



BOARD OF ADMINISTRATION

Action Minutes

City Hall
Wing Rooms 118-120
200 East Santa Clara
Street,
San Jose, CA 95113

Police & Fire Department Retirement Plan and Health Care Trust

Thursday, December 5, 2019

8:30 AM

City Hall, Wing Rooms 118-120

CALL TO ORDER AND ROLL CALL

The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met on Thursday, December 5, 2019 at 8:30 a.m. in regular session at City Hall Wing Rooms 118-120, 200 East Santa Clara Street, San Jose, California 95113. Chair Sunzeri called the Pension Plan and Health Care Trust meeting to order at 8:30 a.m. followed by roll call.

Present: 7 - Richard Santos, Drew Lanza, Nick Muyo, Vincent Sunzeri, Franco Vado, Eswar Menon and Ghia Griarte

Absent: 1 - Vikas Oswal

Pam Foley, City Council Liaison to the Board arrived at 8:37 a.m.

Retirement Staff Present: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Brian Starr, Dhinesh Ganapathiappan, Christina Wang, Arun Nallasivan, David Aung, Peter Pham, Marti Zarate, Michelle San Miguel, Linda Alexander.

Also Present: Harvey Leiderman, General and Fiduciary Counsel; Bill Hallmark, Hanna Shriner, Meketa Investment Group; Chris Theodor, Meketa Investment Group; Cheiron; Anne Harper, Cheiron; Kaci Boyer, Neuberger Berman (via telephone); Jim Shannon, Budget Director; Cheryl Parkman, OER.

AGENDA

CEREMONIAL ITEM

Presentation of a commendation to Ghia Griarte for her service as Trustee of the Police & Fire Retirement Plan's Board of Administration.

The Board presented Trustee Ghia Griarte for her five years of service to the Board.

OPEN SESSION

• ORDERS OF THE DAY

There were no changes to the Orders of the Day.

1. CONSENT CALENDAR

A motion was made to approve the Consent Calendar,
Approved. (M.S.C. Santos/Muyo 8-0-0). The motion passed unanimously.

1.1 Approval Of Minutes

- a. Approval of the Board Minutes of November 7, 2019.

1.2 Return of Contributions

- a. Voluntary / Involuntary. - **None.**

1.3 Approval Of Travel for Conferences and Due Diligence

- a. Prabhu Palani, CIO
- 2019 Stanford Investor Forum, Stanford University, Palo Alto, CA - November 18-19, 2019.
 - 3rd Annual Private Equity and Secondaries Investor Summit, Harmonie Club, New York, NY - December 3-4, 2019.
- b. Eswar Menon, Trustee
- 7th Annual California Institutional Forum, Hyatt Regency Sonoma Wine Country, Santa Rosa, CA - December 4, 2019.

1.4 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Matrix of City Auditor's Recommendations from the 2017 Audit. Receive and file.
- c. Report of the Plan Expenses for October 2019. Receive and file.
- d. Notification of Private Market Commitments to Rockpoint Real Estate Fund VI and Exeter Industrial Value Fund V by Investment Staff.
- e. Communication regarding City proposed Ordinance regarding survivorship benefits for Police members.

1.5 Approval of Administrative Matters

- a. Approval of Police & Fire Retirement Plan's Popular Annual Financial Report (PAFR) for the year ended June 30, 2019.

1.6 Education and Training

- a. The Cortex Report - November 2019 - Conferences, Seminars, and Educational Programs.
- b. CalAPRS 2019 Program Calendar.

2. INVESTMENTS

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.
CIO Palani updated the Board.
- b. Presentation of Calendar 2nd Quarter 2019 Private Equity Report by Neuberger Berman.
This Investments was presented
- c. Presentation of Calendar 2nd Quarter 2019 Private Markets Report by Meketa Investment Group.
This Investments was presented
- d. Presentation of Calendar 3rd Quarter 2019 Performance Report for Pension Fund by Meketa Investment Group.
This Investments was presented
- e. Presentation of Calendar 3rd Quarter 2019 Performance Report for Health Care Trust by Meketa Investment Group.
This Investments was presented

