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## City of San José

### Retirement Stakeholder Solutions Working Group

For information about this meeting, contact the Office of Employee Relations by phone (408) 535-8152 or email [cheryl.parkman@sanjoseca.gov](mailto:cheryl.parkman@sanjoseca.gov).

Staff called the meeting of the Retirement Stakeholder Solutions Working Group to order at 5:06pm on Monday, February 10, 2020, City Hall, Committee Rooms.

#### Roll Call:

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Mayor Sam Liccardo	City of San Jose
Councilmember Raul Peralez	Council District 3
Councilmember Pam Foley	Council District 9
Councilmember Dev Davis	Council District 6
Pat Waite	Citizens for Fiscal Responsibility
LaVerne Washington	Non-Management Union AFSCME – MEF
Julie Jennings	Management Union IFPTE – CAMP
Susan Devencenzi	San Jose Retired Employees' Association
Jim Shannon	Budget Director
Matt Loesch	Federated Retirement Board
Vince Sunzeri	Police and Fire Retirement Board
Roberto Pena	Retirement Services Director
Tim Bussey	Silicon Valley Organization
Sean Pritchard	For Paul Kelly, Police Officer's Association (POA)
Larry Samarron	For Ray Storms, Police and Fire Retirees' Association
Julia Cooper	Finance Director
Sean Kaldor	IAFF, Local 230

#### Absent

Paul Kelly	Police Officer's Association (POA)
Ray Storms	Police and Fire Retirees' Association
Elaine Orr	Federated Retirement Board Trustee
Prabhu Palani	Retirement Services Chief Investment Officer

#### Also Present

Jennifer Schembri	Director of HR/OER
Cheryl Parkman	Office of Employee Relations
Sarah Steele	Office of Employee Relations

#### Orders of the Day

1. Roll Call
2. Approval of Minutes – Request for amendment made by Susan Devencenzi to correct the organization Pat Waite represents from Citizen for Fiscal Responsibility to Citizens for Fiscal Responsibility. Upon motion with Ms. Devencenzi's amendment by

Councilmember Raul Peralez, seconded by Councilmember Dev Davis and carried unanimously, the [January 13, 2020](#) minutes were approved.

### **Public Record**

Mayor Liccardo provided the documents contained in the Public Record section were not required reading materials for working group members, but rather should be utilized as resources documents.

- A. [Federated City Employees' Retirement System Final OPEB Valuation Report](#)
- B. [Police and Fire Department Retirement Plan Final Pension Report](#)

### **Reports and Information Only**

#### 1. Presentation

A. Retirement Plan Investment Fees – Brian Starr from Meketa Investment Group provided information on understanding the total expense ratio for pension plans, 2018 management and incentive fee ratios, aggressive and passive allocations, and active versus passive management fees. Vince Sunzeri and Laura Wirick from Meketa Investment Group provided information on active and passive managers asset classes including, growth comparison examples, historical performance comparisons, and 3-year value added by asset class and public manager/hedge funds. Information was also provided regarding Alternatives added value, proportion of funds invested in Alternatives for 180 public pensions plans, and how aggressive fee negotiations by San Jose Investment staff have saved additional money for the pension plans.

- 1. [Presentation](#)
  - (i) [October 1, 2019 City Council Presentation](#)

#### 2. Lump Sum/Buyout Pension Programs

A. Cheryl Parkman provided information on what constitutes a lump sum buyout, pension plans that have utilized buyouts (Missouri and Illinois), and the results of the Missouri and Illinois buyout pensions programs. Ms. Parkman also provided information on opportunities and considerations the City of San Jose should consider when evaluating the possibility of a lump sum buyout for the City and the results of the San Jose Retiree Healthcare Buyout offered in 2018.

- 1. [Presentation](#)

### **New Business**

- 1. Discussion of future agenda items and meeting topics
  - A. March agenda topic
    - a) Discussion regarding Pension Obligation Bonds
  - B. Discussion of creating an Agenda Setting Committee
    - a) Vince Sunzeri and Seam Kaldor volunteered to staff the committee

### **Meeting Schedule and Agenda Items**

The next meeting will be March 9, 2020 at 4:00pm, Wing Committee Rooms 118-120.

**Adjournment**

The meeting adjourned at 6:54pm

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Mayor Sam Liccardo, Chair  
Retirement Stakeholder Solutions Working Group