PASADENA FIRE & POLICE RETIREMENT SYSTEM
RETIREMENT BOARD - REGULAR MEETING

Wednesday, May 20, 2026
City Council Chambers, 100 N. Garfield Ave., S249
10:15 a.m.

MINUTES

1. Call to Order

The regular meeting of the Pasadena Fire & Police Retirement Board was called to order by the Chair, Mr. Keith Jones, on Wednesday, May 20, 2026, at 10:22 a.m. in the City Council Chambers at City Hall.

Members – Present	Members – Absent
K. Jones, Chair	E. Tsang
P. Boyle, Vice Chair	
R. Cole (departed at 11:33 a.m.)	
H. Crusberg, Jr.	

Staff – Present	
J. Fosselman, Administrator/Secretary	L. Marshall, Sr. Office Assistant
I. Safie, Board Counsel	P. Koehler, Board Counsel (remote)
C. Schloss, Cerity	

2. Public Comment: None provided.

3. Minutes: March 18, 2026 (Regular Meeting)

MOTION to approve the minutes for the regular meeting of March 18, 2026.

Upon **Motion** by Mr. Cole, seconded by Mr. Boyle, and carried unanimously by the following vote:

AYES:	K. Jones, P. Boyle, R. Cole, H. Crusberg
NOES:	NONE
ABSENT:	E. Tsang
ABSTAIN:	NONE

CONSENT CALENDAR

4. Monthly retirement allowance roll of $937,235.63 for March 2026 and $946,087.98 for April 2026
5. Approval of additions/removals of members/beneficiaries to/from the FPRS monthly allowance roll:

Name	Effective Date	Add/ Remove	Pension Continuance	Pension Amount
a. L. Wade	3/15/2026	Remove	Yes, 100%	$6,346.52
b. V. Wade	3/16/2026	Add	N/A	$6,346.52
c. S. Vis	4/1/2026	Remove	N/A	$4,831.94
d. B. Bevis	4/2/2026	Remove	N/A	$5,038.19

6. Receive and file the Quarterly/Annual Asset Manager Performance Reports from the following asset managers:
   a. American Funds, EUPAC Fund (Q1 2026)
   b. Atlanta Capital Investment Managers (Q1 2026)
   c. ARA Core Property Fund (Q4 2025)
   d. Dodge & Cox International Stock Fund (Q1 2026)
   e. Dodge & Cox Stock Fund (Q1 2026)
   f. Invesco Core Real Estate Flash Report (Q1 2026)
   g. TCW MetWest Total Return Bond Fund (Q1 2026)
   h. T. Rowe Price Institutional Large Cap Growth Fund (Q1 2026)
   i. Vanguard Institutional Index Fund (Q4 2025)
   j. Vanguard Short-Term Investment Grade Fund (Q4 2025)
7. US Bank Monthly Death Audit (April-May 2026)
8. Schedule the hearing on the CalPERS Industrial Disability Retirement application for Vito Gaxiola, Police Officer for the July 15, 2026 regular meeting of the FPRS Board
9. Schedule the hearing on the CalPERS Service Pending Industrial Disability Retirement application for Ildefonso Magat, Police Officer for the September 16, 2026, regular meeting of the FPRS Board
10. Schedule the hearing on the CalPERS Industrial Disability Retirement application for Ross Wilson, Fire Fighter/Paramedic for the July 15, 2026, regular meeting of the FPRS Board

MOTION to approve items 4-10 on the Consent Calendar.

Upon **Motion** by Mr. Crusberg, seconded by Mr. Cole and unanimously carried by the following vote:

AYES: K. Jones, P. Boyle, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: NONE

CalPERS HEARINGS

11. CalPERS scheduled hearing on the Service Pending Industrial Disability Retirement hearing application for William Broghamer, Police Corporal/Detective

Chair Jones announced the time to open the hearing on the CalPERS Service Pending Industrial Disability Retirement application, filed by William Broghamer, Police Corporal/Detective. The Board received the Disability Hearing Option form signed by

the applicant requesting the Retirement Board close the hearing to the general public, including the discussion of the medical reports submitted in consideration of the Retirement Board's determination. Therefore, the hearing was closed to the public.

In attendance were the Applicant (W. Broghamer-remote) and the City (L. Demirdjian, M. Howard-remote). The Applicant was administered the Oath of Witness.

By order of the Chair, the following exhibits were marked and entered into the record:

A. CalPERS letters acknowledging receipt of the Servicer Pending Industrial Disability Retirement application (amended), filed by **William Broghamer, Police Corporal/Detective,** (10-3-2025).
B. CalPERS Disability Retirement Application filed by the Applicant (10-3-2025).
C. Certification Form signed by Applicant and City (Government Code §§ 21156, 53222.5) (4-16-2026).
D. Essential Function Job Analysis – Police Corporal (3-17-2015)
E. CalPERS Required Forms:
    1) Physical Requirements of Position/Occupational Title (Local Safety), (12-17-2024).
    2) Physician's Report on Disability (Local Safety) (12-2-2025).
    3) Workers' Compensation Carrier Request (Local Safety) (4-28-2026).
    4) Employer Information for Disability Retirement (2-4-2025).
F. Information report and recommendation from the City's Risk Management Division (4-27-2026) and the accompanying medical file, including:
    1) Pasadena FPRS Disability Hearing Summary Form.
    2) Verification of Employment.
    3) Final Timecard (8-7-2025) and Claim Print-out (2300092).
    4) Medical reports and exhibits:
        a) Letter of Representation and WC Claim Form (9-21-2023),
        b) List of Claims in Ventiv (3-17-2026),
        c) Medical Reports:
            a. Dr. William Costigan, PTP, Reports and Evaluations (various dates),
            b. Dr. Sam Bakshian, AME, Orthopedic Surgery Reevaluation Reports (10-9-2024 and 6-18-2025), and
            c. Dr. Christopher Flemming, IME, Orthopedical IDR Reevaluation Report (12-2-2025).
    5) City's Statement of Non-Opposition to Application (1-2-2026).

The City provided a brief review of the applicant's medical history. Following, the Chair reopened the public meeting.

MOTION to close the hearing on the Service Pending Industrial Disability Retirement hearing application for William Broghamer, Police Corporal/Detective.

Upon **Motion** by Mr. Boyle, seconded by Mr. Cole and unanimously carried by the following roll-call vote:

AYES: K. Jones, P. Boyle, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: NONE

MOTION to determine that William Broghamer who has filed a CalPERS Service Pending Industrial Disability Retirement Application, is substantially incapacitated, within the meaning of the Public Employees' Retirement Law, from the performance of his usual duties in the position of Police Lieutenant, who separated on July 31, 2025 with a retirement date of August 30, 2025, and that such disability is a result of injury or disease arising in the course of his employment as a local safety member, and to instruct the System's Attorney and the Secretary to prepare the necessary documentation of this Board's determination and forward same to the CalPERS.

Upon **Motion** of Mr. Cole, seconded by Mr. Crusberg and unanimously carried by the following roll-call vote:

AYES: K. Jones, P. Boyle, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: NONE

ACTION ITEMS - The Board may discuss and take action on the following items:

12. Review and approve, Certify City Council Reappointment of At-Large Trustee Peter Boyle

Chair Keith Jones noted the reappointment of Mr. Boyle to the Board and thanked him for his continued excellent service.

MOTION to acknowledge the reappointment of Peter Boyle, At-Large Mayoral Appointee, to the FPRS Retirement Board for a four-year term commencing July 1, 2026.

Upon **Motion** of Mr. Cole, seconded by Mr. Crusberg and carried by the following vote:

AYES: K. Jones, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: P. Boyle

13. Approve, Board Reorganization (Election of Chair/Vice Chair)

Chair Jones noted the time for the annual reorganization of the Board and election of the Chair and Vice Chair for the following fiscal year. He stated he was willing to continue to serve in the capacity of Chair. Mr. Boyle expressed his support for Mr. Jones continuing as the Chair. Chair Jones nominated Mr. Boyle to continue to serve as Vice Chair.

MOTION to elect from its membership, Keith Jones for the position of Chair to serve for Fiscal Year 2027, effective July 1, 2026.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and carried by the following vote:

AYES: P. Boyle, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: K. Jones

MOTION to elect from its membership, Peter Boyle for the position of Vice Chair to serve for Fiscal Year 2027, effective July 1, 2026.

Upon **Motion** of Mr. Jones, seconded by Mr. Crusberg, and carried by the following vote:

AYES: K. Jones, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: P. Boyle

14. Review and approve, CALAPRS Trustee Round Table Participation on May 29, 2026

Ms. Jill Fosselman stated the round table discussions were budgeted for in the FY 2026 Revised Budget, and that the event will be virtual. There are typically two Round Table events for trustees per year.

MOTION to approve attendance for up to two trustees for the May 29, 2026 CALAPRS Trustee Round Table.

Upon **Motion** of Mr. Crusberg, seconded by Mr. Boyle, and upon hearing no opposition was ordered approved by Chair Jones.

15. Discuss and provide direction, Beneficial Interest in the City Seller's Loan for 275 Cordova Street

Ms. Fosselman reviewed the report noting the request for consensus to negotiate a buy-out of the System's beneficial interest in future income received from the sale of the property, as well as general guidelines for the negotiation. Mr. Boyle expressed his support, as well as a recommendation to begin with a present-value evaluation of the beneficial interest in the remaining seller's loan.

MOTION to direct staff to negotiate with the City a buy-out of the System's beneficial interest in the City seller's loan for 275 Cordova Street.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and unanimously carried by the following vote:

AYES: K. Jones, P. Boyle, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: NONE

16. Review and approve, Stochastic Analysis and Recommended Assumptions for use in Preparing the June 30, 2026 Actuarial Valuation

System Actuary, Drew Ballard of Foster & Foster, provided a review of the findings of the study (conducted every four years) and walked through his recommendations for the 6/30/2026 valuation assumptions. Mr. Ballard noted that actual Administrative expenses were increasing (relative to the size of the assets) but were still lower than the long-term assumption. Conversely, investment expenses have steadily increased and are greater than the long-term assumption. Thus, the long-term assumption for investment expenses was recommended to be increased from 0.15% to 0.40%. Importantly, the study found that the long-term earnings rate projected by the investment advisor's current capital market assumptions is expected to be slightly conservative. Discussion ensued regarding thoughts on the long-term economy, with Mr. Cole expressing his belief that a long-term assumption of 2.5% for COLA/Inflation was likely low due to his deep concern regarding long-term economic volatility.

Due to the plan being closed and in full payout mode, Mr. Ballard recommended making no changes to the major assumptions for the funding discount rate, expected rate of return, and COLA/Inflation long-term assumption. Ms. Fosselman reported that the study and recommendations had been reviewed by the City for their input according to Contribution Agreement No. 20,823 and that no concerns or objections were noted with the study or the recommended assumptions.

MOTION to Direct the actuary to use the recommended assumptions to prepare the draft June 30, 2026, actuarial valuation, as recommended by System Actuary, Foster & Foster Consulting Actuaries, Inc.:

a. Funding Discount Rate of 4.75%,
b. Expected Rate of Return of 5.25%,
c. COLA for CPI/Inflation of 3% payable on July 1, 2027 per the approved true-up methodology (adopted 10/15/2024), and 2.5% for years after,
d. Base Mortality CalPERS 2000-2023 Experience Study, and
    i. CalPERS Mortality Improvement - 80% Scale MP-2021
e. Expenses for investment of 0.40% and administration of 0.50%.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and unanimously carried by the following roll-call vote:

AYES: K. Jones, P. Boyle, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: NONE

Following the item, Chair Jones next moved to item 20 on the Agenda.

20. Review, discuss and provide direction on Subcommittee for Ethical/ESG Investment Guidelines Scope of Work

Mr. Cole reported on the City Council's action at the May 11, 2026 meeting that modified the City's investment policy statement to prohibit investments in companies that engage in the production of fossil fuel, weapons manufacturing, tobacco, or private prisons. He further reported that the action also requested that the FPRS Board consider the same changes, and that a formal letter from the City would be forthcoming before the Board's next meeting in July.

Mr. Boyle reported that he and Mr. Cole had discussed an approach to evaluate consideration of moving towards a more ESG-aware portfolio. Since the portfolio is predominantly invested in mutual funds and commingled funds, he suggested a financial evaluation (returns, quality/risk, and fees) of such comparative funds to contemplate the cost from moving from "worse" into "better" funds where the goal would be "moving in the right direction" rather than adopting exclusions-based changes. Specifically, he suggested that staff work with Cerity to identify these "better" funds (MSCI-ESG funds), prepare an evaluation of what the portfolio returns would have been in the "better" funds versus the actual returns in the FPRS portfolio, and determine the fee cost-differential. Upon receiving this information, if the back-tested returns in an ESG-aware portfolio were worse, the Board could contemplate a willingness to underperform to achieve the goal of being invested in "better" funds with a more ESG-aware portfolio.

Mr. Cole noted that he and Mr. Boyle would like staff to work with Cerity to prepare a response to the proposed evaluation and return at the next meeting for Board consideration. At that same time, the Board would be able to contemplate the evaluation and its implications considering the expected letter from the City Council. Mr. Boyle shared his preference to keep the evaluation focused on a higher level of ESG-conformance due to the issues of today likely being different than tomorrow (challenge of a moving target). Mr. Crusberg expressed similar concern given the challenge of meeting an ESG moving target.

Public comment was received from Randall Heyn-Lamb (Pasadena 4 Palestine), Teri Stein, and Mouna Stewart urging the Board to look favorably on the Council's May 11 action, to urge more specificity in their consideration, and that they appreciated the Board's thoughtful approach.

MOTION to direct staff to work with Cerity to prepare the information as requested during the discussion and provide it to the Board at the next meeting in July.

Upon **Motion** of Mr. Cole, seconded by Mr. Boyle, and unanimously carried by the following vote:

AYES: K. Jones, P. Boyle, R. Cole, H. Crusberg
NOES: NONE
ABSENT: E. Tsang
ABSTAIN: NONE

Following the item, Mr. Cole departed the meeting at 11:33 a.m. and Chair Jones returned to item 17 on the agenda.

17. Review and approve, Arrangement Letter for Auditing Services and the June 30, 2026 Annual Financial Audit

Ms. Fosselman reported that MGO had assigned a new engagement team for the remaining two years of the contract. Ms. Linda Hurley, an assurance and consulting partner at MGO, returns as the System's auditor and previously served as the engagement partner. Ms. Fosselman reported that following counsel's review, it was determined that there were substantive, although not insurmountable, differences in the arrangement letter from prior years, and that the recommendation was to pull the item and continue to work with Ms. Hurley on resolution of the differences. She noted that Ms. Hurley was agreeable and didn't feel the delay in approving the letter would affect the ability to meet the goal of presenting the final audit to the Board in November.

MOTION to continue the item to the July Board meeting.

Upon **Motion** of Mr. Crusberg, seconded by Mr. Boyle, and unanimously carried by the following vote:

AYES: K. Jones, P. Boyle, H. Crusberg
NOES: NONE
ABSENT: R. Cole, E. Tsang
ABSTAIN: NONE

18. Review and approve, 2026-2027 Fiduciary Liability Insurance Renewal

Ms. Fosselman provided a review of the fiduciary liability policy renewal, including the premium and broker fee, including staff's recommendation to accept the renewal. She further noted counsel's advice for trustees to separately purchase the Waiver of Recourse policy with personal funds. The total premium cost of $100 will be divided equally among all current trustees that elect to purchase the Waiver of Recourse. She noted that FPRS has never filed a claim or suffered a loss and follows best practices and guidance from both counsel and the investment advisor on asset management decisions. Since the System's risk/coverage has not been reevaluated since Fiscal Year 2017, she noted that staff will conduct an updated assessment in Fiscal Year 2026 to assess appropriateness of coverage levels. Lastly, Ms. Fosselman noted the cost for the premium and broker's fee is included in the FY 2027 Recommended Budget.

MOTION to approve the renewal proposal from Hudson Insurance Company for the period 07/01/2026 – 07/01/2027 for fiduciary liability insurance for $21,586; for the $100 Waiver of Recourse premium to be paid separately by plan trustees, and; direct staff to bind coverage.

Upon **Motion** of Mr. Crusberg, seconded by Mr. Boyle, and unanimously carried by the following vote:

AYES: K. Jones, P. Boyle, H. Crusberg
NOES: NONE
ABSENT: R. Cole, E. Tsang
ABSTAIN: NONE

19. Review, discuss and consider approving the Fiscal Year 2027 Recommended Budget

Ms. Fosselman provided a brief review of the report and noted that FY 2026 Estimated Actual Expenses are $12,208,273 which is 1.4% or $169,892 less than the FY 2026 Revised Budget. Most of the savings expected in the current budget are due to higher retiree mortality than anticipated. She next reported the FY 2027 Recommended Budget of $11,879,582 which is 2.7% less than the FY 2026 Revised Budget. The FY 2027 Recommended Budget accounts for actuarially determined retiree payroll and is considered a "hold the line" budget for administrative and investment expenses.

MOTION to approve the Fiscal Year 2027 Recommended Budget in the amount of $11,879,582.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and unanimously carried by the following vote:

AYES: K. Jones, P. Boyle, H. Crusberg
NOES: NONE
ABSENT: R. Cole, E. Tsang
ABSTAIN: NONE

Following the item Chair Jones continued to item 21 on the agenda.

21. Investment reports submitted by Investment Advisor, Cerity Partners:

A. Receive and file, Q1 2026 Investment Performance Review

Claudia Schloss reviewed the revised 1st Quarter 2026 Investment Performance Review (distributed at the meeting) which noted the fund returned -1.3% net of fees for the quarter (v. the index of -0.7%) bringing the Fiscal YTD performance to 3.3% net of fees (v. the index of 5.9%). For the quarter, positive performance in Real Estate and Hedge Funds was offset by negative earnings in Domestic and International Equity. She noted that all assets were within range of the policy targets except Hedge Funds, which was higher than policy, and would likely be withdrawn towards future payroll withdrawals and asset rebalancing. Mr. Boyle requested more information in the future on fund underperformance relative to

benchmarks. As of March 31, 2026, the fund was valued at $101,542,259 including an estimated $1.36 million in pooled cash with the City. Mr. Boyle asked Cerity to provide additional information and rationale for the selection of the benchmarks selected for the portfolio.

MOTION to receive and file the revised Q1 2026 Investment Performance Review.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and ordered approved by Chair Jones.

Following the item Chair Jones moved to item 21.F. on the agenda.

F. Review and approve, Preliminary May-June 2026 Rebalance and Withdrawal Recommendation for Pooled Cash $1,600,000

Ms. Schloss reviewed the preliminary rebalance and withdrawal of funds for pension payroll for May and June. Based on current asset values relative to the policy targets, Verus' preliminary recommendation was to withdraw funds from assets in the Domestic and International Equity asset classes.

MOTION to approve the preliminary rebalance and withdrawal of $1,600,000 for May-June 2026 pooled cash funding, as recommended by investment advisor Cerity Partners.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and ordered approved by Chair Jones.

G. Review and approve, Invesco Core Real Estate Proposed Draft Agreement

Ms. Schloss briefly reviewed the proposed amended limited partnership agreement with Invesco and reported that Cerity's recommendation to their clients was to vote not to consent to the proposed agreement. Ms. Safie, Board Counsel, noted that counsel had reviewed the changes in depth and concurred with the recommendation from Cerity.

MOTION to not consent to the proposed changes and direct staff to provide notice of the Board's action to Invesco Core Real Estate, as recommended by Cerity Partners.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and ordered approved by Chair Jones.

Following the item Chair Jones moved to item 21.E. on the agenda.

E. Receive and file, Active Management Environment Review

Ms. Schloss briefly reviewed the report noting that "quality basis" active managers struggled to outpace the benchmarks.

MOTION to receive and file items 21.C. (April 2026 Transaction Summary), 21.D. Annual Relationship Review, and 21.E. (Active Management Environment Review), as recommended by Cerity Partners.

Upon **Motion** of Mr. Crusberg, seconded by Mr. Boyle, and ordered approved by Chair Jones.

Following the item Chair Jones moved to item 21.B. on the agenda.

B. Receive and file, April 2026 Performance Update

Ms. Schloss briefly reviewed the April Performance Update noting a return of 3.4% net of fees for the month (v. the policy index of 4.5%), not including returns for asset managers Aristotle, Magnitude, ARA and Invesco due to timing. For the month, Domestic Equity was the largest driver of performance, returning 8.9% net of fees (v. the index of 10.5%). Value manager Dodge & Cox and Small Cap manager Atlanta Capital struggled against their respective benchmarks, although yielding positive returns for the month. Ms. Schloss noted that the strong sustained returns from the Alternatives manager would likely be rebalanced into cash for pension payroll and Real Estate this summer. At the end of April, the fund was valued at $104.3 million including approximately $1.69 million in pooled cash with the City. Chair Jones raised the question of whether it would be better to lower fees and move into more index funds and away from active managers. Mr. Boyle responded that active managers are better in times of strife. Ms. Schloss clarified that active manager efficiencies during recent historically challenging periods (within the last 10 years) are illustrated in the quarterly reports.

MOTION to receive and file the April 2026 Performance Update.

Upon **Motion** of Mr. Boyle, seconded by Mr. Crusberg, and ordered approved by Chair Jones.

INFORMATION ITEMS

22. Staff Report – none noted.
23. Counsel Report – none noted.
24. Articles/Newsletters/Conferences – none noted.

COMMENTS FROM BOARD MEMBERS

ADJOURN

MOTION to adjourn by Mr. Boyle, and having heard no opposition, the meeting was adjourned by Chair Jones at 12:08 p.m.

Respectfully submitted,

Jill Fosselman
Secretary to the Board/Administrator

Keith Jones
Chair, Retirement Board

Details of this meeting are contained in a digital recording of the meeting and will be kept in the archives for two years, per Board policy.

DISTRIBUTION:

Board Members	Fire & Police Retirees Assn.	Deputy City Manager	Individual Distribution List
City Attorney	Police Chief	HR Director	
System Attorney	Fire Chief	Workers Compensation	
Foster & Foster	City Controller	Principal Accountant	

APPROVED BY THE RETIREMENT BOARD

SECRETARY 7/15/26 DATE