



# BOARD OF ADMINISTRATION

## Meeting Minutes

### Police and Fire Investment Committee

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Monday, February 23, 2026

12:00 PM

1737 North First Street, Suite 580,  
San Jose, CA 95112

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#### HYBRID MEETING

#### PHYSICAL LOCATION:

1737 North First Street, Suite 580, San Jose, CA 95112

#### ZOOM INFORMATION:

zoom.us

Dial In: +1 408 638 0968 US (San Jose)

Meeting ID: 96424483647

*Howard Lee, Chair (Term Expires 11/30/26)*

*Andrew Gardanier, Vice-Chair (Term Expires 11/30/27)*

*Sunita Ganapati, Trustee (Term Expires 11/30/26)*

*David Kwan, Trustee (Term Expires 11/30/28)*

*John Flynn, CEO, Office of Retirement Services*

*Prabhu Palani, Chief Investment Officer*

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The Police and Fire Investment Committee met in person at the Office of Retirement Services, 1737 North First Street, Suite 580, San Jose, CA 95112 and via Zoom on Monday, February 23, 2026. The meeting was called to order at 12:10 p.m. by Chair Howard Lee followed by a roll call.

Committee members present: Howard Lee, Andrew Gardanier, Sunita Ganapati and David Kwan.

Retirement Staff present: John Flynn, Prabhu Palani, Jay Kwon, Dhinesh Ganapathiappan, Christina Wang, David Aung, Ron Kumar, Ryan Reynado, Jennifer You, Julie He and Ellen Lee.

Investment Staff via Zoom: Arun Nallasivan

Also present in person: Brian Kwan, Verus Investments, Eileen Neill, Verus Investments and Marc Gessell, Verus Investments.

Also present via Zoom: Ron Dudonis, ACA Group, Laura Wirick, Meketa Investments and Colin Kowalski, Meketa Investments.

#### ADA ALERT

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)

#### THE LEVINE ACT

The Levine Act requires a Party in a Proceeding before the City of San José that involves any action related to their contract, license, permit, or use entitlement to disclose any campaign contributions to City elected or appointed officials totaling more than \$500 within the 12 months prior to the City decision. A Participant to a Proceeding may voluntarily report a campaign contribution on the form located on the Levine Act webpage.

#### SB 707 REMOTE APPEARANCE(S)

i. Take action on request(s) for remote appearance.

- CALL TO ORDER AND ROLL CALL
- ORDERS OF THE DAY

#### OPEN SESSION

1. Approval of minutes of the December 16, 2025 Police and Fire Investment Committee meeting.

A motion was made to approve the minutes of the December 16, 2025 Police and Fire Investment Committee meeting.

Approved (m.s.c. Gardanier/Kwan 4-0)

2. Oral Update by CIO, Prabhu Palani.

CIO Palani presented the agenda items for today's meeting.

3. Presentation of TCA and EX transaction cost analysis by ACA

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Mr. Ron Dudonis, ACA Group, presented the results of the FX and equity trading transaction cost analysis for fiscal year end 2025. For FX transaction costs, the overall analysis is that there was a net market impact benefit which exceeded expectations. For the equity transaction cost, there was higher than average execution costs. The higher costs were due to one manager, driven by philosophy and execution. ACA Group recommends continued close monitoring of this manager.

4. Discussion and action regarding the prefunding of the City's retirement contribution.

Senior Investment Officer, Jay Kwon, presented the discussion on prefunding. This year, all three criteria were met and triggered an additional cut to the discount rate offer to the City for prefunding. Based on the methodology previously adopted, the discount rate would be reduced by 30%.

A motion was made to approve the staff recommendation of offering the City the pre funding rate at a 30% discount resulting at a rate of 4.6375%.

Approved (m.s.c. Gardanier/Kwan 4-0)

5. Risk overview by Verus Investments.

Mr. Marc Gessell from Verus Investments presented an update on the risk overview of the Police and Fire Plan. He expressed that the total risk rose slightly in the 4th Quarter. The total fund risk of 11.21% is still within the board limit of 12%.

**CLOSED SESSION**

- **PROPOSED AGENDA ITEMS**
- **PUBLIC COMMENTS**
- **ADJOURNMENT**

The meeting adjourned 1:24 p.m.