



BOARD OF ADMINISTRATION

Action Minutes

Police & Fire Department Retirement Plan and Health Care Trust

Thursday, April 2, 2020

8:30 AM

1737 N. First Street, Suite 580
5th Floor Board Room
San Jose, CA 95112

MEETING HELD TELEPHONICALLY

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, April 2, 2020 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 Gardanier called the Pension Plan and Health Care Trust meeting to order at 8:32 a.m. followed by roll call.

APPEARING TELEPHONICALLY

Present: 8 - Nick Muyo, Eswar Menon, Andrew Gardanier, Franco Vado, Howard Lee, Andrew Lanza, Vincent Sunzeri and Richard Santos

Counsel Liaison to the Board, Pam Foley joined via Teleconference 8:45 a.m. and departed at 11:59 a.m.

Retirement Staff Present: Roberto L. Peña (via Teleconference), Prabhu Palani (via Teleconference), Barbara Hayman (via Teleconference), Benjie Chua-Foy (via Teleconference), Brian Starr (via Teleconference), Christina Wang (via Teleconference), Marti Zarate (via Teleconference), Michelle San Miguel (in the office), Linda Alexander (in the office).

Also Present: Harvey Leiderman, General and Fiduciary Counsel (via Teleconference); Laura Wirick, Meketa Investment Group (via Teleconference); Danny Sullivan, Verus Investments (via Teleconference), Eileen Neill (via Teleconference).

AGENDA

CLOSED SESSION

The Board entered into Closed Session at 8:36 a.m.

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

I. CLOSED SESSION INVESTMENTS

- A. CLOSED SESSION: PURSUANT TO GOVERNMENT CODE SECTION 54956.81, TO CONSIDER PURCHASE OR SALE OF PARTICULAR PENSION FUND INVESTMENT (ONE INVESTMENT).**

The Board came out of Closed Session at 9:23a.m.

OPEN SESSION - will reconvene following Closed Session, estimated to be 9:00 a.m.

The Board reconvened into Open Session at 9:26 a.m. There was no reportable action out of Closed Session.

• **ORDERS OF THE DAY**

The Chair read the procedures and ground rules into the record.

1. CONSENT CALENDAR

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Lanza/Lee 7-0-0). The motion passed by roll call vote.

Trustee Santos was not on the call.

1.1 Approval for a Change in Status to Service Connected Disability

- a.** Steve Moreno, Fire Captain, Fire Department, Request for a Change of Status to a Service-Connected Disability Retirement, effective October 24, 2015; 26.55* years of service. (*Disability Committee Recommendation: Approval*)

1.2 Approval Of Minutes

- a.** Approval of the Board Minutes of March 5, 2020.

1.3 Approval Of Travel for Conferences and Due Diligence

- a.** Roberto Peña, CEO
- TRAVEL CANCELLED BY TRAVELER - CalAPRS General Assembly, Omni Rancho Mirage Resort & Spa, Rancho Mirage, CA - March 7 - 10, 2020.
 - TRAVEL CANCELLED BY ORGANIZER - SACRS Spring Conference 2020, Paradise Point Resort & Spa, San Diego, CA - May 12 - 15, 2020.

1.4 Return of Contributions

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

1.5 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Matrix of City Auditor's Recommendations from the 2017 Audit. Receive and file.
- c. Notification of Trustee Vikas Oswal's resignation from the Police & Fire Board of Administration.
- d. Notification of SACRS Spring Conference cancelled.
- e. Notification of Trusted Insight Summit 2020 Conference postponement.
- f. Report of the Plan Expenses for February 2020. Receive and file.
- g. ORS's Quarterly Newsletter - The Retirement Connection.
- h. **Educational Travel Reports:**
- CalAPRS General Assembly, Omni Rancho Las Palmas Resort, Rancho Mirage, CA, March 7 - 10, 2020 - By Franco Vado

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 Francis Nazario, ex-spouse of Police Officer, **Martin Miller** to be effective May 24, 2020 under Part 17, Section 3.36.3600 of the San Jose Municipal Code.

1.7 Education and Training

- a. The Cortex Report - March 2020 - Conferences, Seminars, and Educational Programs.
- b. CalAPRS 2020 Program Calendar.
- c. Pomerantz LLP 2020 Corporate Governance Roundtable Event, Waldorf Astoria, Beverly Hills, CA - June 16, 2020.

- d. SACRS/UC Berkeley Program, UC Berkeley HAAS School of Business, Berkeley, CA - July 26 - 29, 2020.
- e. SACRS Fall 2020 Conference, Renaissance Indian Wells Resort & Spa, Indian Wells, CA - November 10 - 13, 2020.

2. INVESTMENTS

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.

CIO Palani updated the Board.
- b. Discussion and action on additional Strategic Asset Allocation Options by Meketa, Verus, & staff.

After extensive discussion, a motion was made to direct staff the authority to shift and increase the Asset Allocation to Mix B.

Approved. (M.S.C Sunzeri/Lanza 8-0-0) The motion passed unanimously by roll call vote.

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS

- a. Discussion and action on revised Administrative Budget for FY 2020 - 2021.

