

**BOARD OF RETIREMENT
FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

"Our mission is to administer the retirement benefits for the members and beneficiaries in a courteous, accurate, prompt and professional manner, while administering fund assets in a manner that achieves investment and funding objectives within prudent levels of risk."

February 7, 2018

**REGULAR MEETING
ACTION SUMMARY MINUTES**

[AN AUDIO RECORDING OF THE OPEN SESSION DISCUSSION ITEMS CAN BE FOUND ON OUR WEBSITE AT
WWW.FCERA.ORG](http://WWW.FCERA.ORG)

Trustees Present:

John Adams	Dr. Rauden Coburn, III	Robert Dowell
Oscar Garcia	Steven Jolly	Nathan Magsig
John Robinson	Riley Talford	Mary Ann Rogozinski, Alternate

Trustees Absent:

None

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Doris Rentschler, Assistant Retirement Administrator
Elizabeth Avalos, Executive Assistant
Conor Hinds, Supervising Accountant
Virginia Meza, Retirement Specialist
Rebecca Lor, Retirement Specialist
Kenneth Price, Board Counsel
Craig Armstrong, Board Counsel
Jeffrey MacLean, Verus
Michael Kamell, Verus
Lisa Kastigar, Grosvenor
Andrew Preda, Grosvenor

Members of the Public that Addressed the Board:

None.

1. CALL TO ORDER

Chair Magsig called the meeting to order at 8:30 AM.

2. PLEDGE OF ALLEGIANCE

Recited.

3. PUBLIC COMMENT

None.

4. CONSENT AGENDA

Consent Items 4.A., 4.B., 4.E. and 4.J. were pulled for discussion and/or comment.

A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE DOWELL, TO APPROVE/ACCEPT CONSENT ITEMS 4.C., 4.D., AND 4.F. THROUGH 5.I. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: JOLLY.

Trustee Jolly joined the Board at 8:32 AM.

- A. Receipt and Filing of the FCERA Cash Flow Position as of December 2017

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. AT THE REQUEST OF TRUSTEE COBURN, STAFF AND VERUS WILL PREPARE A MEMO FOR THE BOARD'S CONSIDERATION ON THEIR FINDINGS REGARDING LANDMARKS INVESTMENT PERIOD AND ACTUAL CLOSE DATE. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE GARCIA, TO APPROVE ITEM 4.A. AS PRESENTED. VOTE: UNANIMOUS.

- B. Receipt and Filing of the Board of Retirement Annual Attendance Report for Calendar Year 2017 (New Format)

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. AT THE REQUEST OF TRUSTEE GARCIA, STAFF AND BOARD COUNSEL WILL PREPARE A LEGAL ANALYSIS AND RECOMMENDATIONS REGARDING TREASURER ALTERNATE, OTHER TRUSTEE ALTERNATES, AND TRUSTEE ATTENDANCE REQUIREMENTS FOR THE BOARD'S CONSIDERATION. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE COBURN, TO APPROVE ITEM 4.B. AS PRESENTED. VOTE: UNANIMOUS.

- C. Receipt and Filing of Education Attendance Report: CALAPRS Investment Roundtable – **RECEIVED AND FILED**

- D. Approval of Retirements for January 2018 – **APPROVED**

- E. Approval of FCERA Placement Agent Disclosure and Due Diligence Policies

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. AT THE REQUEST OF TRUSTEE COBURN, STAFF WILL REVISE THE DUE DILIGENCE POLICY INCORPORATING THE BOARD'S DIRECTION TO ELIMINATE TRUSTEE PARTICIPATION ON THE DUE DILIGENCE VISITS AND RESUBMIT FOR THE BOARD'S CONSIDERATION. IT WAS NOTED THAT THE ADMINISTRATOR WILL NOT ATTEND/PARTICIPATE UNLESS THERE IS SPECIFIC DIRECTION FROM THE BOARD. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE GARCIA, TO APPROVE THE PLACEMENT AGENDA DISCLOSURE POLICY AS PRESENTED AND TO RECONSIDER THE DUE DILIGENCE POLICY AT A SUBSEQUENT MEETING. VOTE: UNANIMOUS.

- F. Approval of Annual Retiree Cost of Living Adjustment of 3.0% - **APPROVED**
- G. Approval of Travel Requests from Trustees John Adams, Rod Coburn, Robert Dowell, Nathan Magsig and Riley Talford to attend the 2018 Pension Bridge Annual on April 10-11, 2018 in San Francisco CA – **APPROVED**
- H. Approval of Travel Requests from Trustees John Adams, John Robinson and Riley Talford to attend the CALAPRS Principles of Pension Management on August 27-30, 2018 in Malibu CA – **APPROVED**
- I. Rejection of the Provision of Numeric Information Reflected in the Graphs provided in Appendix C of the Actuarial Evaluation and Review Reports – **REJECTED**
- J. Approval of Pensionable Earn Code - ILP

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. DISCUSSIONS ENSUED REGARDING EMPLOYER COST SHARING, UAAL, AND ADDING PAY ITEMS THAT QUALIFY UNDER THE LAW. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE COBURN, TO APPROVE ITEM 4.J. AS PRESENTED. VOTE: UNANIMOUS.

5. MINUTES

- A. Consideration of the January 17, 2018 Retirement Board Regular Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE GARCIA, TO APPROVE ITEM 5.A. AS PRESENTED. VOTE: YES – ADAMS, COBURN, DOWELL, GARCIA, MAGSIG, ROBINSON, TALFORD. ABSTAIN: JOLLY.

- B. Consideration of the January 17, 2018 BCEC Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. KENNETH PRICE, BOARD COUNSEL, REQUESTED THAT THE MINUTES RELFECT THAT TRUSTEE ROBERT DOWELL WAS PRESENT IN THE AUDIENCE AND DID NOT PARTICIPATE IN THE MEETING DISCUSSION. A MOTION WAS MADE BY TRUSTEE ADAMS, SECONDED BY TRUSTEE RILEY, TO APPROVE ITEM 5.B. WITH NOTED CORRECTIONS. VOTE: UNANIMOUS.

6. DISCUSSION

- A. Presentation of Asset Liability Study Phase 1

PRESENTED, RECEIVED AND FILED.

- B. Presentation of Performance and Economic Summary Report: Grosvenor

PRESENTED, RECEIVED AND FILED.

C. Presentation of Annual Cash Flow Report

PRESENTED, RECEIVED AND FILED.

D. State Association of County Retirement Systems (SACRS) Items presented by Donald Kendig, Retirement Administrator – RECEIVE AND FILE; APPROPRIATE ACTION

1. Spring Conference Information (**RECEIVED AND FILED**)
2. Voting Proxy

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. MARY ANN ROGOZINSKI AND DONALD KENDIG WERE NOMINATED AS VOTING DELEGATE AND ALTERNATE VOTING DELEGATE, RESPECTIVELY. A MOTION WAS MADE BY TRUSTEE MAGSIG, SECONDED BY TRUSTEE COBURN, TO APPROVE THE DELEGATES AS NOMIATED. VOTE: UNANIMOUS.

7. **CLOSED SESSION:**

- A. Consideration of Purchase or Sale of Particular, Specific Pension Fund Investments (pursuant to G.C. §54956.81. Number of Investments: 2
- B. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1 case)
- C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Retirement Administrator
- D. DISABILITY RETIREMENT APPLICATIONS – PERSONNEL EXCEPTION (pursuant to G.C. §54957)
 1. Mark Eaton

8. **ORAL REPORTS:**

- A. Report out of Closed Session
 - 7.A. No reportable action.
 - 7.B. No reportable action.
 - 7.C. No reportable action.
 - 7.D.1. **EATON – DECISION – A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE COBURN, TO GRANT SERVICE CONNECTED DISABILITY BENEFITS. VOTE: UNANIMOUS.**
- B. FCERA Administration
 1. Administration gave a recap of the items requested by the Board at today’s meeting as follows:
 - Staff and Verus will prepare a memo for the Board’s consideration on their findings regarding Landmarks investment period and actual close date.

- Staff will revise the Due Diligence Policy, for the Board's consideration, incorporating the Board's direction to eliminate trustee participation on the site visits. Administrator will not attend/participate unless there is specific direction from the Board.
 - Staff and Board Counsel will prepare a legal analysis and recommendations regarding Treasurer Alternate, other trustee alternates, and trustee attendance requirements for the Board's consideration.
 - Verus will prepare stock and bond analysis to compare FCERA to a Peer average for the Board's consideration.
 - Verus will provide an educational session on manager performance, watch, and termination practices and will provide the study on the effects of manager turnover at a later phase of the asset liability study.
2. Staff will correct/revise the February 5, 2018 BCEC Meeting Minutes and post on the FCERA website.
 3. A Joint Meeting of the BOR and BOS is scheduled for March 22, 2018 at 10:30 AM in the FCERA Board Chambers. Agenda topics are under development.
 4. Trustees Adams, Garcia, Magsig, Robinson, and Talford received Federated Fiduciary Education packets.
- C. Board Counsel
1. Counsel updated the Board on the Election Litigation noting that the case was dismissed without prejudice. However, another claimed may be filed.
- D. Committee Reports
- The Committee Members had nothing to report.
- E. Board Members
- The Board members had nothing to report.

There being no further business, the meeting adjourned at 1:00 PM.

Donald C. Kendig, CPA
Secretary to the Board