



BOARD OF ADMINISTRATION

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

Thursday, May 5, 2022

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: 945 0831 1540

Password: 898204

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)
Richard Santos, Trustee, Fire Retiree Rep (Term Expires 11/30/22)
Franco Vado, Trustee, Police Retiree Rep (Term Expires 11/30/24)
Dave Wilson, Trustee, Police Active Rep (Term Expires 11/30/25)
Vacant, Trustee, Public Member (Term Expires 11/30/24)

Pam Foley, City Council Liaison to the Board

Harvey Leiderman & Maytak Chin, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

The Board of Administration of the Police and Fire Department Retirement Plan and Health Care Trust met via zoom on Thursday, May 5, 2022 at 8:30 a.m. Chair Drew Lanza called the Pension Plan and Health Care Trust meeting to order at 8:32 a.m. followed by roll call.

Pam Foley departed at 11:00 a.m.

Retirement Staff Present via Teleconference: Roberto L. Peña, Prabhu Palani, Barbara Hayman, Shilpi Dwivedi, Benjie Chua-Foy, Jay Kwon, Ron Kumar, Dhinesh Ganapathiappan, Christina Wang, Arun Nallasivan, Ellen Lee, Eric Tsang, Sachin Sadana, Julie He, Melanie Kirmse, Marti Zarate, Linda Alexander and Michelle San Miguel.

Also Present via Teleconference: Harvey Leiderman, General and Fiduciary Counsel; Maytak Chin, General and Fiduciary Counsel; Mariah Fairley, Reed Smith; Terri Emery, Court Reporter; Denise Eaton-May, Attorney; Laura Wirick, Meketa Investment Group; Jared Pratt, Meketa Investment Group; Pam Foley, City Council Liaison; Stephen Gallagher, Public Attendee; Gary Johnson, Public Attendee; Ken Jacksteit, Public Attendee; Kenneth Williams, Public Attendee; Ryan Estalilla, Public Attendee; Jill Borders, Public Attendee.

AGENDA

CALL TO ORDER AND ROLL CALL

OPEN SESSION

- **ORDERS OF THE DAY**

Chair Lanza read the following Orders of the Day into the record:

- All votes will be roll call votes.
- If you are not speaking, please be on mute to cut background noise.
- We run great, open meetings. But we need a different etiquette. Do not interrupt a presenter. Take notes and ask later during the comment period.
- Board Members please stay on this zoom meeting call after the regular meeting ends – the public Special meetings for each committee to address California Assembly Bill No. 361 will take place using the same zoom meeting ID and password.
- Items 4e & 4f will be time certain at 8:30 a.m. and 10:00 a.m or soon thereafter, respectively.

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

None.

- 1. **CONSENT CALENDAR**

A motion was made to approve the Consent Calendar.

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

- 1.1 **Approval Of Minutes**

- a. Approval of the Board Minutes of April 7, 2022.
- b. Approval of the Board Minutes from the Special Meeting of March 30, 2022.

1.2 Approval Of Travel for Conferences and Due Diligence

- a. Prabhu Palani, CIO
 - Roundtable with Nirmala Sitharaman, Indian Finance Minister, April 25, 2022, Hotel Four Seasons, East Palo Alto

1.3 Return of Contributions

- a. Voluntary/Involuntary.

1.4 Communication/Information

- a. Police and Fire Retirement System Dashboard.
- b. Office of Retirement Services' Quarterly Newsletter - The Retirement Connection.
- c. **Educational Travel Reports:**
 - CALAPRS General Assembly, Mission Bay Resort, San Diego, CA - March 5 - 8, 2022 - by Drew Lanza.

1.5 Education and Training

- a. The Cortex Report - May 2022, Conferences, Seminars and Educational Programs.
- b. SACRS Spring Conference 2022, Las Palmas Resort & Spa, Rancho Mirage, CA - May 10-13, 2022.

2. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

CIO Palani updated the Board on the following:

- For Fiscal Year-To-Date as of May 3, 2022 the Pension Plan was down approximately 1.44%.
- For Fiscal Year-To-Date as of May 3, 2022 the Health Care Trust was down approximately 5.5%.

- b. Discussion and action on private markets pacing plan by staff.

This item was heard after 4e.

CIO Palani introduced Dhinesh Ganapathiappan, who spoke to the item and answered questions from the Board. Mr. Ganapathiappan reviewed the attached presentation with the Board and spoke to Staff's recommendation. Mr. Ganapathiappan also noted that approving the recommended pacing plan would require the Board to also approve a revised Investment Policy Statement (IPS). The revised IPS should be approved if the Board would like to accept Staff's recommendation.

A motion was made to the recommended pacing plan as presented by staff.

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

- c. Discussion and action regarding the revised Investment Policy Statement for San Jose and Fire Department Retirement Plan and approval of Resolution No. 4831.

Mr. Ganapathiappan spoke to the item and stated that revisions to the Investment Policy Statement (IPS) is to codify the decision made by the Board regarding the new pacing plan.

A motion was made to approve the revised Investment Policy Statement for San Jose Police and Fire Department Retirement Plan and approval of Resolution No. 4831.

Approved. (M.S.C. Ganapati/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.

This item was heard after 2a.

CEO Peña updated the Board on the following:

- \$75 Fiduciary Insurance waiver of recourse payments are due from the Trustees.
- The Quarterly newsletter was sent out in April.
- The City has lifted the mandatory masking in City facilities.
- CIO Palani was honored by Trusted Insight, which was noted in the Quarterly newsletter
- ORS's new IT Manager, Shilpi Dwivedi started recently, as well as a couple of new Benefit staff.
- Medicare Part-B forms were due April 1st for processing. Most forms have been processed and refunds issued, however there are about 200 left to process and those refunds will be seen in members next pension payment.
- Conflict of Interest forms are due for those Trustees that have been contacted by the City

Clerk.

- ORS staff continue to work on a hybrid schedule; the office had a 'soft' opening and is open from 9-4 daily. Members are encouraged to call and make an appointment with staff for their convenience.

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

Councilwoman Foley departed the meeting prior to this item.

- c. Discussion and action regarding resolution No. 4827 Police Tier 1, Resolution No. 4828 Police Tier 2, Resolution No. 4829 Fire Tier 1, and Resolution No. 4830 Fire Tier 2 Contribution Rates/Amounts for FY22-23.

This item was heard after 2c.

Benjie Chua-Foy, Accounting Manager, spoke to the contribution rates and Resolutions. Ms. Chua-Foy reported the rates did not change much from the previous year.

A motion was made to approve Resolution No. 4827 Police Tier 1, Resolution No. 4828 Police Tier 2, Resolution No. 4829 Fire Tier 1, and Resolution No. 4830 Fire Tier 2 Contribution Rates/Amounts for FY22-23.

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

- d. Discussion and action on authorizing the CEO to negotiate and execute a third amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2023.

Barbara Hayman, Deputy Director, spoke to the request before the Board and answered questions. Ms. Hayman stated that the amendment would not require an increase of funds, it is just to extend the term of the agreement.

A motion was made to authorize the CEO to negotiate and execute a third amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2023.

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

- e. Discussion and action on whether to apply SJMC § 3.36.830 for the cancellation and termination of member Stephen B. Gallagher's retirement allowance due to felony conviction. **(Time Certain: 8:30 a.m. or soon thereafter)**

This item was heard after 4a.

Chair Lanza introduced the item for discussion and provided a brief summary on the procedures for the hearing and noted that Ms. Emery, the Court Reporter, was present to document the hearing as well as swear in witnesses for testimony. Member Stephen Gallagher was present and represented by attorney Denise Eaton-May. Counsel Chin presented the facts of the case to the Board and answered questions from the Board. Ms.

Eaton-May presented her clients case. Mr. Gallagher spoke to his case after being sworn in by Ms. Emery. After extensive discussion, the Chair took the sense of the Board, which was that the Board should do something to carry out the provisions of the Municipal Code rather than to take no action at all. On that basis, a motion was made:

A motion was made to leave the member's monthly allowance unchanged, provided the member agrees to donating a percentage of his monthly benefit until death to a local organization designed to assist under-aged youth, and that such agreement would be documented and approved by the Board at the August, 2022 meeting.

Moved/seconded Lanza/Santos.

Following discussion of the motion, Counsel Leiderman recommended tabling the motion and deferring the item to the June Board meeting, to give counsel for the parties the opportunity to reach a proposed agreement along the terms set forth in the motion, and to present such an agreement for Board consideration at the June meeting. Failing such an agreement, the Board would continue to deliberate on the matter at the June meeting. Trustee Lanza, as Chair and maker of the motion, accepted Counsel Leiderman's recommendation, as did Trustee Santos, who seconded the motion.

This item was continued to the June Board meeting.

- f. Discussion and action on whether to apply SJMC § 3.36.830 for the cancellation and termination of member Kenneth E. Williams' retirement allowance due to felony conviction. **(Time Certain: 10:00 a.m. or soon thereafter)**

This Item was deferred at the request of member Kenneth E. Williams' attorney, Denise Eaton-May, due to scheduling issues resulting from the delay in being able to hear the matter by the time certain. The matter will be heard at a date and time subject to meet and confer with Ms. Eaton-May to accommodate availability.

- g. Discussion and action on factual findings for use of California Assembly Bill 361's abbreviated teleconferencing procedures.

This item was heard after 4d.

Counsel Chin introduced and spoke to the item. Ms. Chin explained the contents of the memo submitted to the Board regarding evidentiary support for the Board's consideration of factual findings necessary for election to adopt AB 361's abbreviated teleconferencing procedures, which included:

(1) Governor's proclamation on the continued state of emergency due to the ongoing COVID-19 pandemic; and

(2) the City Council's recent resolution that continued to impose and recommend social distancing in City facilities.

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

5. RETIREMENTS

5.1 Service Retirements

Chair Lanza read the Service Retirements into the record.

A motion was made to approve the Service Retirements.

Approved. (M.S.C. Wilson/Santos 8-0-0) The motion passed unanimously by roll call vote.
Trustee Wilson said a few kind words about the retirees.

- a. **Jorge Gutierrez**, Police Lieutenant, Police Department, effective May 15, 2022; 27.73* years of service.
- b. **Anson G. Kahaku**, Police Officer, Police Department, effective May 15, 2022; 25.69* years of service.
- c. **Manuel A. Rodriquez**, Police Officer, Police Department, effective May 16, 2022; 26.61* years of service.

5.2 Deferred Vested

Chair Lanza read the Deferred Vested Retirement into the record.

A motion was made to approve the Deferred Vested Retirement.

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

- a. **Julio C. Morales**, Police Officer, Police Department, effective May 31, 2022; 22.32* years of service.

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

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

- a. Notification of the death of **Kenneth J. Garino**, Police Officer, retired March 3, 1981, died March 27, 2022. Survivorship benefits to Ann P. Garino, Spouse.
- b. Notification of the death of **Virgilio Hernandez**, Firefighter, retired August 24, 2007, died March 17, 2022. Survivorship benefits to Veronica Hernandez, Spouse.
- c. Notification of the death of **David Moseley**, Fire Captain, retired August 3, 1995, died March 25, 2022. Survivorship benefits to Ginger Moseley, Spouse.
- d. Notification of the death of **Donna Tonry**, Police Officer, retired July 28, 2008, died February 7,

2022. Survivorship benefits to Steven Culverwell, Spouse.

- e. Notification of the death of **Orville Yarbrough**, Police Officer, retired February 20, 1991, died December 12, 2021. Survivorship benefits to Mary Yarbrough, Spouse.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

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

Last Meeting: April 26, 2022 (Regular) Next Meeting: May 5, 2022 (Special)

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

Chair Menon spoke to the April 26th meeting which covered the Pacing Plan and a Public Equity report presented by Ms. Wang.

- b. Minutes of the February 22, 2022 Joint Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed.

- c. Minutes of the February 22, 2022 Police and Fire Investment Committee meeting. Receive and file.

This Committees/Reports/Recommendations was received and filed.

- d. Minutes of the Special Investment Committee meeting from March 3, 2022. Receive and file.

This Committees/Reports/Recommendations was received and filed.

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

Last Meeting: April 7, 2022 (Special) Next Meeting: May 5, 2022 (Special)

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

Chair Ganapati reported that the AB361 findings were adopted by the Committee at the last Special Meeting.

- b. Minutes of the Special Audit/Risk Committee meeting from March 3, 2022. Receive and file.

This Committees/Reports/Recommendations was received and filed.

7.3 Governance Committee (Vado - CH/ Ganapati/Santos)

Last Meeting: April 7, 2022 (Special) Next Meeting: May 5, 2022 (Special)

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

Chair Vado reported that the AB361 findings were adopted by the Committee at the last Special Meeting.

- b. Minutes of the Special Governance Committee meeting from March 3, 2022. Receive and file.

This Committees/Reports/Recommendations was received and filed.

7.4 Disability Committee (Santos - CH/Lanza - Alts: Menon/Vado)

Last Meeting: April 5, 2022 (Special) Next Meeting: May 5, 2022 (Special) May 9, 2022 - REGULAR MEETING CANCELLED

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

Chair Santos reported that the May 9th regular meeting of the Disability Committee was cancelled.

- b. Minutes of the Special Disability Committee meeting from March 3, 2022. Receive and file.

This Committees/Reports/Recommendations was received and filed.

7.5 Joint Personnel Committee (Gardanier/Lanza/Menon)

Last Meeting: March 4, 2022 (Regular) Next Meeting: TBD

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

Trustee Gardanier spoke to the pending action item regarding the CEO Performance Process policy and noted the Board needed to approve the documents.

- b. Discussion and action on the CEO performance process for feedback and potential revisions to the Policy and Procedures.

A motion was made to approve the CEO Performance Policy and Procedures document.

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

- **PROPOSED AGENDA ITEMS**

None.

- **ADJOURNMENT**

Next Meeting: June 2, 2022

The meeting adjourned at 12:54 p.m.

*Estimated

Minutes Recorded, Prepared and Respectfully Submitted by,

DREW LANZA, CHAIR
BOARD OF ADMINISTRATION

ATTEST:

ROBERTO L. PEÑA, CEO
OFFICE OF RETIREMENT SERVICES