



BOARD OF ADMINISTRATION

City Hall
Wing Rooms 118-120
200 East Santa Clara
Street,
San Jose, CA 95113

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

Thursday, March 5, 2020

8:30 AM

City Hall, Wing Rooms 118-120

Andrew Gardanier, Chair, Fire Active Rep (Term Expires 11/30/23)
Drew Lanza, Vice-Chair, Public Member (Term Expires 4/30/23)
Howard Lee, Trustee, Public Member (Term Expires 11/30/22)
Eswar Menon, Trustee, Public Member (Term Expires 11/30/22)
Nick Muyo, Trustee, Police Retiree Rep (Term Expires 11/30/20)
Vikas Oswal, Trustee, Public Member (Term Expires 11/30/22)
Richard Santos, Trustee, Fire Retiree Rep (Term Expires 11/30/22)
Vincent Sunzeri, Trustee, Public Member (Term Expires 11/30/20)
Franco Vado, 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

AGENDA

CALL TO ORDER AND ROLL CALL

OPEN SESSION

To request an accommodation or alternative format under the Americans with Disabilities Act for Board meetings, events or printed materials, please call Marti Zarate (408) 794-1112 as soon as possible, but at least three business days before the meeting.

• ORDERS OF THE DAY

1. CONSENT CALENDAR

1.1 Approval Of Minutes

- a. Approval of the Board Minutes of February 6, 2020.

Attachments: [1.1a - 2-6-2020 PF Minutes - FINAL.pdf](#)

1.2 Approval Of Travel for Conferences and Due Diligence

- a. Roberto L. Peña, CEO
- SACRS Spring Conference 2020, Paradise Point Resort & Spa, San Diego, CA - May 12 - 15,

2020.

- b. Prabhu Palani, CIO
 - Trusted Insight Summit 2020, San Francisco, CA, June 17 - 18, 2020.

1.3 Return of Contributions

- a. Voluntary / Involuntary.

Attachments: [1.3a - ROC - March 2020.pdf](#)

1.4 Communication/Information

- a. Police and Fire Retirement System Dashboard.

Attachments: [1.4a - Police and Fire Retirement Plan Dashboard for 3.5.20.pdf](#)

- b. Matrix of City Auditor's Recommendations from the 2017 Audit. Receive and file.

Attachments: [1.4b - City Auditor Recommendations 17-06 Retirement 1.31.20.pdf](#)

- c. Grant's Interest Rate Observer Article: "Low Growth at a Huge Multiple", published January 24, 2020.

Attachments: [1.4c - Article - Low Growth at a Huge Multiple.pdf](#)

- d. Report of the Plan Expenses for January 2020. Receive and file.

Attachments: [1.4d - PF Jan 2020 Monthly Board Expense.pdf](#)

- e. Notification of secondary purchase of private market investment by Investment Staff.

Attachments: [1.4e - New Private Markets Commitments - 20200224.pdf](#)

- f. Response to Civil Grand Jury letter dated January 24, 2020 requesting information on the Joint Personnel Committee (JPC) development of performance metrics for the CEO and CIO positions as part of the Grand Jury recommendation 4b of their report, San Jose-Unfunded Pension Liabilities: A Growing Concern, dated June 19, 2019.

Attachments: [1.4f - Civil Grand Jury Letter and Response.pdf](#)

1.5 Education and Training

- a. The Cortex Report - March 2020 - Conferences, Seminars, and Educational Programs.

Attachments: [1.5a - San Jose Cortex Report - March 2020.pdf](#)

- b. CalAPRS 2020 Program Calendar.

Attachments: [1.5b - CalAPRS 2020 Program Calendar.pdf](#)

- c. CalAPRS General Assembly, Omni Rancho Las Palmas Resort, Rancho Mirage, CA - March 7-10, 2020.

Attachments: [1.5c - calaprs_ga_2020_program-prel - updated.pdf](#)

- d. CalAPRS Advanced Principles of Pension Management for Trustees, UCLA Luskin Conference Center, Los Angeles, CA - March 30 - April 1, 2020.

Attachments: [1.5d - CalAPRS Adv.pdf](#)

- e. SACRS Spring 2020 Conference, Paradise Point Resort & Spa, San Diego, CA - May 12 - 15, 2020.

