



BOARD OF ADMINISTRATION

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

Thursday, June 1, 2023

8:30 AM

City Hall, Council Chambers, 200 E. Santa Clara
St. San Jose, CA 95113

HYBRID MEETING

PHYSICAL LOCATION:

City Hall, Council Chambers, 200 E. Santa Clara St. San Jose, Ca 95113

ZOOM INFORMATION:

zoom.us

Dial In: +1 669 900 9128 US (San Jose)

Meeting ID: 913 6129 6868

Pass Code: 846246

Drew Lanza, Chair, Public Member (Term Expires 4/30/27)
*Franco Vado, Vice-Chair, Police Retiree Rep (Term Expires 11/30/24) -- Redwood 1 Meeting Room, Monterey
Portola Spa and Inn, 2 Portola Plaza Monterey, CA, 93940*
Sunita Ganapati, Trustee, Public Member (Term Expires 11/30/26)
Andrew Gardanier, Trustee, Fire Active Rep (Term Expires 11/30/23)
David Kwan, Trustee, Public Member (Term Expires 11/30/24)
Howard Lee, Trustee, Public Member (Term Expires 11/30/26)
Eswar Menon, Trustee, Public Member (Term Expires 11/30/26)
Richard Santos, Trustee, Fire Retiree Rep (Term Expires 11/30/26)
*Dave Wilson, Trustee, Police Active Rep (Term Expires 11/30/25) -- Redwood 1 Meeting Room, Monterey
Portola Spa and Inn, 2 Portola Plaza Monterey, CA, 93940*

Pam Foley, City Council Liaison to the Board

Harvey Leiderman & Maytak Chin, General and Fiduciary Counsel

Roberto L. Peña, CEO, Office of Retirement Services

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)

AB 2449 REMOTE APPEARANCE(S)

a. Just Cause Circumstance(s) (Gov’t Code § 54953)

i. The following Trustee(s) have notified the Board of a “Just Cause” to attend this meeting via teleconference.

NONE

ii. Call for Trustee(s) who wish to notify the Board of a “Just Cause” to attend this meeting via teleconference.

b. Emergency Circumstance(s) (Gov’t Code § 54953)

i. The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an “Emergency Circumstance.”

NONE

ii. Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an “Emergency Circumstance”.

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

AGENDA

CALL TO ORDER AND ROLL CALL

CLOSED SESSION

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

I. CLOSED SESSION NEW BUSINESS

- A. CLOSED SESSION:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO SECTION 54956.9(d)(2): THREE CASES.
- B. CLOSED SESSION:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1). Positions: Chief Executive Officer, Chief Investment Officer

OPEN SESSION - will reconvene following Closed Session, estimated to be 9:30 a.m.

• ORDERS OF THE DAY

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

1. CONSENT CALENDAR

1.1 Approval for a Service-Connected Disability Retirement

- a. Patrick Melikian**, Firefighter, Fire Department, Request for Service-Connected Disability Retirement, effective December 25, 2021; 15.03* years of service. (*Disability Committee Recommendation: Approval*)

1.2 Approval Of Minutes

- a.** Approval of the Board Minutes of May 4, 2023.

Attachments: [1.2a - PF Board 5.4.23 Minutes-Final](#)

1.3 Return of Contributions

- a.** Voluntary | Involuntary

Attachments: [1.3a - PF ROC Review - May 2023](#)

1.4 Communication/Information

- a. Police and Fire Retirement System Dashboard.

Attachments: [1.4a - PF Dashboard for 6.1.23.pdf](#)

- b. Report of the Monthly Board Expenses for April 2023. Receive and file.

Attachments: [1.4b - PF April 2023 Monthly Expenses Report](#)

- c. **Educational Travel Reports:**

- CalAPRS General Assembly, Monterey Marriott, Monterey, CA - March 4 -7, 2023 - by Richard Santos

Attachments: [1.4c - Santos Travel Content Report - GA 2023](#)

1.5 Education and Training

- a. The Cortex Report - May 2023, Conferences, Seminars and Educational Programs.

Attachments: [1.5a - The Cortex Report - May 2023 Edition](#)

- b. CalAPRS 2023 Program Calendar.

Attachments: [1.5b - CalAPRS 2023 Program Calendar](#)

- c. CalAPRS Principles of Pension Governance for Trustees 2023, Pepperdine University, Malibu, CA, August 28 - 31, 2023.

Attachments: [1.5c - CalAPRS PPG for Trustees - August 2023](#)

2. INVESTMENTS

- a. Oral update by CIO, Prabhu Palani.

- b. Discussion and action on risk tolerance, with presentation of Risk Tolerance Survey Results by Verus Consulting.

Attachments: [2b - PF FY22-23 Risk Survey Presentation and Recommendations Final.pdf](#)

- c. Presentation of Calendar 4th Quarter 2022 Private Equity report by Neuberger Berman.

Attachments: [2c - Q1 22 Private Equity Report - Neuberger Berman.pdf](#)

- d. Presentation of Calendar 4th Quarter 2022 Private Markets report by Meketa Investment Group.

Attachments: [2d - Q4 22 Annual Report - PF Public.pdf](#)

- e. Presentation of Calendar 1st Quarter 2023 Performance report for Pension Plan by Meketa Investment Group.

Attachments: [2e - Q1 23 Performance Report - PF Retirement v3.pdf](#)

- f. Presentation of Calendar 1st Quarter 2023 Performance report for Health Care Trust by Meketa Investment Group.

Attachments: [2f - Q1 23 Performance Report - PF HCT.pdf](#)

- g. Discussion and action to add funds for one year of additional services to the following investment related subscription agreements:

- BCA Research (NTE \$14,300)
- Burgis (NTE \$20,000)
- Bloomberg Finance (NTE \$155,000)
- Bloomberg Index Service (NTE \$15,000)
- eVestment (NTE \$27,000)
- JP Morgan Index (NTE \$12,000)
- Pitchbook (NTE \$30,000)

All cost shared 50/50 with the Federated Plan

Attachments: [2g - PF Subscriptions Renewals FY23-24 .pdf](#)

3. OLD BUSINESS CONTINUED-DEFERRED ITEMS - NONE

4. NEW BUSINESS

- a. Oral update from the CEO of Retirement Services, Roberto L. Peña.
- b. Oral update from the City Council Liaison to the Board.
- c. Discussion and action on authorizing the CEO to negotiate and execute a fourth amendment to the agreement with Marty Boyer, Communications Advantage, to extend the term of the Agreement through June 30, 2024, within previously approved NTE amount of \$75,000.

Attachments: [4c - 4th Amendment to Marty Boyer-Signed](#)

- d. Discussion and action on recommended incentive compensation ranges as follows, subject to further terms and conditions as set forth in the final Incentive Compensation Policy:

- A maximum of 50% of base salary for Chief Investment Officer Position
- A maximum 40% of base salary for Senior Investment Officer position
- A maximum of 30% of base salary for the Investment Officer position

Attachments: [4d\(1\) - Considerations for Incentive Compensation Program](#)

[4d\(2\) - SBCERA Incentive Compensation](#)

[4d\(3\) - OCERS Incentive Compensation Policy](#)

5. RETIREMENTS

5.1 Service Retirements

- a. **Brian S. Anderson**, Police Lieutenant, Police Department, effective July 8, 2023; 25.28* years of service.
- b. **Joe A. Favorito, Jr.**, Fire Captain, Fire Department, effective July 6, 2023; 25.19* years of service.
- c. **John M. Hutchings**, Police Lieutenant, Police Department, effective May 13, 2023; 32.05* years of service. *(With Reciprocity - 25.95 CSJ YOS + 6.10 PERS YOS)*
- d. **Scott R. Johnson**, Police Lieutenant, Police Department, effective July 8, 2023; 27.30* years of service.
- e. **John Marfia**, Police Sergeant, Police Department, effective July 22, 2023; 27.34* years of service.
- f. **Albert C. Morales**, Police Sergeant, Police Department, effective June 24, 2023; 27.73* years of service. *(With Reciprocity - 25.09 CSJ YOS + 2.64 PERS YOS)*
- g. **Edward R. Schroder**, Deputy Chief of Police, Police Department, effective June 10, 2023; 29.84* years of service.
- h. **Christopher M. Sciba**, Police Sergeant, Police Department, effective July 8, 2023; 26.84* years of service.
- i. **Jarrod Thoni**, Police Officer, Police Department, effective July 22, 2023; 25.84* years of service.
- j. **Doug T. Tran**, Police Sergeant, Police Department, effective July 1, 2023; 27.28* years of service.
- k. **Michael Van Dalen**, Fire Captain, Fire Department, effective July 22, 2023; 26.27* years of service. *(With Reciprocity - 21.86 CSJ YOS + 4.40 PERS YOS)*
- l. **Darren Wallace**, Battalion Chief, Fire Department, effective June 24, 2023; 26.88* years of service.
- m. **Todd Wellman**, Police Officer, Police Department, effective June 24, 2023; 20.03* years of service.

