

**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."*

**April 4, 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:**

John Adams  
Oscar Garcia  
John Robinson

Dr. Rauden Coburn, III  
Steven Jolly  
Mary Ann Rogozinski, Alternate

Robert Dowell  
Nathan Magsig

**Trustees Absent:**

Riley Talford

**Staff and Service Providers Present:**

Donald Kendig, Retirement Administrator  
Doris Rentschler, Assistant Retirement Administrator  
Elizabeth Avalos, Executive Assistant  
Conor Hinds, Supervising Accountant  
Kenneth Price, Board Counsel  
Craig Armstrong, Board Counsel  
Jeffrey MacLean, Verus  
Vance Creekpaum, Verus – via teleconference  
Frances Coombes, WAMCO  
Kurt Halvorson, WAMCO  
Stephanie Lord, Loomis Sayles  
Catherine Banat, RBC Global Asset Management  
Eric Hathaway, RBC Global Asset Management  
Tom Heflin, RBC Global Asset Management

**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

Pledge was led by Trustee John Adams.

## 3. PUBLIC COMMENT

None.

## 4. CONSENT AGENDA

Trustee Coburn pulled Consent Item 4.A. for discussion.

**AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE ADAMS, TO APPROVE/ACCEPT CONSENT ITEMS 4.B. THROUGH 4.D. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: TALFORD.**

### A. Receipt and Filing of the FCERA Cash Flow Position as of February 2018

At the request of Trustee Coburn, Staff clarified the descriptions noted in Attachment A and responded to questions regarding the details of the cash flow position. Staff will provide more detailed descriptions going forward.

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE JOLLY, TO ACCEPT CONSENT ITEM 4.A. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: TALFORD.**

### B. Receipt and Filing of Grosvenor Performance Attribution – **RECEIVED AND FILED**

### C. Receipt and Filing of Zeno Transaction Cost Analysis Update – **RECEIVED AND FILED**

### D. Approval of Retirements for March 2018 – **APPROVED**

## 5. MINUTES

### A. Consideration of the March 21, 2018 Retirement Board Regular Meeting Minutes

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. TRUSTEE COBURN NOTED THAT THE MINUTES INCORRECTLY REFLECT “MICHAEL” SHEHADE AS OPPOSED RICHARD, IN THE ADMINISTRATION REPORTING SECTION. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE GARCIA, TO APPROVE ITEM 5.A. WITH NOTED CORRECTION. VOTE: UNANIMOUS. ABSENT: TALFORD.**

### B. Consideration of the March 22, 2018 BOR and BOS Joint Boards Meeting Minutes

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ALTERNATE TRUSTEE ROGOZINSKI NOTED THAT SHE WAS INCORRECTLY IDENTIFIED IN THE MINUTES AND REQUESTED “ALTERNATE” BE ADDED TO HER TITLE. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE JOLLY, TO APPROVE ITEM 5.B. WITH NOTED CORRECTION. VOTE: UNANIMOUS. ABSENT: TALFORD.**

## 6. DISCUSSION

- A. Receive Performance and Economic Summary Report: Western Asset Management Company, Investment Grade Credit

**PRESENTED, RECEIVED AND FILED.**

- B. Receive Performance and Economic Summary Report: Loomis Sayles, High Yield

**PRESENTED, RECEIVED AND FILED.**

- C. Consideration of Investment Strategy: RBC Asset Capital Management, Community Investing

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE JOLLY, TO APPROVE VERUS' RECOMMENDATION TO HAVE RBC PROVIDE SEPARATE ACCOUNT DOCUMENTATION FOR FCERA'S LEGAL REVIEW AND TO HAVE RBC PROVIDE A LISTING OF KNOWN FINANCIAL INSTITUTIONS THAT WOULD BE ELIGIBLE FOR THIS PROGRAM AND TO PROVIDE A LIST BASED ON RBC'S UNDERSTANDING OF THE THEMES/CATEGORIES FCERA WOULD BE INTERESTED IN INVESTING IN. VOTE: UNANIMOUS. ABSENT: TALFORD.**

- D. Consideration of FCERA Asset Liability Study Phase 3

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. THE BOARD FURTHER NARROWED THE OPTIONS FOR VERUS TO CONSIDER DURING THE ASSET LIABILITY STUDY, ELIMINATING 60/40 AND THE VERY AGGRESSIVE PORTFOLIOS. ITEM 6.D. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.**

Trustee Dowell departed at 12:43 PM.

- E. Consideration of FCERA Bylaws Amendment, First Reading

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. DIRECTON WAS GIVEN TO REMOVE THE "THE" BEFORE HIS OR HER ON PAGE 4, SECTION 2.1 OF THE BYLAWS. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY ALTERNATE TRUSTEE ROGOZINSKI, TO APPROVE ITEM 5.E. WITH NOTED CORRECTION. VOTE: UNANIMOUS. ABSENT: DOWELL, TALFORD.**

- F. Consideration of SACRS Board of Director Elections Notice: 2018-2019 Recommended Ballot

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE ADAMS, TO APPROVE THE SLATE AS PRESENTED. VOTE: UNANIMOUS. ABSENT: DOWELL, TALFORD.**

## 7. FCERA REALTY GROUP, LLC

- A. Consideration of Lease Amendment for 7766 North Palm Avenue

**PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY ALTERNATE TRUSTEE ROGOZINSKI, SECONDED BY TRUSTEE COBURN TO APPROVE THE LEASE AMENDMENT AS PRESENTED. VOTE: UNANIMOUS. ABSENT: TALFORD.**

**8. CLOSED SESSION – FCERA REALTY GROUP, LLC**

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. Number of Cases: 1

**9. ORAL REPORTS:**

- A. Report out of Closed Session  
8.A. No Reportable Action.
- B. FCERA Administration
1. Administration recapped the actions directions of the day's meeting as follows (in summary):
    - The Board approved Verus' recommendation to have RBC provide separate account documentation for FCERA's legal review and to have RBC to provide a listing of known financial institutions that would be eligible for this program and to provide a list based on RBC's understanding of the themes/categories FCERA would be interested in investing in. Staff will forward on to Foster Pepper.
    - The Board further narrowed the options for Verus to consider during the asset liability study, eliminating 60/40 and the Very Aggressive portfolios.
    - The Bylaws were approved as amended and will be brought back April 18<sup>th</sup>.
    - SACRS Delegates were authorized to vote the recommended final slate.
    - The FCERA Realty Group lease amendment was approved.
  2. A Personnel Committee meeting is scheduled for May 2<sup>nd</sup> immediately following the Regular meeting.
- C. Board Counsel  
Counsel had nothing to report.
- D. Committee Reports  
There were no Committee Reports.
- E. Board Members  
The Trustees had nothing to report.

There being no further business, the meeting adjourned at 1:30 PM.

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Donald C. Kendig, CPA  
Secretary to the Board