

**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."

March 7, 2018

**REGULAR MEETING
ACTION SUMMARY MINUTES**

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

Trustees Present:

Dr. Rauden Coburn, III
Steven Jolly
Riley Talford

Robert Dowell
Nathan Magsig
Mary Ann Rogozinski, Alternate

Oscar Garcia
John Robinson

Trustees Absent:

John Adams

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Doris Rentschler, Assistant Retirement Administrator
Elizabeth Avalos, Executive Assistant
Virginia Meza, Retirement Specialist
Rebecca Lor, Retirement Specialist
Kenneth Price, Board Counsel
Jeffrey MacLean, Verus

Members of the Public that Addressed the Board:

Robert Skowronski, FCERA Member

1. CALL TO ORDER

Chair Magsig called the meeting to order at 8:32 AM.

2. PLEDGE OF ALLEGIANCE

Pledge led by Robert Dowell.

3. **PUBLIC COMMENT**

None.

4. **CONSENT AGENDA**

Consent Item 4.C. was pulled for discussion and/or comment.

AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE JOLLY, TO APPROVE/ACCEPT CONSENT ITEMS 4.A., 4.B., 4.D. and 4.E. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: ADAMS.

- A. Receipt and Filing of the FCERA Cash Flow Position as of January 2018 – **RECEIVED AND FILED**
- B. Receipt and Filing of Educational Attendance Report: SWFI, Donald Kendig – **RECEIVED AND FILED**
- C. Receipt and Filing of Responses to Board’s Questions from the February 7th Regular Meeting

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ROBERT SKOWRONSKI, FCERA MEMBER, ADDRESSED THE BOARD REGARDING ASSEMBLY BILL 2833. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE DOWELL, TO APPROVE ITEM 4.C. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: ADAMS.

- D. Approval of Retirements for February 2018 – **APPROVED**
- E. Approval of the Consolidated Education and Travel Policy – **APPROVED**

5. **MINUTES**

- A. Consideration of the February 21, 2018 Retirement Board Regular Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE GARCIA, TO APPROVE ITEM 5.A. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: ADAMS.

6. **DISCUSSION**

- A. Review of Quarterly Investment Reports for the Period Ended December 31, 2017
 - 1. Investment Landscape
 - 2. Investment Performance
 - 3. Guideline Compliance

PRESENTED AND RECEIVED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.A. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

B. Presentation of Asset Liability Study Phase 2

PRESENTED AND RECEIVED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ROBERT SKOWRONSKI, FCERA MEMBER, ADDRESSED THE BOARD. ITEM 6.B. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

C. Consideration of Community Investment Opportunity

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE MAGSIG, TO INVITE ROYAL BANK OF CANADA GLOBAL ASSET MANAGEMENT (RBC GAM) TO PRESENT TO THE BOARD ON THEIR "ACCESS CAPITAL COMMUNITY INVESTING" STRATEGY. VOTE: UNANIMOUS. ABSENT: ADAMS.

D. Consideration and Review of Analysis of Underperforming Managers

PRESENTED AND RECEIVED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.D. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

E. Consideration of IFM Share Class Recommendation

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE COBURN, TO TRANSITION TO THE HEDGED SHARE CLASS AND ADOPT THE FEE SCHEDULE AS RECOMMENDED. VOTE: UNANIMOUS. ABSENT: ADAMS.

F. Consideration of Educational Presentation on Hiring and Firing Investment Managers

PRESENTED AND RECEIVED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.F. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

G. Consideration of Earn Codes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE TALFORD, TO ADOPT THE EARN CODES AS PENSIONABLE FOR TIERS I – IV AND NON-PENSIONABLE FOR TIER V AS RECOMMENDED. VOTE: UNANIMOUS. ABSENT: ADAMS, JOLLY.

Trustee Jolly departed at 12:22, during the discussion of Item 6.G.

H. Consideration of Request for Proposal for Investment Counsel Services

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE COBURN, TO APPROVE THE RFP AS PRESENTED WITH DIRECTION TO ADVERTISE ACCORDINGLY. VOTE: UNANIMOUS. ABSENT: ADAMS, JOLLY.

7. CLOSED SESSION:

A. DISABILITY RETIREMENT APPLICATIONS – PERSONNEL EXCEPTION (pursuant to G.C. §54957)

1. Robert Rusche
2. Tou Vang

8. ORAL REPORTS:

A. Report out of Closed Session

- 7.D. **RUSCHE – DECISION – A MOTION WAS MADE BY TRUSTEE ROBINSON, SECONDED BY TRUSTEE GARCIA, TO GRANT SERVICE CONNECTED DISABILITY BENEFITS. VOTE: YES – DOWELL, GARCIA, MAGSIG, ROBINSON. NO – COBURN, TALFORD. ABSENT: ADAMS, JOLLY.**
- 7.D. **VANG – DECISION – A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE DOWELL, TO GRANT SERVICE CONNECTED DISABILITY BENEFITS. VOTE: UNANIMOUS. ABSENT: ADAMS, JOLLY.**

B. FCERA Administration

1. Administration recapped the actions of the day's meeting as follows (in summary):
 - Approved the corrected Education and Travel Policy
 - Versus will ask Grosvenor for Attribution Information
 - Verus will bring in Royal Bank of Canada to present to the Board
 - Ivy's scheduled presentation before the Board will be moved from the August 1st, to June 6th
 - Verus will bring in a manager for consideration that compliments Mondrian in April
 - Verus will look at portfolios with mix two as a basis looking at relatively more aggressive portfolios
 - Approved the IFM hedged fee
 - Approved the earn code recommendations of Staff
 - Approved the RFP for investment Counsel. Staff will place an advertisement in Pension and Investments
2. The FCERA Open-house is scheduled for March 8th from 3:30 PM – 6:30 PM.
3. Staff contacted County Counsel regarding the Elections Procedures and County Counsel will prepare the first draft with all desired changes. It will then be reviewed by staff and then Board Counsel, and then staff again, before submission to the Board.
4. The Board of Supervisors appointed Mr. Sandy Brown to the Board of Retirement.

B. Board Counsel

1. County Counsel will work with Board Counsel on the Elections Procedures prior to drafting.
2. Counsel updated on the election lawsuit, noting that the original lawsuit was dismissed. However, a second law suit was filed and FCERA is named as a nominal defendant.

C. Committee Reports

The Committee Members had nothing to report.

D. Board Members

1. At the request of the Board, Mr. Kendig gave a brief report on Trustee Adams' medical condition.

There being no further business, the meeting adjourned at 1:13 PM.

Donald C. Kendig, CPA
Secretary to the Board