

**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."

June 6, 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	Dr. Rauden Coburn, III
Robert Dowell	Oscar Garcia
Nathan Magsig	John Robinson
Mary Ann Rogozinski, Alternate	

Trustees Absent:

Steven Jolly
Riley Talford

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Doris Rentschler, Assistant Retirement Administrator
Elizabeth Avalos, Executive Assistant
Kenneth Price, Board Counsel
Criag Armstrong, Board Counsel
Conor Hinds, Supervising Accountant
Rebecca Lor, Retirement Specialist
Michael Kamell, Verus
Art Wille, County Counsel
Sean Howley, Artisan

Members of the Public that Addressed the Board:

Attorney Thomas Tusan for John Swenning, FCERA Member

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

Pledge was led by Alternate Trustee Mary Ann Rogozinski.

3. PUBLIC COMMENT

None.

4. CONSENT AGENDA

Trustee Garcia pulled Consent Item 4.B. for discussion.

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

A. Receipt and Filing of the Business Expense Account Statement for April 2018 – **RECEIVED AND FILED**

B. Receipt and Filing of the FCERA Cash Flow Position as of April 2018

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. TRUSTEE GARCIA RAISED CONCERNS REGARDING WIRING INSTRUCTIONS NOTING THAT “ADDITIONAL” INSTRUCTIONS ARE NOT NECESSARY. STAFF WILL WORK WITH THE ACTTC OFFICE TO CREATE A PROCESS FOR INCLUDING ADDITIONAL INSTRUCTIONS ON A SEPARATE TEMPLATE. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE ADAMS, TO APPROVE CONSENT ITEM 4.B. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.

C. Approval of Retirements for May 2018 – **APPROVED**

5. MINUTES

A. Consideration of the May 2, 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: UNANIMOUS. ABSTAIN: COBURN. ABSENT: JOLLY, TALFORD.

B. Consideration of the May 2, 2018 Personnel Committee Meeting Minutes

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

C. Consideration of the May 23, 2017 Budget Committee Meeting Minutes

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

D. Consideration of the May 23, 2017 Audit Committee Meeting Minutes

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

6. DISCUSSION

A. Receive Performance and Economic Summary Report: International Growth

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

B. Review of Quarterly Investment Reports for the Period Ended March 31, 2018

1. Investment Landscape
2. Investment Performance
3. Guideline Compliance

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

C. Consideration and Review of FCERA Asset Liability Study Implementation and Next Steps

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE DOWELL, TO SELECT MIX 4 WITH A GLIDE PATH OF OPTION 1. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.

D. Consideration of Candidates for the Large Cap Growth Mandate (Ivy replacement)

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE ROBINSON, TO SELECT T ROWE PRICE AND LOOMIS SAYLES FOR FURTHER CONSIDERATION. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.

E. Oral Solicitation of Off-Site Educational Topics and Speakers

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS FOR PROVIDED FOR PUBLIC COMMENT. IN ADDITION TO THE CURRENT TOPICS OF DISCUSSION, THE BOARD DIRECTED STAFF TO INCLUDE TOPICS ON INTEREST CREDITING, CASH OVERLAY, ALTERNATIVE RISK PREMIA, FCERA BUSINESS CONTINUITY PLAN, AND RECIPROCITY.

F. Consideration of Recommendation to Reject Responses and Reissue Investment Counsel RFP

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE ROBINSON, TO REJECT THE RFP RESPONSES AND REISSUE THE RFP AS RECOMMENDED. VOTE: YES – ADAMS, DOWELL, GARCIA, MAGSIG, ROGINSON. NO – COBURN. ABSENT: JOLLY, TALFORD.

G. Consideration of the Fiscal Year 2018-19 Proposed Budget presented

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE GARCIA, TO APPROVE THE FY 2018-2019 BUDGET AS PRESENTED. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.

H. Consideration of Board of Retirement Response to Board of Supervisor Letter

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.H. WAS RECEIVED WITH NO ACTION.

I. Presentation of Educational Attendance Report, SACRS Fall Conference: Trustees Adams, Dowell, Magsig, Robinson, Talford, Rogozinski, and Donald Kendig, Retirement Administrator

ORAL REPORTS FROM MAGSIG, ROBINSON, DOWELL AND ROGOZISNKI WERE RECEIVED.

PRIOR TO CLOSED SESSION THE BOARD HEARD FROM ART WILLE OF COUNTY COUNSEL AND THOMAS TUSAN, ATTORNEY FOR JOHN SWENNING, FCERA MEMBER REGARDING A POTENTIAL PROCEDURAL ERROR IN THE DISABILITY DECISION OF MR. SWENNING. THE BOARD DIRECTED STAFF TO AGENDIZE A DISCUSSION ON THE ISSUE AT THE JUNE 20TH MEETING.

7. CLOSED SESSION:

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

1. Maria Benningfield
2. Si Vang
3. Denise Campos
4. John Swenning
5. Glenda Vidad

8. ORAL REPORTS:

A. Report out of Closed Session

7.A.1. BENNINGFIELD – DECISION – A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE ADAMS, TO DENY THE SERVICE CONNECTED DISABILITY APPLICATION AND GRANT NON-SERVICE CONNECTED DISABILITY. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.

- 7.A.2. **VANG – DECISION – A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE GARCIA, TO DENY THE SERVICE CONNECTED DISABILITY SUBJECT TO THE APPLICANT’S RIGHT TO REQUEST A HEARING. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.**
- 7.A.3. **CAMPOS – DECISION – A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE ADAMS, TO GRANT THE SERVICE CONNECTED DISABILITY APPLICATION. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.**
- 7.A.3. **SWENNING – DECISION – A MOTION WAS MADE BY TRUSTEE ROBINSON, SECONDED BY TRUSTEE DOWELL, TO STAY ITS PREVIOUS DECISION AND CONTINUE THE ITEM TO THE JUNE 20TH MEETING. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.**
- 7.A.2. **VIDAD – DECISION – A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE COBURN, TO ADOPT THE HEARING OFFICER’S RECOMMENDATION TO THE SERVICE CONNECTED DISABILITY APPLICATION. VOTE: UNANIMOUS. ABSENT: JOLLY, TALFORD.**

Trustee Garcia departed at 12:16 PM.

B. FCERA Administration

1. Administration recapped the actions/directions of the day’s meeting as follows:
 - Under the Asset Liability Study, the Board approved Mix 4 with a glide path of Option 1.
 - The Board decided to bring in T Rowe Price and Loomis for finals presentations on the Large Cap Growth Mandate. This will be on August 1.
 - Staff received oral input to remove the Grosvenor Hedge Fund update, as Grosvenor will present December 5, add Interest crediting to the offsite agenda and agreed that further cash overlay education was acceptable. Staff and Verus will fill any gaps with other interesting new topics.
 - The Board rejected responses for the Request For Proposals (RFP) for Investment Counsel Services issued on March 30, 2018, and approved the reissuance of a new RFP for Investment Counsel Services once staff has prepared supplemental questions, a test case, and a scoring matrix that meets with the approval of the Chair and Board Counsel.
 - Approved the 2018-19 proposed budget.
2. Donald Kendig will be absent from the June 20th Regular meeting.

C. Board Counsel

Counsel had nothing to report.

D. Committee Reports

A Personnel Committee is scheduled for June 20th immediately following the Regular Meeting.

E. Board Members

The Trustees had nothing to report.

There being no further business, the meeting adjourned at 12:25 PM.

Donald C. Kendig, CPA
Secretary to the Board