

**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"

May 4, 2016

**REGULAR MEETING AGENDA
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	Dr. Rod Coburn, III	Alan Cade, Jr.
Vicki Crow	Robert Dowell	Eulalio Gomez
Steven Jolly	Mary Ann Rogozinski, Alternate	

Trustees Absent:

Gregory Baxter	Vacant Seat
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Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Becky Van Wyk, Assistant Retirement Administrator
Elizabeth Avalos, Executive Assistant
Maria Millburg, Retirement Communications Officer
Ken Price, Board Counsel
Craig Armstrong, Board Counsel
Jeffrey MacLean, Verus
Michael Kamell, Verus – via tele-conference
Louis Kleist, Verus – via tele-conference
Frances Coombes, WAMCO
Kurt Halvorson, WAMCO
Stephanie Lord, Loomis Sayles
Lisa Kastigar, Grosvenor

Members of the Public that Addressed the Board:

Robert Skowronski, FCERA Member

1. Call to Order

Chair Jolly called the meeting to order at 8:30 AM, noting that, in addition to the current vacancy, Trustee Baxter was absent.

2. Pledge of Allegiance

Recited.

3. Public Comment

Robert Skowronski, FCERA Member, commented on the Actuarial recommendations made at the March 16, 2016 Regular Board meeting, as well as his opposing views of Hedge Funds.

4. Consent Agenda

Trustee Cade pulled Consent Item 4.D. for discussion and Trustee Dowell pulled Consent Item 4.F. for comment.

A MOTION WAS MADE BY TRUSTEE CROW, SECONDED BY TRUSTEE GOMEZ, TO APPROVE/ACCEPT CONSENT ITEMS 4.A. THROUGH 4.C. AND 4.F. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – BAXTER)

- A. Approval of Retirements for April 2016 – **RECEIVED AND FILED; APPROVE**
- B. Public Records Requests and/or Retirement Related Correspondence – **RECEIVED AND FILED**
- C. FCERA Cash Flow Position as of March 2016 – **RECEIVED AND FILED**
- D. Budget Status for the Quarter Ended March 31, 2016 – **RECEIVED AND FILED**

Trustee Cade requested a written explanation of any material variances in expected costs to actual costs in future reports. Staff confirmed and indicated it would do so for all variances of 10% or \$10,000.

A MOTION WAS MADE BY TRUSTEE GOMEZ, TRUSTEE CADE, TO ACCEPT CONSENT ITEM 4.D. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – BAXTER)

- E. Receipt and Filing of Evaluation Report Letters of prior year (2015) performance for the General Investment Consultant, Fiduciary Counsel, and Actuary – **RECEIVED AND FILED**
- F. Receipt and Filing of RVK, Inc. Public Fund Universe Analysis Report for the Period Ending December 31, 2015 – **RECEIVED AND FILED**

In response to comments from Trustee Dowell regarding FCERA's noted ranking and positioning, Staff commented regarding our asset allocation relative to our peers and the effects of our allocations to commodities and International and Jeffrey MacLean, Verus, confirmed adding additional comments on FCERA's performance in relation to other SACRS Funds over the last 12 months.

Robert Skowronski, FCERA Member, commented on our assumed rate of return relative to our current performance.

A MOTION WAS MADE BY TRUSTEE DOWELL, SECONDED BY TRUSTEE CROW, TO ACCEPT CONSENT ITEM 4.F. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – BAXTER)

5. Minutes

- A. Consideration of the April 20, 2016 Retirement Board Regular Meeting Minutes

A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE BASUA, TO APPROVE ITEM 5.A. AS PRESENTED. VOTE: YES – BASUA, CADE, COBURN, DOWELL, JOLLY. ABSTAIN: CROW, GOMEZ – BOTH WERE ABSENT FROM THE 4/20/16 REGULAR MEETING. ABSENT: BAXTER

6. Discussion

- A. Review of Fixed Income Manager Structure

NO ACTION TAKEN, RECEIVED AND FILED

- B. Performance and Economic Summary Reports

- Investment-Grade Credit Market
- High Yield Fixed Income

NO ACTION TAKEN, RECEIVED AND FILED

- C. IFM Infrastructure Fund Currency Hedging Options

The Board directed Staff to schedule a second discussion for December 7, 2016 during the Regular meeting.

NO ACTION TAKEN, RECEIVED AND FILED

- D. Consideration of Hedge Fund Governance Structure

Robert Skowronski, FCERA Member, commented on the public's ability to examine and comment on the managers and fees.

A MOTION WAS MADE BY CHAIR JOLLY, SECONDED BY TRUSTEE CROW, TO APPROVE THE HEDGE FUND GOVERNANCE STRUCTURE AS PRESENTED. VOTE: UNANIMOUS (ABSENT – BAXTER)

- E. Consideration of the Retention of Alliance Resource Consulting for the Recruitment of an Assistant Retirement Administrator

Robert Skowronski, FCERA Member, commented on promoting from within and complimented Becky Van Wyk.

A MOTION WAS MADE BY TRUSTEE BASUA, SECONDED BY TRUSTEE GOMEZ, TO AUTHORIZE THE RETIREMENT ADMINISTRATOR TO ENTER INTO NEGOTIATIONS WITH ALLIANCE RESOURCE CONSULTING AND TO APPOINT 4 MEMBERS TO AN AD HOC ASSISTANT RETIREMENT ADMINISTRATOR SEARCH COMMITTEE AS RECOMMENDED. VOTE: UNANIMOUS (ABSENT – BAXTER)

THE AD HOC ASSISTANT RETIREMENT ADMINISTRATOR COMMITTEE MEMBERS, AS DESIGNATED BY THE CHAIR, INCLUDE LAURA BASUA, DR. ROD COBURN, VICKI CROW, AND EULALIO GOMEZ.

7. Closed Session:

- A. Consideration of Purchase or Sale of Particular, Specific Pension Fund Investments, pursuant to G.C. §54956.81 (two investments)

8. Oral Reports:

- A. Report out of Closed Session
 - 7.A. (investment one) No reportable action. The Board directed Staff to bring before the Board an item to consider a search for a Separate Account provider to provide management of FCERA's private equity and credit allocations at a future meeting..
 - 7.A. (investment two) No reportable action.
- B. FCERA Administration
 - 1. Staff noted recent additions/revisions made to the Board's Rolling Calendar.
 - 2. The Board will not meet on May 18, 2016 for its Regular meeting. However, an Audit Committee meeting is scheduled for May 18, 2016 at 8:30 AM with a Budget Committee meeting following immediately after.
- C. Board Counsel
 - Board Counsel had nothing to report.
- D. Committee Reports
 - Committee members had nothing to report.
- E. Board Members
 - Board members had nothing to report.

There being no further business, the meeting adjourned at 12:49 PM.

Donald C. Kendig, CPA
Secretary to the Board