

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

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

August 2, 2017

**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:

Laura P. Basua
Oscar Garcia

Alan Cade, Jr.
Steven J. Jolly

Robert Dowell

Trustees Absent:

Gregory Baxter
Nathan Magsig

Dr. Rod Coburn, III
Mary Ann Rogozinski, Alternate

Eulalio Gomez

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Doris Rentschler, Assistant Retirement Administrator
Elizabeth Avalos, Executive Assistant
Craig Armstrong, Board Counsel
Jeffrey MacLean, Verus
John Nicolini, Verus
Matthew Pistorio, Geneva
Scott Priebe, Geneva
Matt Clark, PIMCO
Mark Romano, PIMCO
Andrew Pyne, PIMCO

Members of the Public that Addressed the Board:

Sandra Brock, FCERA Member

1. CALL TO ORDER

Vice Chair Jolly called the meeting to order at 8:34 AM.

2. PLEDGE OF ALLEGIANCE

Recited.

3. PUBLIC COMMENT

None.

4. CONSENT AGENDA

A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE DOWELL, TO APPROVE/ACCEPT CONSENT ITEMS 4.A. THROUGH 4.G. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: BAXTER, COBURN, GOMEZ, MAGSIG.

- A. Receipt and Filing of the FCERA Cash Flow Position as of June 2017 – **RECEIVED AND FILED**
- B. Receipt and Filing of the Budget Status for the Quarter ended June 30, 2017 – **RECEIVED AND FILED**
- C. Receipt and Filing of Quarterly Investment & Information Technology Status Report – **RECEIVED AND FILED**
- D. Receipt and Filing of 2017-18 Due Diligence Plan and 2016-17 Due Diligence Report – **RECEIVED AND FILED**
- E. Receipt and Filing of ConvergeX Announcement – **RECEIVED AND FILED**
- F. Approval of Retirements for July 2017 – **APPROVED**
- G. Approval of Update to Investment Policy Statement and Addition of Appendix C – **APPROVED**

5. MINUTES

- A. Consideration of the July 19, 2017 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 BASUA, TO APPROVE ITEM 5.A. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: BAXTER, COBURN, GOMEZ, MAGSIG.

6. DISCUSSION

- A. Consideration of Small Cap Equity Finalists
 - 1. Geneva Capital Management: US Small Cap Growth presented by Matthew Pistorio, Scott Priebe
 - 2. PIMCO: StocksPLUS Small Strategy presented by Matt Clark, Mark Romano, and Andrew Pyne

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. SANDRA BROCK, FCERA MEMBER, ADDRESSED THE BOARD. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE CADE, TO BEGIN CONTRACT NEGOTIATION WITH PIMCO FOR THE SMALL CAP GROWTH MANDATE. VOTE: UNANIMOUS. ABSENT – BAXTER, COBURN, GOMEZ, MAGSIG.

B. Consideration of Reals Assets Outlook

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. NO ACTION TAKEN.

C. Consideration of Reals Assets Program Review

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. SANDRA BROCK, FCERA MEMBER, ADDRESSED THE BOARD. NO ACTION TAKEN.

D. Consideration of Currency Hedging – IFM Global Infrastructure Fund

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. NO ACTION TAKEN.

E. Consideration of On-site Due Diligence Update

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. NO ACTION TAKEN.

Due to time constraints, the Board moved to Closed Session at this time.

7. FCERA REALTY GROUP, LLC

A. CLOSED SESSION

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

8. CLOSED SESSION:

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to subdivision (d) of Government Code section 54956.9. Number of Cases: 4

6. DISCUSSION CONTINUED

F. Consideration of Tegrity Service Level Agreement

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE GARCIA, TO APPROVE THE AGREEMENT BASED ON A FISCAL YEAR TERM WITH DIRECTION TO STAFF TO HAVE THE FINAL AGREEMENT REVIEWED BY COUNSEL. VOTE: UNANIMOUS. ABSENT – BAXTER, COBURN, GOMEZ, MAGSIG.

G. Consideration and Finalization of FCERA Off-site Educational Meeting Agenda Topics

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. THE BOARD DIRECTED STAFF TO INCORPORATE DISCUSSIONS ON SMART BETA AND FACTOR BASED INVESTING AS PART OF THE FINAL OFF-SITE EDUCATIONAL MEETING AGENDA. NO FORMAL ACTION TAKEN.

9. ORAL REPORTS:

A. Report out of Closed Session

7.A.1. No reportable action.

8.A. No reportable action.

B. FCERA Administration

1. Staff is scheduled to attend a half-day training tomorrow (8/3) in the FCERA Boardroom. Trustees are encouraged to attend.

2. The FCERA office will be relocating the week of September 11th. The FCERA reception will remain open with limited services during this time.

C. Board Counsel

1. Counsel continues to work with Staff on various divorce and disability issues.

D. Committee Reports

1. Staff will issue an RFP for Disability Medical Services the week of August 7th.

E. Board Members

1. Trustee Cade announced his resignation as the Deputy Auditor Controller.

There being no further business, the meeting adjourned at 12:56 PM.

Donald C. Kendig, CPA
Secretary to the Board