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS

- a. Discussion and action on compensation and benefits for the Office of Retirement Service's Chief Executive Officer (CEO) and Chief Investment Officer (CIO).
(Deferred from the November 7, 2019 Board meeting)
- Recommendation of Compensation for the CEO is a merit increase of 3% along with 5-executive days.**
- A motion was made to approve the compensation of the CEO of a merit increase of 3% along with 5-executive days.**
- Approved. (M.S.C. Sunzeri/Lanza 8-0-0). The motion passed unanimously.**
- Recommendation of Compensation for the CIO is a merit increase of 5% along with 5-executive days.**
- A motion was made to approve the compensation of the CIO of a merit increase of 5% along with 5-executive days.**
- Approved. (M.S.C. Lanza/Gardanier 8-0-0). The motion passed unanimously.**
- CEO Peña and CIO Palani spoke and acknowledged the Board.**

4. NEW BUSINESS

- a. Oral update from the CEO of Retirement Services, Roberto L. Peña.
- CEO Peña updated the Board.**
- b. Oral update from the City Council Liaison to the Board.
- Council Liasion Pam Foley updated the Board. She stated that the City Council approved to start the process on a transfer tax. The City Council directed the City Attorney and City Manager to explore putting it on the ballot in March. The transfer tax would be recorded Real Estate and would bring approximately \$70 million annually to the General Fund.**
- c. Discussion and action on June 30, 2019 Pension Actuarial Valuation results under alternative amortization adjustment scenarios.
- After discussion, a motion was made to approve option #2 with 2.5% increase.**
- Approved (M.S.C. Sunzeri/Menon 8-0-0). The motion passed unanimously.**
- d. Acceptance of the nomination for position of Board Vice-Chair for calendar year 2020.
- Trustee Lanza accepted the nomination for position of Board Vice-Chair for calendar year 2020.**

- e. Discussion and action on Committee assignments.

Chair Sunzeri made recommendations and changes to the Committee assignments.

IC - Trustee Vikas, Chair and Trustee Menon, Vice Chair. Trustee Ghia is removed.

Audit - Trustee Vado, Chair. Add Trustee Menon and Muyo to the Committee

Governance - Add Trustee Sunzeri and Trustee Santos to the committee.

Trustee Vado as alternate

Disability - No change

JPC - Add Trustee Gardanier and Trustee Vikas. Trustees Sunzeri and Trustee Muyo will be removed.

A motion was made to approve the recommendations.

Approved. (M.S.C. Sunzer/Vado 8-0-0). The motion passed unanimously.

5. RETIREMENTS

5.1 Service Retirements

Chair Sunzeri read the Service Retirements into the record.

A motion was made to approve the Service Retirements.

Approved. (M.S.C. Santos/Muyo 8-0-0). The motion passed unanimously.

- a. **Glenn Baldwin**, Police Officer, Police Department, effective January 11, 2020; 27.53* years of service.
- b. **William Becerra**, Police Officer, Police Department, effective January 11, 2020; 25.05* years of service.
- c. **Lawrence P. Birch, Jr.**, Police Sergeant, Police Department, effective December 28, 2019; 29.43* years of service. (*With Reciprocity - 20.81 CSJ YOS + 8.61 PERS YOS*)
- d. **Mark C. Bustillos**, Deputy Chief of Police, Police Department, effective December 14, 2019; 27.46* years of service.
- e. **Richard Foster**, Police Sergeant, Police Department, effective December 14, 2019; 27.46* years of service.
- f. **Eugene Gaines**, Police Officer, Police Department, effective December 14, 2019; 25.30* years of service.

- g.** **Daniel Gamban, Jr.**, Fire Prevention Inspector, Fire Department, effective January 11, 2020; 24.90* years of service.
- h.** **David C. Gutierrez**, Police Sergeant, Police Department, effective December 14, 2019; 27.11* years of service. *(With Reciprocity - 23.11 CSJ YOS + 3.99 PERS YOS)*
- i.** **Josemaria Iglesias**, Police Sergeant, Police Department, effective December 14, 2019; 27.03* years of service.
- j.** **Lyle T. Jackson**, Police Sergeant, Police Department, effective January 25, 2020; 25.46* years of service.
- k.** **Alexander S. Keller**, Police Officer, Police Department, effective January 11, 2020; 27.52* years of service.
- l.** **Bertrand Milliken**, Police Sergeant, Police Department, effective December 15, 2019; 28.61* years of service. *(With Reciprocity - 20.38 CSJ YOS + 8.23 PERS YOS)*
- m.** **David M. Moseley**, Fire Engineer, Fire Department, effective December 14, 2019; 27.18* years of service. *(With Reciprocity - 21.95 CSJ YOS + 5.22 PERS YOS)*
- n.** **Jeffrey R. Mushock**, Fire Engineer, Fire Department, effective December 21, 2019; 23.43* years of service.
- o.** **Vanessa Payne**, Police Sergeant, Police Department, effective January 11, 2020; 29.23* years of service.
- p.** **Anastacio D. Ramirez**, Police Officer, Police Department, effective January 11, 2020; 22.88* years of service.
- q.** **Joseph K. Stewart**, Police Sergeant, Police Department, effective January 11, 2020; 27.53* years of service.
- r.** **James Tom**, Fire Engineer, Fire Department, effective December 28, 2019; 27.44* years of service.
- s.** **Alberto Valdes**, Police Officer, Police Department, effective December 14, 2019; 25.16* years of service. *(With Reciprocity - 21.17 CSJ YOS + 3.98 PERS YOS)*

