



BOARD OF ADMINISTRATION

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

Thursday, April 1, 2021

8:30 AM

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

zoom.us

Dial In: +1 669 219 2599 US (San Jose)

Meeting ID: 927 0939 2853

Password: 256797

Drew Lanza, Chair, Public Member (Term Expires 4/30/23)
Andrew Gardanier, Vice-Chair, Fire Active Rep (Term Expires 11/30/23)
Sunita Ganapati, Trustee, Public Member (Term Expires 11/30/22)
Howard Lee, Trustee, Public Member (Term Expires 11/30/22)
Eswar Menon, Trustee, Public Member (Term Expires 11/30/22)
Nick Muyo, Trustee, Acting Police Retiree Rep (Term Expired 11/30/20)
Richard Santos, Trustee, Fire Retiree Rep (Term Expires 11/30/22)
Vincent Sunzeri, Trustee, Public Member (Term Expires 11/30/24)
Vacant, Trustee, Police Active Rep (Term Expires 11/30/21)

Pam Foley, City Council Liaison to the Board

Harvey Leiderman, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

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

The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met via zoom on Thursday, April 1, 2021 at 8:30 a.m. Chair Drew Lanza called the Pension Plan and Health Care Trust meeting to order at 8:31 a.m. followed by roll call.

Retirement Staff Present via Teleconference: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Eran Amir, Jay Kwon, Brian Starr, Ron Kumar, Dhinesh Ganapathiappan, David Aung, Christina Wang, Arun Nallasivan, Ellen Lee, Stacey Fischer, Linda Alexander, Marti Zarate, and Michelle San Miguel.

Also Present via Teleconference: Harvey Leiderman, General and Fiduciary Counsel; Russ Richeda, Disability Counsel; Laura Wirick, Meketa Investment Group; Jared Pratt, Meketa Investment Group; Eileen Neill, Verus; Danny Sullivan, Verus; Kevin Balaod, Journalist; Jean Huang, Public Attendee; Franco Vado, Retiree.

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

The Board entered Closed Session at 8:33 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, SPECIFIC PENSION FUND INVESTMENTS (ONE INVESTMENT).**

The Board came out of Closed Session at 8:53 a.m.

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

The Board reconvened into Open Session at 8:53 a.m. There was no reportable action out of Closed Session.

ORDERS OF THE DAY

Chair Lanza read the following ground rules and changes to the agenda into the record for Orders of the Day:

- All votes will be roll call votes.
- If you are not speaking, please be on mute to cut background noise.
- For matters where we must have debate, I will call the roll and you will each have a turn.
- The public will have an opportunity to speak on any item and make general comment on any matter within our subject matter jurisdiction.
- Do not interrupt a presenter. Take notes and ask later.

1. CONSENT CALENDAR

A motion was made to approve the Consent Calendar.

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

1.1 Approval Of Minutes

- a. Approval of the Board Minutes of March 4, 2021.

1.2 Return of Contributions

- a. Voluntary / Involuntary.

1.3 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Report of the Plan Expenses for February 2021. Receive and file.
- c. Presentation of Actuarial Valuations results for City Council meeting on March 16th.
- d. **Educational Travel Report:**
 - CalAPRS Virtual General Assembly, March 8 - 9, 2021 - by Howard Lee.

1.4 Education and Training

- a. The Cortex Report - March 2021, Conferences, Seminars and Educational Programs.
- b. CalAPRS Virtual Trustees Roundtable, May 10, 2021.
- c. SACRS Virtual Annual Spring Conference, May 11-14, 2021.
- d. CalAPRS Virtual Advanced Principles of Pension Governance for Trustees, June 7,9 & 11, 2021.

2. INVESTMENTS

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

CIO Palani updated the Board on the following:

- The Pension Plan was up 62 basis points during the month of February 2021.
- The Health Care Trust was up 88 basis points during the month of February 2021.
- For Fiscal Year To-Date, the Pension Plan is up 17.59%.
- For Fiscal Year To-Date, the Health Care Trust is up 18.27%.

b. Discussion and action on Strategic Asset Allocation by Meketa Group.

CIO Palani introduced the item for discussion and provided a brief background. He introduced Laura Wirick and Jared Pratt, Meketa Investment Group, who spoke to the proposed Strategic Asset Allocation and answered questions from the Board. Ms. Wirick discussed the options and shared that Meketa and staff recommend moving to Mix B. Ms. Wirick also spoke to the benchmarks put in place a few years ago stating that most benchmarks are still appropriate; Ms. Wirick went over the recommended changes to the benchmarks for clarity on what would change. Meketa also recommends lagging the benchmark for one quarter. Eileen Neill and Danny Sullivan, Verus, also spoke to the proposed Strategic Asset Allocation from a Risk perspective and answered questions from the Board. A lengthy discussion ensued following the presentations.

A motion was made to approve Mix B for the Pension Plan.
Approved. (M.S.C. Menon/Santos 7-0-0) The motion passed unanimously by roll call vote. Trustee Sunzeri was unable to vote due to technical difficulties.

A motion was made to approve the Benchmarks for the Pension Plan as listed on Slide 16.
Approved. (M.S.C. Menon/Santos 8-0-0) The motion passed unanimously by roll call vote.

A motion was made to move to Mix A for the Health Care Trust.
Approved. (M.S.C. Menon/Santos 8-0-0) The motion passed unanimously by roll call vote.