Attachments: [1.5e - SACRS Spring 2020 Conference.pdf](#)

- f. SACRS/UC Berkeley Program, UC Berkeley HAAS School of Business, Berkeley, CA - July 26 - 29, 2020.

Attachments: [1.5f - SACRS-UC Berkley Program.pdf](#)

- g. SACRS Fall 2020 Conference, Renaissance Indian Wells Resort & Spa, Indian Wells, CA - November 10 - 13, 2020.

Attachments: [1.5g - SACRS Fall 2020 Conference.pdf](#)

- h. Pomerantz LLP 2020 Corporate Governance Roundtable Event, Waldorf Astoria, Beverly Hills, CA - June 16, 2020.

Attachments: [1.5h - 2020 Corporate Governance Roundtable.pdf](#)

2. INVESTMENTS

- a. Oral update from the CIO of Retirement Services, Prabhu Palani.
- b. Education session on ESG by Sarah Bernstein, Ophir Bruck, Andrew Collins and Verity Chegar.
- c. Presentation of Calendar 3rd Quarter 2019 Private Equity Report by Neuberger Berman.

Attachments: [2c - 09-30-2019 FOIA Investment Report for San Jose Police & Fire Departmen](#)

- d. Presentation of Calendar 3rd Quarter 2019 Private Markets Report by Meketa Investment Group.

Attachments: [2d - Q3 19 Interim Report_SJ PF_Public Meketa.pdf](#)

- e. Presentation of Calendar 4th Quarter 2019 Performance Report for Pension Fund by Meketa Investment Group.

Attachments: [2e - 200305_4Q19 Performance Review_San Jose PF Retirement.pdf](#)

- f. Presentation of Calendar 4th Quarter 2019 Performance Report for Health Care Trust by Meketa Investment Group.

Attachments: [2f - 200305_4Q19 Performance Review_San Jose PF HCT.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 the Office of Retirement Services proposed administrative budget for FY 2020 - 2021.

Attachments: [4c\(1\) - PF Proposed Budget Memo for FY2021 - with LD ISA.pdf](#)

[4c\(2\) - PF 2020-21 budget presentation 3.5.20 with LD ISAv2.pdf](#)

[4c\(3\) - FY20-21 PF Proposed Budget - with LD ISAv2.pdf](#)

- d. Discussion and action on extending the term date of the agreement between the Boards of Administration and LRWL/Segal.

Attachments: [4d - Memo RE 5th Amendment to LRWL agreement.pdf](#)

- e. Discussion on potential topics, date and location for the 2020 Board Retreat.

Attachments: [4e - 4-15-2019 BOARD RETREAT MINUTES.pdf](#)

- f. Discussion on potential topics for the Joint meeting of the Boards and City Council.

Attachments: [4f\(1\) - Joint Meeting of Boards and CC 4-30-19 FINAL AGENDA.pdf](#)

[4f\(2\) - 5.15.2018 Joint meeting of the Boards Amended Agenda.pdf](#)

- g. Discussion and action on Committee assignments.

Attachments: [4g - BOARDS-COMMITTEES-Members-Participants-PF - Updated 2.26.20.pdf](#)

- h. Discussion and action regarding excused absences of Trustee Oswal from the December 5, 2020, January 9, 2020 and February 6, 2020 Board Meetings subject to San Jose Municipal Code Section 2.08.060.

Attachments: [4h - Oswal Absence Memo.Final.pdf](#)

5. RETIREMENTS

5.1 Service Retirements

- a. **Steven T. Guggiana**, Police Sergeant, Police Department, effective January 25, 2020; 32.18* years of service. (*With Reciprocity - 21.66 CSJ YOS + 5.00 PERS YOS + 5.52 City of Concord*)

6. DEATH AND SURVIVORSHIP NOTIFICATIONS (Moment of Silence)

- a. Notification of the death of **Lawrence Demkowski**, Police Sergeant, retired January 10, 1990, died December 20, 2019. Survivorship benefits to Rita Demkowski, Spouse.
- b. Notification of the death of **Gaylord Lane**, Fire Engineer, retired August 28, 1983, died December 21, 2019. No survivorship benefits.
- c. Notification of the death of **John Martorano**, Police Officer, retired June 3, 2006, died January 3, 2020. Survivorship benefits to Susan Martorano, Spouse.
- d. Notification of the death of **Edmund Oiseth**, Police Officer, retired October 30, 1999, died January 9, 2020. No survivorship benefits.
- e. Notification of the death of **Mervin Pierce**, Police Officer, retired August 5, 1992, died January 1, 2020. Survivorship benefits to Margaret Pierce, Spouse.
- f. Notification of the death of **Randall Sutton**, Fire Engineer, retired November 6, 1991, died January 24, 2020. Survivorship benefits to Jennifer Sutton, Spouse.

7. COMMITTEE MINUTES, REPORTS and RECOMMENDATIONS

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

Last Meeting: December 17, 2019 (January 28, 2020 meeting cancelled)

Next Meeting: March 24, 2020

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

7.2 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.
- b. Minutes of the October 17, 2019 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 - 10-17-19 - Joint AC Minutes - \(Signed\).pdf](#)

- c. 10/1/19-12/31/19 Quarterly Travel and attendance analysis for Police and Fire Board of Administration. Receive and file.

Attachments: [7.2c - PF Travel Analysis 10.1.2019.12.31.2019.pdf](#)

- d. Update on the City Auditor's Recommendations to the Office of Retirement Services. Receive and

file.

Attachments: [7.2d - City Auditor Recommendations 17-06 Retirement 1.31.20 - Copy.pdf](#)

- e. Update on the Pension Administration System implementation project. Receive and file.

Attachments: [7.2e - PAS Update February 2020.pdf](#)

- f. Report on the Benefits Disbursement Process by Office of Retirement Services' Internal Auditor, Allain Mallari. Receive and file.

Attachments: [7.2f\(1\) - Benefits Disbursement Process.pdf](#)

[7.2f\(2\) - Benefits Disbursements Process_with responses.pdf](#)

- g. Report on the Cash Disbursement Process by Office of Retirement Services' Internal Auditor, Allain Mallari. Receive and file.

Attachments: [7.2g\(1\) - Cash Disbursement Process.pdf](#)

[7.2g\(2\) - Cash Disbursement Process_with responses.pdf](#)

7.3 Governance Committee (Muyo/ Santos/ Sunzeri - Alt: Vado)

Last Meeting: December 5, 2019

Next Meeting: March 5, 2020

- a. Oral update from the Chair of the Governance Committee.
- b. Discussion and action on the Governance Committee's recommendation to deny purchasing access to Cheiron's educational tools for Trustee use. (*Deferred from the January 9th and February 6th, 2020 P&F Board meetings*)

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

Last Meeting: February 19, 2020

Next Meeting: March 9, 2020

- a. Oral update from the Chair of the Disability Committee.
- b. Minutes from the December 18, 2019 Police and Fire Disability Committee meeting. Receive and file.

Attachments: [7.4b - 12-18-19 - PF DC Minutes - Signed.pdf](#)

- c. 3rd and 4th Quarter 2019 Detailed Statistics Reports. Receive and file.

Attachments: [7.4c\(1\) - P&F STATS 2019 DETAILED REPORT, 3rd Qtr., 9.30.19 - Distribution](#)

[7.4c\(2\) - P&F STATS 2019 DETAILED REPORT, 4th Qtr., 12.31.19 - Distributio](#)

- d. Discussion and action on timeline and procedure, after Board Medical Advisor's report is received, regarding submission of rebuttals and additional information.

Attachments: [7.4d - Dr. Tierman Memo on Process for Scheduling Hearings - Rebuttals, 02.2](#)

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

Last Meeting: February 25, 2020 **Next Meeting: TBD**

- a. Oral update from the Chair of the Joint Personnel Committee.
- b. Minutes of the October 28, 2019 Joint Personnel Committee meeting. Receive and file.

Attachments: [7.5b - 10.28.19 JPC Minutes - Signed.pdf](#)

• PROPOSED AGENDA ITEMS

• PUBLIC COMMENTS

• ADJOURNMENT

Next Meeting: April 2, 2020

*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.