A motion was made to approve the revised Administrative Budget for FY 2020-2020.
Approved. (M.S.C. Gardanier/Lanza 8-0-0). The motion passed by roll call vote.

4. NEW BUSINESS

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

CEO Pena updated the Board on the following:

- An email was sent to both Boards regarding the Operations of the ORS. Monthly Pensions payments will continue per normal schedule. Retiree payroll went out smoothly and a few staff members were in the office to deliver checks. He thanked the entire staff for their work and engagement.
- ORS Office remains closed and the stay in place order has been extended to 5/3/2020. The next Board meeting will be held on 5/7/2020, location TBD. With the Market changes, there may be a need for emergency Board meetings.
- On April 14, 2020, CEO Pena will present the Actuarial Valuation to the City Council via Zoom.
- Staff is still taking Retirement applications.
- All committee meetings are cancelled. Disability Committee meetings will be held for financial hardship cases only.
- Next Retirement Working Solutions Group scheduled on April 13, 2020 has been postponed.
- The Joint meeting of the Boards and City Council has been postponed.
- CalPERS defined Benefit Plan-OER will be bringing a Resolution of Intention to amend the City's CalPERS contract to the City Council. This is the first step in the process that CalPERS has laid out for the ORS Investment professionals. Once they have the resolution approved by City Council, the City will move forward with the final approval of the contract amendment and will change the Municipal Code to allow the ORS Investment professionals to be excluded from the Tier 3 benefit and included into the CalPERS defined benefit plan. They are aiming for a final deadline of mid-May in order to be enrolled into the CalPERS benefit at that time. This will come back to the Board next month with an update.

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

Pam Foley, City Council Liaison to the Board, updated the Board.

- c. Discussion and action on Committee assignments.

A motion was made to approve the changes to the Committee assignments to the Audit, Governance, and Joint Personnel committee.

Approved. (M.S.C. Gardanier/Lanza 8-0-0). The motion passed unanimously by roll call vote.

- d. Discussion and action on authorizing the Secretary to negotiate and execute the tenant lease agreement among Pacific Resources First American, LLC and the Board of Administration for the Police & Fire Department Retirement Plan and the Board of Administration for the Federated City Employees' Retirement System for a 5 year term ending March 31, 2025. Total cost to be split 50/50 with the Federated Plan.

A motion was made to authorize the Secretary to negotiate and execute the tenant lease agreement among Pacific Resources First American, LLC and the Board of Administration for the Police & Fire Department Retirement Plan and the Board of Administration for the Federated City Employees' Retirement System for a 5 year term ending March 31, 2025. Total cost to be split 50/50 with the Federated Plan.

Approved. (M.S.C. Santos/Vado 8-0-0). The motion passed unanimously by roll call vote.

- e. Discussion and action on Fiduciary Insurance and Waiver of Recourse Fees for Policy Year March 2020 - 2021.

A motion was made to approve the Fiduciary Insurance and Waiver of Recourse Fees for Policy Year March 2020 - 2021.

Approved. (M.S.C. Gardanier/Santos 8-0-0). The motion passed unanimously by roll call vote.

5. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

5.1 Investment Committee (VAC - CH/Menon/Gardanier/Lanza)

Last Meeting: March 24, 2020

Next Meeting: May 26, 2020

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

Trustee Menon stated that Investment items have been discussed during the meeting today.

- b. Minutes from the December 17, 2019 Police and Fire Investment Committee Meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

5.2 Audit/Risk Committee (Vado - CH/Menon/Muyo)

Last Meeting: February 20, 2020

Next Meeting: May 21, 2020

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

There was no report out of the Audit/Risk Committee.

5.3 Governance Committee (Muyo - CH/ Santos/ Sunzeri – Alt: Vado)

Last Meeting: March 5, 2020

Next Meeting: June 18, 2020

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

Trustee Muyo stated that they are bringing in the Police and Fire and Federated Strategic Plans. The Governance Committee is working with Cortex will bring this item to the Board for approval.

- b. Minutes of the December 5, 2019 Joint Governance Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.

This Committees/Reports/Recommendations was received and filed

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

Last Meeting: March 9, 2020

Next Meeting: May 11, 2020 (April 6, 2020 Meeting Cancelled)

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

Trustee Santos updated the Board.

- b. Minutes from the February 19, 2020 Police and Fire Disability Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed

5.5 Joint Personnel Committee (Sunzeri-CH/Gardanier/VAC)

Last Meeting: February 25, 2020

Next Meeting: TBD

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

Trustee Sunzeri stated that the JPC has not met.

• PROPOSED AGENDA ITEMS

None.

- **PUBLIC COMMENTS**

CIO Palani acknowledged Jay Kwon, Christina Wang and Julie He for making multiple portfolio moves on various dates.

Chair Gardanier acknowledged staff members Barbara Hayman, Linda Alexander, and Michelle San Miguel for running the meeting in Zoom. He was pleased with how the meeting was conducted.

- **ADJOURNMENT**

Next Meeting: May 7, 2020

The meeting adjourned at 12:12 p.m.

*Estimated