

**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."

October 4, 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
Eulalio Gomez
Mary Ann Rogozinski, Alternate

Dr. Rauden Coburn, III
Steven Jolly

Robert Dowell
Nathan Magsig

Trustees Absent:

Gregory Baxter

Oscar Garcia

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Doris Rentschler, Assistant Retirement Administrator
Elizabeth Avalos, Executive Assistant
Craig Armstrong, Board Counsel
Michael Kamell, Verus
Matt Clark, PIMCO
Mike Gomez, PIMCO
Lisa Kastigar, Grosvenor
Andy Preda, Grosvenor
Brian Greene, Zeno Consulting
Vinod Pakianathan, Zeno Consulting

Members of the Public that Addressed the Board:

Brad Phillips, FCERA Member
Gabe Horton, FCERA Member

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

Recited.

3. PUBLIC COMMENT

Brad Phillips, FCERA Member, addressed the Board regarding his recent retirement experience, noting several customer service issues and recommending improvements be made.

Trustee Jolly joined the Board at 8:37 AM.

4. CONSENT AGENDA

Trustee Magsig pulled Item 4.A. for discussion.

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

A. Receipt and Filing of the FCERA Cash Flow Position as of August 2017

At the request of Trustee Magsig, Staff explained that, although the plan is not currently in a negative cash flow position, Staff is prepared to change some investments from reinvesting earnings to distributing earnings to accommodate negative cash flow in the future.

A MOTION WAS MADE BY TRUSTEE MAGSIG, SECONDED BY TRUSTEE BASUS, TO APPROVE/ACCEPT CONSENT ITEM 4.A. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: BAXTER, GARCIA.

B. Receipt and Filing of Educational Attendance Report: Verus Client Summit – **RECEIVED AND FILED**

C. Approval of Retirements for September 2017 – **APPROVED**

D. Approval of Brandywine Guideline Amendment – **APPROVED**

5. MINUTES

A. Consideration of the September 20, 2017 Retirement Board Regular Meeting Minutes

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

B. Consideration of the September 20, 2017 Personnel Committee Meeting Minutes

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

C. Consideration of the September 25, 2017 Disability Committee Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. TRUSTEE DOWELL REQUESTED THAT THE MINUTES BE REVISED TO CORRECTLY REFLECT TRUSTEE DOWELL AS CHAIR OF THE COMMITTEE. A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE GOMEZ, TO APPROVE ITEM 5.A. AS AMENDED. VOTE: UNANIMOUS. ABSENT: BAXTER, GARCIA.

6. DISCUSSION

A. Performance and Economic Summary Report and Presentation on Emerging Markets Debt: PIMCO

The Board heard and received performance updates from Matt Clark and Mike Gomez of PIMCO on the Plan's Emerging Markets Debt Fund that included a review of PIMCO's philosophy, organizational structure, and investment strategy.

The PIMCO Team commented on the current market environment and its impact on the Plan's investment returns and addressed various comments and questions from the Board in regards to the Plan's overall investment performance and market environment going forward.

RECEIVED AND FILED

B. Performance and Economic Summary Report and Presentation on Hedge Funds: Grosvenor Capital

The Board heard and received performance updates from Lisa Kastigar and Andy Preda of Grosvenor Capital on the Plan's Hedge Fund allocation that included a review of Grosvenor's philosophy, organizational structure, and investment strategy.

The Grosvenor Team commented on the current market environment and its impact on the Plan's investment returns and addressed various comments and questions from the Board in regards to the Plan's overall investment performance and market environment going forward.

RECEIVED AND FILED

C. Consideration of Trade Cost Analysis, Zeno Consulting

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. THE BOARD DIRECTED VERUS AND ZENO TO FOLLOW UP ON NOTED MANAGER DEFICIENCIES AND RECOMMENDED MANAGER ENGAGEMENT.

D. Consideration of Enterprise Risk Tolerance Survey

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. IT WAS NOTED THAT THE SURVEY IS THE FORMAL KICK-OFF OF THE ASSET LIABILITY STUDY. NO ACTION TAKEN.

7. FCERA REALTY GROUP, LLC – 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: 1

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (pursuant to G.C. §54956.8)

Property: 7766 N. Palm Ave. Fresno, CA 93711

Agency Negotiators: Donald Kendig, Kenneth Price, Beau Plumlee and Brian Decker

Under Negotiation: Lease

8. 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 REAL PROPERTY NEGOTIATORS (pursuant to G.C. §54956.8)

Property: 1111 H Street, Fresno, CA 93721

Agency Negotiators: Donald Kendig, Kenneth Price

Under Negotiation: Sale

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

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

1. Gabe Horton
2. Lupe Flores
3. William Schmidt
4. Pamela Ray
5. Nouleck Insyarath

9. ORAL REPORTS:

A. Report out of Closed Session

7.A. No reportable action.

7.B. No reportable action.

8.A. No reportable action.

8.B. No reportable action.

8.C. No reportable action.

8.D.1. HORTON - **A MOTION WAS MADE BY TRUSTEE GOMEZ, SECONDED BY TRUSTEE BASUA, TO GRANT THE APPLICANT SERVICE CONNECTED DISABILITY BENEFITS. VOTE: UNANIMOUS. ABSENT: BAXTER, GARCIA, MAGSIG.**

8.D.2. FLORES - **A MOTION WAS MADE BY TRUSTEE GOMEZ, SECONDED BY TRUSTEE JOLLY, TO GRANT THE APPLICANT SERVICE CONNECTED DISABILITY BENEFITS. VOTE: UNANIMOUS. ABSENT: BAXTER, GARCIA, MAGSIG.**

8.D.3. SCHMIDT - A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE DOWELL, TO DENY THE APPLICANT SERVICE CONNECTED DISABILITY BENEFITS SUBJECT TO THE APPLICANT'S RIGHT TO REQUEST A HEARING IN ACCORDANCE WITH THE HEARINGS POLICY. THE BOARD GRANTED THE APPLICANT NON-SERVICE CONNECTED DISABILITY BENEFITS VOTE: UNANIMOUS ABSENT: BAXTER, GARCIA, MAGSIG.

8.D.4. RAY - A MOTION WAS MADE BY TRUSTEE GOMEZ, SECONDED BY TRUSTEE BASUA, TO GRANT THE APPLICANT SERVICE CONNECTED DISABILITY BENEFITS. VOTE: UNANIMOUS. ABSENT: BAXTER, GARCIA, MAGSIG.

8.D.5. INSYARATH - A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE JOLLY, TO GRANT THE APPLICANT NON-SERVICE CONNECTED DISABILITY BENEFITS. VOTE: UNANIMOUS. ABSENT: BAXTER, GARCIA, MAGSIG.

B. FCERA Administration

1. October is Breast Cancer Awareness month and staff will be wearing pink throughout the month.
2. The new office is open for business with just a few minor adjustments needed.

C. Board Counsel

Counsel had nothing to report.

D. Committee Reports

The Committee members had nothing to report.

E. Board Members

Trustee Jolly gave a brief summary of his recent on-site due diligence visits to Mondrian, PIMCO and IFM. A detailed written report was submitted for inclusion in the October 18th Regular meeting.

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

Donald C. Kendig, CPA
Secretary to the Board