- t. **Jeffrey L. Welch**, Battalion Chief, Fire Department, effective December 14, 2019; 25.40* years of service. *(With Reciprocity - 23.84 CSJ YOS + 1.55 PERS YOS)*
- u. **Wilson Yeung**, Police Officer, Police Department, effective December 14, 2019; 25.33* years of service.
- v. **Bruce A. Young**, Police Lieutenant, Police Department, effective January 11, 2020; 28.80* years of service. *(With Reciprocity)*

5.2 Deferred Vested

Chair Sunzeri read the **Deferred Vested Retirements** into the record.

A motion was made to approve the Deferred Vested Retirements.

Approved. (M.S.C. Santos/Muyo 8-0-0). The motion passed unanimously.

- a. **Paul Chrisman**, Police Officer, Police Department, effective December 21, 2019; 28.18* years of service. *(With Reciprocity - 9.38 CSJ YOS + 5.00 PERS YOS + 13.80 SCERS YOS)*
- b. **Humberto Rangel**, Police Officer, Police Department, effective December 30, 2019; 31.09* years of service. *(With Reciprocity - 12.07 CSJ YOS + 12.01 PERS YOS + 7.00 SAMCERA YOS)*
- c. **James W. Sims**, Police Officer, Police Department, effective December 20, 2019; 28.01* years of service. *(With Reciprocity - 10.01 CSJ YOS + 18.00 SCERS YOS)*

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

Chair Sunzeri read the **Death and Survivorship Notifications** into the record and asked for a moment of silence for those who served and have passed away.

- a. Notification of the death of **Kenneth W. Barker**, Police Officer, retired April 15, 2008, died October 13, 2019. Survivorship benefits to Marie Lherisson, Spouse.
- b. Notification of the death of **Gregg Rosendin**, Police Officer, retired July 12, 2012, died October 8, 2019. No survivorship benefits.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

7.1 Investment Committee (Griarte - CH/Gardanier/Menon/Oswal)

Last Meeting: October 22, 2019 **Next Meeting: December 17, 2019**

- a. Oral update from the Chair of the Investment Committee.
- There was no report out of the Investment Committee.

7.2 Audit/Risk Committee (Lanza - CH/Menon/Vado – Alt: Gardanier)

Last Meeting: October 17, 2019 **Next Meeting: February 20, 2020**

- a. Oral update from the Chair of the Audit/Risk Committee.
- There was no report out of the Audit Committee.

7.3 Governance Committee (Vado - CH/Muyo/Oswal – Alt: Santos)

Last Meeting: September 5, 2019 **Next Meeting: December 5, 2019**

- a. Oral update from the Chair of the Governance Committee.
- There was no report out of the Governance Committee.

7.4 Disability Committee (Santos - CH/Lanza - Alts: Muyo/Sunzeri)

Last Meeting: October 7, 2019 (November meeting cancelled) **Next Meeting: December 9, 2019**

- a. Oral update from the Chair of the Disability Committee.
- The Disability Committee has been rescheduled to December 16, 2019.

7.5 Joint Personnel Committee (Sunzeri - CH/Griarte/Muyo)

Last Meeting: October 28, 2019 **Next Meeting: December - TBD**

- a. Oral update from the Chair of the Joint Personnel Committee.
- The JPC is working on meeting before the end of the year.

- **PROPOSED AGENDA ITEMS**

Trustee Santos would like to see Counsel make a Retirement presentation to the Board. (educational).

- **PUBLIC COMMENTS**

None.

- **ADJOURNMENT**

Next Meeting: January 9, 2020

The meeting was adjourned at 12:28 p.m.

*Estimated