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:

- Form 700 are due and need to be filed by April 1, 2021.
- The City Clerk has opened the Police Retiree and Police Active Trustee seats for applications. An application for each vacant position has been received. The vacant positions may be filled by the June Board meeting.
- Interviews for the vacant Senior Benefit Analyst and Benefit Analyst positions will be April 5, 2021.
- Fiduciary Insurance waiver of recourse premiums are due at end of April. Checks for \$75 must be mailed to ORS by the Trustees. Staff will send an email reminder.
- ORS's Quarterly Newsletter will be mailed out soon and will be on the next Board agenda.
- Members who qualified and completed their Medicare Part-B reimbursement forms will begin to see their reimbursement in their May check.
- The Request for Proposal (RFP) for the Board Medical Advisor position will close on April 15,

2021.

- The actuarial results were presented to the City Council on March 16, 2021.

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

Councilwoman Foley updated the Board on pending matters before the Council.

- c. Discussion on the Disability Retirement Application summary process.

CEO Peña introduced and provided background on the item. Dr. Tierman is retiring as the Board Medical Advisor in June and while an RFP has been issued to try and find her replacement, staff felt an educational presentation on the current disability process would be beneficial to the Board. Disability Counsel Richeda also spoke to the item and provided the Board information on retirement systems that rely on Independent Medical Examination (IME) reports for their disability decisions as opposed to hiring a Medical Advisor. After a brief discussion, the Board directed staff to update them on the RFP response at the next meeting and to come back in June with a recommendation on how to proceed with the disability process.

5. RETIREMENTS

5.1 Service Retirements

Chair Lanza read the 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 by roll call vote.

Trustee Muyo and Trustee Santos said a few kind words.

- a. **Jaime Almaraz**, Police Officer, Police Department, effective April 3, 2021; 25.03* years of service.
- b. **Todd A. Cleaver**, Police Sergeant, Police Department, effective March 26, 2021; 28.03* years of service. (*With Reciprocity*)
- c. **Jeffrey P. Fassio**, Police Officer, Police Department, effective May 1, 2021; 26.21* years of service. (*With Reciprocity - 22.95 CSJ YOS + 3.25 PERS YOS*)
- d. **Phillip D. Garcia**, Police Sergeant, Police Department, effective May 1, 2021; 25.07* years of service.
- e. **Gary L. Garrison**, Police Officer, Police Department, effective April 2, 2021; 26.73* years of service. (*With Reciprocity - 21.61 CSJ YOS + 5.12 PERS YOS*)

- f. **Donald S. Guerra**, Police Officer, Police Department, effective April 3, 2021; 25.03* years of service.
- g. **Victor E. Loesche**, Fire Captain, Fire Department, effective April 3, 2021; 25.69* years of service.
- h. **Louis E. Lucero**, Police Officer, Police Department, effective May 1, 2021; 25.57* years of service.
- i. **Troy K. Sirmons**, Police Officer, Police Department, effective April 3, 2021; 25.03* years of service.
- j. **James E. Yumen**, Police Sergeant, Police Department, effective April 3, 2021; 25.03* years of service.

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

The Chair read the Death Notifications into the record and asked for a moment of silence for those who served and passed away. Trustee Muyo and Trustee Santos said a few kind words.

- a. Notification of the death of **Truman Boman**, Police Officer, retired June 26, 2010, died December 20, 2020. Survivorship benefits to Barbara Boman, Spouse.
- b. Notification of the death of **Merrill Malvini**, Fire Captain, retired February 5, 1986, died February 20, 2021. No survivorship benefits.
- c. Notification of the death of **Gregory Toscano**, Fire Engineer, retired November 15, 2008, died February 9, 2021. No survivorship benefits.
- d. Notification of the death of **Jeff Shackelford**, Fire Captain, retired April 3, 1984, died November 6, 2020. No survivorship benefit.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

7.1 Investment Committee (Menon - CH/Gardanier/Lanza/Sunzeri)

Last Meeting: March 16, 2021 (Special Meeting) Next Meeting: April 20, 2021

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

Trustee Menon stated that the Committee discussed the Strategic Asset Allocation at their last meeting.

- b. Minutes of the February 23, 2021 Police and Fire Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed.

7.2 Audit/Risk Committee (Lee - CH/Muyo/Vacant)

Last Meeting: February 18, 2021 **Next Meeting: May 20, 2021**

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

There was no update.

7.3 Governance Committee (Muyo - CH/ Santos/ Lee – Alt: Ganapati)

Last Meeting: March 4, 2021 **Next Meeting: June 17, 2021**

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

Trustee Muyo spoke to the contents of the last Committee meeting and stated that at the next Committee meeting, they would continue discussing the Succession Planning Policy and the Board Education Policy and Board Education Plan which was deferred due to lack of time.

- b. Minutes of the December 17, 2020 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.

- c. Discussion and action on the memorandum regarding recommendation to reduce the required frequency for reviewing the governance policies and charters.

CEO Peña spoke to the item briefly and explained that the Governance Committee recommended approval to change the frequency of policy review from 3 years to 5 years or as needed.

A motion was made to approve the recommended change in frequency of policy review from 3 years to 5 years or as needed.

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

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

Last Meeting: February 8, 2021 (March Meeting Cancelled) **Next Meeting: April 5, 2021**

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

Trustee Santos stated that the next meeting would be Monday, April 5, 2021.

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

Last Meeting: November 10, 2020 Next Meeting: TBD

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

Trustee Sunzeri stated that while the full Committee had not met since November, the Ad Hoc committee has been meeting and would be ready to present to the full JPC soon.

• **PROPOSED AGENDA ITEMS**

None.

• **PUBLIC COMMENTS**

Trustee Santos praised Police Officers, Firefighters and government workers for continuing to support our communities during COVID-19.

• **ADJOURNMENT**

Next Meeting: May 6, 2021

The meeting adjourned at 11:18 a.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

DREW LANZA, CHAIR
BOARD OF ADMINISTRATION

ATTEST:

ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES