - April 19 - 20, 2022 - by Sunita Ganapati.

1.6 Education and Training

- a. The Cortex Report - September 2023, Conferences, Seminars and Educational Programs.

- b. CALAPRS 2023 Program Calendar.
- c. SACRS Annual Fall Conference 2023, Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, CA - November 7 - 10, 2023.

1.7 Notice of Alternate Payee Benefit Election

- a. Approval of Alternate Payee Benefit election of Reduced Lifetime Monthly Payment Option to be paid to Angelique Newman, ex-spouse of Fire Captain, **Melvin P. Meeks** to be effective July 31, 2023 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.
- b. Approval of Alternate Payee Benefit election of Unreduced Retirement Option to be paid to Anna Moore, ex-spouse of Police Sergeant, **Donald Moore** to be effective August 7, 2023 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

2. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

CIO Palani stated that he had the pleasure of attending a conference in the morning where he shared a panel with CIOs from other counties and cities. CIO Palani also updated the Board on the following unaudited estimated performance:
 - For FYTD, the Pension Plan is down 9 basis points.
 - For FYTD, the Health Care Trust is flat.
- b. Presentation of Calendar 1st Quarter 2023 Private Equity report by Neuberger Berman.

Kaci Boyer from Neuberger Berman presented the 1st Quarter 2023 Private Equity Report and answered questions from the Board.
- c. Presentation of Calendar 1st Quarter 2023 Private Markets report by Meketa Investment Group.

Laura Wirick from Meketa Investment Group presented the 1st Quarter 2023 Private Markets Report and answered questions from the Board. CIO Palani also assisted with answering questions from the Board.
- d. Presentation of Calendar 2nd Quarter 2023 Performance report for Pension Plan by Meketa Investment Group.

Laura Wirick from Meketa Investment Group presented the 2nd Quarter 2023 Performance report for the Pension Plan and answered questions from the Board. CIO Palani and Dhinesh Ganapathiappan also answered questions from the Board.
- e. Presentation of Calendar 2nd Quarter 2023 Performance report for Health Care Trust by Meketa Investment Group.

Laura Wirick from Meketa Investment Group presented the 2nd Quarter 2023 Performance report for the Health Care Trust.

- f. Discussion and action to authorize the Secretary to negotiate and execute the first amendment to the agreement between the Police and Fire Department Retirement Plan Board of Administration and Hanson Bridgett LLP for investment-related legal services ending on June 30, 2025, for additional \$300,000 to increase the maximum contract amount to \$900,000.

Ron Kumar presented the Hanson Bridgett Contract Amendment Memo and answered questions from the Board, along with Dhinesh Ganapathiappan, CIO Palani and CEO Peña also answered questions from the Board.

Approved. (M.S.C. Santos/Lee 8-0-0). Chair Lanza was absent.

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS

- a. Discussion and action of appointment of Labor Negotiator for the Chief Executive Officer position.

Counsel Chin stated that the Board will have to re-vote on designating a new CEO Labor Negotiator for the CEO position due to Chair Lanza's absence until November.

The Board voted to designate Vice-Chair Vado to serve as CEO Labor Negotiator.

Approved. (M.S.C. Gardanier/Wilson 8-0-0). Chair Lanza was absent.

- b. Report out of Closed Session for June 1, 2023, Police and Fire Board meeting.

Counsel Chin read out the report of Closed Session for June 1, 2023, Police and Fire Board meeting regarding the Board's settlement agreements with members Joseph Fleming and Randall Campbell. Trustee Santos thanked Counsel for helping these members.

4. NEW BUSINESS

- a. Oral update by CEO, Roberto L. Peña.

CEO Peña updated the Board on the following:

- The strike by the City's bargaining units has been averted. The City of San Jose has reached an agreement with the bargaining units.
- The health open enrollment is taking place from November 1 - November 30, 2023.
- The Retiree Health Fair will take place on November 8, 2023 from 10 a.m. to 2 p.m.
- The staff open enrollment presentation will take place on November 9, 2023 at the Association of Retired San Jose Police Officers and Firefighters.
- The Executive Assistant recruitment is in progress and the interviews will be conducted in the upcoming weeks.
- The Benefits Disability Analyst recruitment is in progress and interviews will be conducted later this month.
- The recruitment for the Benefits Health Analyst has been completed, and the new employee

will start in early October.

- The ORS office will be closed on October 9, 2023 for Indigenous Peoples Day.
- The new Accountant I, Trang Vo, will start on Monday, September 11, 2023.
- The RFP for insurance brokers was issued last week and will remain open through September 29, 2023.

