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

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.


   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