5.2 Deferred Vested

- a. **Phil M. Craft**, Police Officer, Police Department, effective June 22, 2023; 11.43* years of service.
- b. **Mark Hawke**, Police Officer, Police Department, effective July 27, 2023; 16.26* years of service.

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a. Notification of the death of **William E. Anderson**, Police Officer, retired November 14, 1967, died May 4, 2023. No survivorship benefits.

- b. Notification of the death of **Joseph N. Fowles**, Fire Captain, retired January 31, 2004, died April 3, 2023. Survivorship benefits to Mary Fowles, spouse.
- c. Notification of the death of **Peter R. Torres**, Fire Engineer, retired September 12, 2004, died March 29, 2023. Survivorship benefits to Deborah Torres, spouse.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

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

Last Meeting: April 27, 2023 Next Meeting: August 22, 2023

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

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

Last Meeting: May 18, 2023 Next Meeting: August 17, 2023

- a. Oral update from the Chair of the Audit/Risk Committee.
- b. Minutes of the February 16, 2023 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. Receive and file.
Attachments: [7.2b - FCERS-PF JAC 2.16.23 Minutes-Final.pdf](#)
- c. Update on the City Auditor's Recommendation to the Office of Retirement Services. Receive and file.
Attachments: [7.2c - CARecs 17-06 Retirement 5.5.23.pdf](#)
- d. Discussion and action on the Committees' recommendation to approve the FY 22-23 Office of Retirement Services Plans Audit Plan by Macias Gini & O'Connell LLP (MGO).
Attachments: [7.2d - FY 22-23 Audit Plan MGO](#)

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

Last Meeting: December 1, 2022 (Special) Next Meeting: June 15, 2023

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

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

Last Meeting: May 8, 2023 Next Meeting: June 5, 2023

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

- b. Minutes of the P&F Disability Committee meeting from April 10, 2023. Receive and file.

Attachments: [7.4b - PF DC 4.10.23 Minutes-Final.pdf](#)

7.5 Joint Personnel Committee (Gardanier/Lanza/Menon)

Last Meeting: May 11, 2023

Next Meeting: TBD

- a. Oral update from the Chair of the Joint Personnel Committee.
- b. Minutes from the April 3, 2023 Joint Personnel Committee meeting. Receive and file.

Attachments: [7.5b - JPC 4.3.23 Minutes-Final.pdf](#)

• PROPOSED AGENDA ITEMS

• ADJOURNMENT

Next Meeting: August 3, 2023

*Estimated

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of Retirement Services, 1737 N. First Street, Suite 600, San José CA 95112 at the same time that the public records are distributed or made available to the legislative body.

Access the video or audio, the agenda and related reports for this meeting by visiting the Retirement Services website at <http://sjrs.legistar.com/calendar.aspx>. If you have any questions, please contact the Office of Retirement Services at (408) 794 - 1000.

The Code of Conduct

(<https://www.sanjoseca.gov/home/showpublisheddocument/12901/63667000496663000>

0) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:

- a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
- b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
- c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
- d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
- e) Persons in the audience will not place their feet on the seats in front of them.
- f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
- g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

2. Signs, Objects or Symbolic Material:

- a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions: § No objects will be larger than 2 feet by 3 feet.
 - No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - The items cannot create a building maintenance problem or a fire or safety hazard.
- b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
- c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and

antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Committee, Board or Commission:

- a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
 - b) Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the total amount of time allocated for public testimony for each public speaker or for an agenda item is in the discretion of the Chair of the meeting and may be limited when appropriate. (California Government Code Section 54954.3; Council Policy 0-37) Applicants and appellants in land use matters are usually given more time to speak. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Council, Committee, Board or Commission.
 - c) Speakers should discuss only the agenda item when called to speak for that item, and only topics related to City business when called to speak during open forum on the agenda.
 - d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
 - e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
 - f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
 - g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.
- Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.