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

City Council Liaison updated the Board on pending matters before the Council. She commented that with the new labor agreements, the City will be in a fiscal bind not anticipated when the City budget was developed.

- c. Discussion and action on merit increments and executive days for fiscal year ending June 30, 2023 for the CEO/CIO position.

This item was deferred to the next Police and Fire Board meeting on October 5, 2023.

- d. Discussion and action authorizing the CEO to negotiate and execute the first amendment to the agreement ending on June 30, 2025, for legal services between the Board of Administration for the Police and Fire Department Retirement Plan (the Board) and Reed Smith to add \$600,000 to increase the maximum contract from \$1 million to \$1.6 million.

Benjie Chua-Foy presented the Reed Smith Contract Amendment Memo and answered questions from the Board.

Approved. (M.S.C. Santos/Wilson 8-0-0). Chair Lanza was absent.

- e. Discussion and presentation by Cortex Consulting Inc. - 2023 Police and Fire Board performance self-assessment.

Valter Viola from Cortex Consulting summarized the 2023 Police and Fire Board performance self-assessment survey process and answered questions from the Board.

- f. Discussion and action to approve Disability Committee Charter.

This item was deferred to the next Police and Fire Board meeting on October 5, 2023.

5. RETIREMENTS

5.1 Service Retirements

Vice-Chair Vado read the Service Retirements into the record.

A motion was made to approve the Service Retirements.

Approved. (M.S.C. Santos/Wilson 8-0-0). Chair Lanza was absent.

- a. **Jesse D. Baliscao**, Fire Engineer, Fire Department, effective September 14, 2023; 24.79* years

of service.

- b. **David Blackwell**, Fire Engineer, Fire Department, effective September 17, 2023; 22* years of service.
- c. **Neil M. Connelly**, Fire Captain, Fire Department, effective September 30, 2023; 25.29* years of service. (*With Reciprocity - 22.08 CSJ YOS + 3.21 PERS YOS*)
- d. **William Doane**, Police Officer, Police Department, effective September 17, 2023; 26.52* years of service.
- e. **Mark S. Pimentel**, Police Officer, Police Department, effective September 30, 2023; 20.22* years of service.
- f. **Arlen Summers**, Battalion Chief, Fire Department, effective August 26, 2023; 26.13* years of service.

5.2 Deferred Vested

Vice-Chair Vado read the Deferred Vested Retirements into the record.

A motion was made to approve the Service Retirements.

Approved. (M.S.C. Santos/Gardanier 8-0-0). Chair Lanza was absent. Trustees Santos, Wilson and Gardanier said a few kind words.

- a. **Arthur Belton**, Battalion Chief, Fire Department, effective September 24, 2023; 21.36* years of service.

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

Vice-Chair Vado read the Death Notifications into the record and asked for a moment of silence for those who have served and passed away. Trustees Santos and Wilson said a few kind words.

- a. Notification of the death of **Marvin G. Lewis**, Sergeant, retired August 22, 1998, died July 3, 2023. Survivorship benefits to Maureen Lewis, spouse.
- b. Notification of the death of **Marilynn J. Musser**, Police Officer, retired January 5, 1982, died July 23, 2023. No survivorship benefits.
- c. Notification of the death of **Dawud A. Rauf**, Fire Engineer, retired January 13, 2007, died June 10, 2023. Survivorship benefits to Fadhili Rauf, spouse.

- d. Notification of the death of **Randall Schriefer**, Police Captain, retired August 6, 2022, died July 29, 2023. Survivorship benefits to Kelly Schriefer, spouse and Madelyn Schriefer and Emma Schriefer, daughters.
- e. Notification of the death of **Forrest Willcox**, Fire Captain, retired April 1, 1993, died July 6, 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: September 7, 2023

- 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: May 18, 2023

Next Meeting: September 21, 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 (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: August 7, 2023

Next Meeting: September 11, 2023

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

Chair Santos stated that the September 11, 2023, Police and Fire Disability Committee

meeting has been cancelled. CEO Peña stated that a new date for the Disability Committee meeting will be set shortly.

- b. Minutes of the P&F Disability Committee meeting from June 5, 2023. Receive and file.

The Minutes were received and filed.

7.5 Joint Personnel Committee (Menon - CH/Gardanier/Lanza)

Last Meeting: May 11, 2023

Next Meeting: TBD

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

There was no update.

- **PROPOSED AGENDA ITEMS**

- **ADJOURNMENT**

Next Meeting: October 5, 2023

The meeting adjourned at 11:25 a.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

FRANCO VADO, VICE-CHAIR
BOARD OF ADMINISTRATION
ATTEST:

ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES