



# BOARD OF ADMINISTRATION

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

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Thursday, November 2, 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: 938 3932 5455

Pass Code: 192015

*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

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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, November 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: Drew Lanza, Franco Vado, Richard Santos, Dave Wilson, David Kwan, Howard Lee, and Andrew Gardanier.

Trustee Menon arrived at 8:32 a.m.

Trustee Ganapati arrived at 8:35 a.m.

Drew Lanza resigned from the Board at 9:49 a.m. and departed the meeting at 10:06 a.m.

Retirement Staff Present: Robert L. Peña, Barbara Hayman, Jay Kwon, Eric Tsang, Harrison Pearce, Christina Wang, Chris Ha, Edith Aldama, Sherrell Aledo, David Torres and Cynthia Ayala.

Retirement Staff Present via Zoom: Prabhu Palani, Chris Reyes, Ellen Lee, David Aung, Linda Alexander, Benjie Chua-Foy, Shilpi Dwivedi, Ron Kumar, Arun Nallasivan, Deborah Sattler, Anh Trinh, Tamilynn Imai, Houman Boussina, Sandra Castellano and Julie He.

Also Present: Pam Foley, Council Liaison; Cheryl Parkman, OER; Bill Hallmark and Anne Harper, Cheiron; Maytak Chin and Mariah Fairley, General and Fiduciary Counsel.

Also Present via Zoom: Laura Wirick and Jared Pratt, Meketa Investment Group; Michael Schionning and Taylor Stevens, Cheiron; Valter Viola, Cortex Consulting; Kevin Baload, Journalist; Harvey Leiderman, General and Fiduciary Counsel.

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

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**ADA ALERT**

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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 8:31 a.m. immediately after roll call was taken.

- A. CLOSED SESSION:** CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6(a). Agency designated representatives: Franco Vado, Board Vice Chair. Unrepresented employees: Chief Executive Officer.

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

- B. CLOSED SESSION:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Chief Executive Officer and counsel.

Counsel Chin, Fairley and Leiderman of Reed Smith LLP recused themselves from this agenda item.

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

The Board came out of Closed Session at 9:33 a.m.

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

Open Session re-convened at 9:35 a.m.

**ORDERS OF THE DAY**

Orders of the Day was heard after Closed Session.

**ORDERS OF THE DAY:**

- The next PF Investment Committee meeting will be on December 7th.
- The next Joint Governance Committee meeting will be on November 27th.
- The following actuarial items will be heard in this order at the request of Cheion, the actuary: Items 4e, 4f, 3a, 3b, and 4g.
- The following items will be heard together at the request of Counsel Chin: Item 4d and 4j.

A motion was made to approve the Orders of the Day.

Approved. (M.S.C. Santos/Vado 9-0-0).

WAIVE SUNSHINE:

A motion was made to waive sunshine on the attachments for items 1.4e and 7.2f.

Approved. (M.S.C. Santos/Wilson 9-0-0).

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

None.

**1. CONSENT CALENDAR**

Chair Lanza requested to pull item 1.4g from the Consent Calendar.

A motion was made to approve the remainder of the Consent Calendar.

Approved. (M.S.C. Santos/Gardanier 9-0-0).

Chair Lanza made a few comments on item 1.4g and resigned from the Board at 9:49 a.m. He continued his comments to the Board as a member of the public following his resignation.

Mr. Lanza departed the meeting at 10:06 a.m.

Counsel Chin advised that pursuant to the Board's Policy on Election of Board Members that Mr. Lanza's resignation took effect immediately upon his resignation. The Policy provides that Vice-Chair Vado assumes the Chair position and provides that a new Vice-Chair is to be elected at the next Board meeting.

The Board took a break from 10:08 a.m. to 10:17 a.m.

Following the break, Chair Vado welcomed any comments from the Board. Trustees Santos, Gardanier, Kwan, Chair Vado, CEO Peña and Valter Viola, Cortex Consulting, and CIO Palani commented favorably on Mr. Lanza's service on the Board.

Chair Vado and Trustees Ganapati, Menon, and Lee explained that they disagreed with Mr. Lanza's observations and recommendations. Counsel Chin stated that Reed Smith does not agree with or endorse his observations and recommendations.

**1.1 Approval Of Minutes**

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

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

- a. Prabhu Palani, CIO
  - 2023 Stanford Family Office Investor Forum, Stanford University, Palo Alto, November 8 - 9, 2023

### 1.3 Return of Contributions

- a. Voluntary | Involuntary

### 1.4 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Report of the Monthly Board Expenses for June, August and September 2023. Receive and file.
- c. Q4 FY 22-23 Budget to Actual Quarterly Budget Reports.
- d. Q1 FY 23-24 Budget to Actual Quarterly Budget Reports.
- e. Contract entered into by the CEO: Risk Strategies Company Client Agreement.
- f. Report out of closed session from the April 1, 2021 Police and Fire board meeting.
- g. Engineering Alpha.

### 1.5 Education and Training

- a. The Cortex Report - November 2023, Conferences, Seminars and Educational Programs.
- b. CALAPRS 2023 Program Calendar.

### 1.6 Change of Retirement Application

- a. Approval for a change in effective date for **Andrew T. Brown**, Police Officer, Police Department, from October 20, 2023, to October 27, 2023, for a Service Retirement approved at the October 5, 2023 Board meeting.

- b. Approval for a change in effective date for **Neil Connelly**, Fire Captain, Fire Department, from September 30, 2023, to September 28, 2023, for a Service Retirement approved at the September 7, 2023 Board meeting.

### **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 Lisa Strasen, ex-spouse of Police Officer, **Omar Prieto** to be effective October 6, 2023 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

## **2. INVESTMENTS**

- a. Oral update by CIO, Prabhu Palani.

**This item was heard after the Consent Calendar.**

**CIO Palani stated that there was no Investment agenda items and that he will be presenting the comprehensive expense report to City Council on November 14th.**

## **3. OLD BUSINESS CONTINUED-DEFERRED ITEMS**

- a. Discussion and action on economic assumptions to be used in the pension fund June 30, 2023 actuarial valuation to be presented by Cheiron.

**This item was heard after item 4f.**

**Bill Hallmark and Anne Harper from Cheiron Inc. presented the recommended economic assumptions to be used in the pension fund June 30, 2023 actuarial valuation and answered questions from the Board.**

**A motion was made to approve the recommended economic assumptions to be used in the pension fund June 30, 2023 actuarial valuation with no changes.**

**Approved. (M.S.C. Kwan/Wilson 8-0-0).**

- b. Discussion and action of asset smoothing method to be used in the pension fund June 30, 2023 actuarial valuation to be presented by Cheiron.

**Bill Hallmark and Anne Harper from Cheiron Inc. presented the recommended asset smoothing method to be used in the pension fund June 30, 2023 actuarial valuation and answered questions from the Board and Counsel. Counsel Chin, CEO Peña and Councilmember Foley made a few comments.**

**A motion was made to approve the recommended asset smoothing method to be used in the pension fund June 30, 2023 actuarial valuation.**

**Approved. (M.S.C. Wilson/Santos 7-1-0). Trustee Ganapati voted no on the motion.**

- c. Discussion and possible action on 2023 Police and Fire Board self-assessment evaluation.

This item was heard after item 4g.

This item was deferred to a future board meeting.

- d. Discussion and action on merit increase and executive days for the CEO position.

A motion was made to defer the merit increase and executive days for the CEO position to a future board meeting.

Approved. (M.S.C. Santos/Wilson 8-0-0).

#### **4. NEW BUSINESS**

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

CEO Peña updated the Board on the following:

- The health open enrollment is taking place from November 1 - November 30, 2023.
- The open enrollment packets have been mailed.
- 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 Retirement Connection Quarterly Newsletter Fall Edition was issued last month.
- CIO Palani will be presenting the annual investment fee report at City Council on November 14, 2023.
- City Auditor presented the interim audit report to City Council on October 24, 2023.
- The ORS office will be closed on November 10, 2023 for Veterans Day and on November 23 & 24, 2023 for Thanksgiving.

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

City Council member Foley updated the Board on pending matters before the Council.

- c. Discussion and action on the 2024 Scheduled Board and Standing Committee Meetings.

CEO Peña introduced this item and welcomed any suggestions or changes from the Board. Counsel Chin clarified that the back-up staff memo for this agenda item incorrectly stated that the meetings would be held under AB 361, and that the Board should adopt the schedule in the memo without the reference to AB 361. Trustee Ganapati suggested changing the Board meeting start time to 9:00 a.m. for 2024.

After discussion, a motion was made to approve the 2024 Scheduled Board and Standing Committee Meetings memo with the following amendments: remove AB 361 and change Board meetings start time to 9:00 a.m.

Approved. (M.S.C. Wilson/Ganapati 8-0-0).

- d. Discussion of Board's scope of legal authority under governing Plan provisions regarding ORS operations, presented by counsel Reed Smith.

**Counsel Chin presented the memo regarding the Board's scope of legal authority under governing Plan provisions regarding ORS operations.**

- e. Discussion on Preliminary Pension Valuation Results as of June 30, 2023 presented by Cheiron.

**This item was heard after item 2a.**

**Bill Hallmark and Anne Harper from Cheiron Inc. presented the Preliminary Pension Valuation Results as of June 30, 2023 and answered questions from CEO Peña.**

- f. Discussion and action on of demographic experience study results and demographic assumptions to be used in the pension fund June 30, 2023 actuarial valuation to be presented by Cheiron.

**Bill Hallmark and Anne Harper from Cheiron Inc. presented the demographic experience study results and the recommended demographic assumptions to be used in the pension fund June 30, 2023 actuarial valuation and answered questions from Councilmember Foley and from the Board.**

**A motion was made to approve the demographic experience study results and recommended demographic assumptions from Cheiron to be used in the pension fund June 30, 2023 actuarial valuation.**

**Approved. (M.S.C. Ganapati/Santos 8-0-0).**

- g. Discussion and action on assumptions for the OPEB June 30, 2023 actuarial valuation to be presented by Cheiron.

**This item was heard after item 3b.**

**Bill Hallmark and Michael Schionning from Cheiron Inc. presented the recommended assumptions to be used for the OPEB June 30, 2023 actuarial valuation. The Board and Counsel Chin thanked Cheiron for their presentations.**

**A motion was made to approve the recommended assumptions to be used for the OPEB June 30, 2023 actuarial valuation.**

**Approved. (M.S.C. Santos/Gardanier 8-0-0).**

- h. Discussion and action to appoint ad-hoc Executive Search Committee.

**This item was heard after item 4j.**

**Chair Vado introduced this item and asked Trustee Menon to clarify the function of the proposed ad-hoc Executive Search Committee. Counsel Chin clarified the purpose of this Committee and answered questions from the Board.**

**A motion was made to refer the executive search to the JPC rather than to an ad hoc**

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committee.

Approved. (M.S.C. Gardanier/Santos 8-0-0).

- i. Nominations for the positions of Board Chair and Vice-Chair for calendar year 2024.

Counsel Chin introduced this item and highlighted a few key provisions from the Board's Policy of Election of Board Officers for the Board Chair and Vice-Chair nominations and election. After discussion, Chair Vado was nominated to continue to be Board Chair and Trustee Ganapati was nominated to be Vice-Chair.

The Board also directed a future agenda item to amend the Board's Policy of Election of Board Officers and another future agenda item for committee assignments.

- j. Discussion and action on Board's adoption of certain City policies for Office of Retirement Services operations.

This item was heard after item 4d.

Counsel Chin presented the recommendations for the Board's adoption of certain City Policies for the Office of Retirement Services and for further analysis of other policies, and answered questions from the Board. Councilmember Foley and CEO Peña made a few comments.

A motion was made for the Board's approval of the recommended City policies as presented by Counsel for adoption for Office of Retirement Services operations, with further policies to be considered for adoption after additional evaluation.

Approved. (M.S.C. Wilson/Santos 8-0-0).

## **5. RETIREMENTS**

### **5.1 Service Retirements**

This item was heard after item 4i.

Chair Vado read the service retirements into the record.

A motion was made to approve the service retirements.

Approved. (M.S.C. Santos/Gardanier 8-0-0).

- a. **Kim M. Borreson**, Fire Engineer, Fire Department, effective October 13, 2023; 21.01\* years of service.
- b. **Brett Macdonell**, Fire Engineer, Fire Department, effective December 7, 2023; 29.00\* years of service. (*With Reciprocity - 23.50 CSJ YOS + 5.50 PERS YOS*)
- c. **Edward Ramos**, Police Officer, Police Department, effective December 8, 2023; 25.09\* years of service.

- d. **Jonathan D. Shaheen**, Police Officer, Police Department, effective December 9, 2023; 27.26\* years of service.
- e. **Donald Torres**, Fire Captain, Fire Department, effective December 7, 2023; 27.86\* years of service. (*With Reciprocity - 22.22 CSJ YOS + 5.64 PERS YOS*)

## **5.2 Deferred Vested-Early Retirement**

**Chair Vado read the deferred vested-early retirement into the record. Trustees Gardanier and Wilson said a few kind words.**

- a. **Dawn M. Marchetti**, Police Officer, Police Department, effective November 23, 2023; 20.16\* years of service. (*With Reciprocity - 9.81 CSJ YOS + 10.34 PERS YOS*)

## **6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)**

**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 Wilson and Santos said a few kind words.**

- a. Notification of the death of **Edward C. Marini**, Police Officer, retired January 12, 2008, died September 6, 2023. Survivorship benefits to Nancy Marini, spouse.
- b. Notification of the death of **Lorrence J. Otter**, Police Captain, retired March 7, 1985, died July 27, 2023. No survivorship benefits.
- c. Notification of the death of **Terrence P. Ryan**, Fire Captain, retired March 6, 1997, died August 21, 2023. Survivorship benefits to Irene Ryan, spouse.
- d. Notification of the death of **Gustavo Vega**, Police Officer, retired July 29, 2013, died October 10, 2023. No survivorship benefits.
- e. Job title correction for deceased retiree, **Roy Ilse** from Fire Captain to Police Lieutenant from the October 5, 2023 Board meeting.

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

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

**Last Meeting: September 7, 2023**

**Next Meeting: December 7, 2023**

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

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No update from the Investment Committee.

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

**Last Meeting: October 19, 2023**

**Next Meeting: November 16, 2023**

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

**Chair Ganapati updated the Board regarding matters from the last Audit Committee meeting.**

- b. Minutes of the P&F Audit Committee meeting from September 21, 2023. Receive and file.

**The Minutes were received and filed.**

- c. Discussion and action on ORS Management's Response on Finding 1 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023, regarding Granicus contract.

**This item was deferred pending ORS Management's further revised response.**

- d. Discussion and action on ORS Management's Response on Finding 3 in "Audit: Procurement and Contract Oversight" Report by ORS Senior Internal Auditor, dated May 18, 2023, regarding laptop purchase during COVID-19.

**This item was deferred pending ORS Management's further revised response.**

- e. Discussion and action regarding Communication to the Board of Administration of the City of San Jose Police and Fire Department Retirement Plan from Macias Gini & O'Connell (MGO) the Plan's external auditor:

a. Independent auditor's report on the internal control over financial reporting, compliance and other matters based on an Audit of Financial Statements performed.

b. Independent auditor's Management Letter comments and recommendations regarding audit findings.

**This item was deferred pending final versions of the materials to be presented to the Board at its December meeting.**

- f. Discussion and action on the approval of the Police and Fire Department Retirement Plan's Annual Comprehensive Financial Reports for the Fiscal Year 2022-2023.

**This item was deferred pending final versions of the materials to be presented to the Board at its December meeting.**

- g. Discussion and action regarding audit workplan for Cortex Consulting for evaluation of ORS

policies with legal counsel on procurement and contracting issues.

Counsel Chin introduced and presented on this item.

A motion was made to refer this item to the Joint Governance Committee.

Approved. (M.S.C. Santos/Ganapati 8-0-0).

### **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.

No update from the Governance Committee.

### **7.4 Disability Committee (Santos - CH/Lanza - Alts: Menon/Vado/Lee/Wilson)**

**Last Meeting: September 15, 2023**

**Next Meeting: November 6, 2023**

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

Chair Santos stated that the next Disability Committee meeting will be on November 6, 2023.

### **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.

Chair Menon indicated that the JPC is scheduling a meeting for November.

### **• PROPOSED AGENDA ITEMS**

None.

### **• ADJOURNMENT**

The meeting adjourned at 1:26 p.m.

**Next Meeting: December 7, 2023**

\*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

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FRANCO VADO, CHAIR  
BOARD OF ADMINISTRATION  
ATTEST:

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ROBERTO L. PEÑA, CEO  
OFFICE OF RETIREMENT SERVICES