

**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”

June 1, 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	Gregory Baxter	Dr. Rod Coburn, III
Robert Dowell	Eulalio Gomez	Steven Jolly
Mary Ann Rogozinski, Alternate		

Trustees Absent:

Alan Cade, Jr.	Vicki Crow	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
Ken Price, Board Counsel
Craig Armstrong, Board Counsel
Michael Kamell, Verus
Lisa Flores, County Counsel

Members of the Public that Addressed the Board:

Robert Skowronski, FCERA Member
Thomas Tusan, Attorney

1. Call to Order

Chair Jolly called the meeting to order at 8:40 AM, noting that, in addition to the current vacancy, Trustees Cade and Crow were absent.

2. Pledge of Allegiance

Recited.

3. Public Comment

Robert Skowronski, FCERA Member, expressed his opinions/views regarding FCERA'S current investment allocation and returns, and shared a comparison between Univac and IBM.

4. Consent Agenda

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

- A. Approval of Retirements for May 2016 – **RECEIVED AND FILED; APPROVED**
- B. Receipt and Filing of the April 2016 Activity Report – **RECEIVED AND FILED**
- C. Business Expense Account Statements for March and April 2016 – **RECEIVED AND FILED**
- D. FCERA Cash Flow Position as of April 2016 – **RECEIVED AND FILED**
- E. Public Records Requests and/or Retirement Related Correspondence – **RECEIVED AND FILED**
- F. Receipt and Filing of Educational Attendance Reports from Trustee Robert Dowell and Donald Kendig, Retirement Administrator – **RECEIVED AND FILED**
- G. Approval of Travel Request from Trustee Robert Dowell to attend the SACRS Public Pension Investment Management Program 2016 July 17-20, 2016 in Berkeley CA – **APPROVED**
- H. Approval of Direction to Verus to Conduct a Search for a Separate Account Provider to Provide Management of FCERA's Private Equity and Private Credit Allocations – **APPROVED**

5. Minutes

- A. Consideration of the May 4, 2016 Retirement Board Regular Meeting Minutes

A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE DOWELL, TO APPROVE ITEM 5.A. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

- B. Consideration of the May 18, 2016 Audit Committee Meeting Minutes – APPROPRIATE ACTION

A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE GOMEZ, TO APPROVE ITEM 5.B. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

- C. Consideration of the May 18, 2016 Budget Committee Meeting Minutes – APPROPRIATE ACTION

A MOTION WAS MADE BY TRUSTEE GOMEZ, SECONDED BY TRUSTEE DOWELL, TO APPROVE ITEM 5.C. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

6. Discussion

A. Review of Cash Overlay Request for Information (RFI) Results

The Board directed Staff to work with Verus to negotiate with Parametric on its fees.

Robert Skowronski, FCERA Member, expressed his opinion regarding automatic rebalancing. He does not think it is a good idea.

NO ACTION TAKEN

B. Review and approval of Hedge Fund Investment Guidelines

It was noted that Grosvenor will be present at the June 15, 2016 Regular meeting to discuss specific investments and review of legal documents. Donald Kendig, Retirement Administrator, will not be in attendance but will have Foster Pepper available for questions.

Vice Chair Coburn expressed concerns about Hedge Funds.

Robert Skowronski, FCERA Member, commented on 90 day T-bills, gains and losses, performance fees, current investments, and taxes on carried capital.

A MOTION WAS MADE BY CHAIR JOLLY, SECONDED BY TRUSTEE GOMEZ, TO APPROVE THE HEDGE FUND INVESTMENT GUIDELINES AS PRESENTED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

C. Review of Active Management Environment

REVIEWED

RECEIVED AND FILED

D. Quarterly Investment Reports, Period ended March 31, 2016

1. Research Report
2. Investment Performance
3. Guideline Compliance – NO EXCEPTIONS TO REPORT.

REVIEWED

RECEIVED AND FILED

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

The Board directed Staff to schedule training on the demographic aspects of investing and global economics at the Boards Off-site Educational meeting in October 2016..

The Board further directed Staff to secure Rob Arnot and/or Chris Bridgeman of PIMCO to provide information on the demographics of investing and a representative from Brandywine to provide educational information on global economics.

NO ACTION TAKEN

The Board heard Item 6.H. at this time.

- H. Consideration of Request for Authorization of Admission of Physician Testimony by way of Transcript in lieu of Personal Appearance and Excuse from the Requirement of Administrative Proceedings and Appeals Section V(8)(a) at Andres Rodriguez's hearing

A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE BASUA, TO AUTHORIZE THE ADMISSION OF PHYSICIAN TESTIMONY BY WAY OF TRANSCRIPT IN LIEU OF PERSONAL APPEARANCE. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

The Board directed Staff to schedule the Rodriguez for September 8, 2016.

- F. Consideration of the Fiscal Year 2016-17 FCERA Strategic Plan

A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE BAXTER, TO APPROVE THE PROPOSED 2016-17 STRATEGIC PLAN AS PRESENTED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

- G. Consideration of the Fiscal Year 2016-17 Proposed Budget; Fiscal Year 2015-16 Appropriations Transfer, and Linea Change Orders 2 and 3

A MOTION WAS MADE BY TRUSTEE GOMEZ, SECONDED BY TRUSTEE BASUA TO ADOPT THE PROPOSED BUDGET AS RECOMMENDED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

A MOTION WAS MADE BY TRUSTEE BASUA, SECONDED BY TRUSTEE BAXTER, TO APPROVE A TRANSFER OF \$10,000 BUDGETED IN THE FIXED ASSET ACCOUNT TO THE TRAINING AND TRAVEL – STAFF ACCOUNT FOR BUDGET YEAR 2015-16 AS PRESENTED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE DOWELL, TO APPROVE LINEA CHANGE ORDERS 2 AND 3 AS PRESENTED. VOTE: UNANIMOUS (ABSENT – CADE, CROW)

7. Closed Session:

- A. D Consideration of Purchase or Sale of Particular, Specific Pension Fund Investments, pursuant to G.C. §54956.81 (one investment): - APPROPRIATE ACTION(S)
- B. Disability Retirement Applications – Personnel Exception – pursuant to G.C. §54957: - APPROPRIATE ACTION(S)
1. Diane Glenn
 2. Yvonne Foster

8. Oral Reports:

A. Report out of Closed Session

- 7.A. DECISION – THE BOARD APPROVED THE DOCUMENTATION TO CONSUMMATE ITS APRIL BOARD MEETING DECISION TO PROVIDE AN ADDITIONAL \$30 MILLION COMMITMENT INCREASE TO HAMILTON LANE PRIVATE EQUITY FUND IX FOR A TOTAL COMMITMENT OF \$100 MILLION. M – GOMEZ. S - BAXTER VOTE: UNANIMOUS (ABSENT – CADE, CROW)**
- 7.B.1. DECISION – TO CORRECT THE YEARS OF GENERAL SERVICE FROM 7.5069 TO 7.45 FOR THE APPLICANT BASED ON THE AMENDED FINDINGS OF FACT AND DECISION. M – DOWELL. S – BASUA. VOTE: UNANIMOUS (ABSENT – CADE, CROW)**
- 7.B.2. NO REPORTABLE ACTION.**

B. FCERA Administration

1. Reviewed the updated Rolling Calendar.
2. Confirmed the Andres Rodriguez hearing for September 8, 2016.
3. A mid-day theft from the FCERA parking lot impacted an FCERA employee.
4. An agreement with Alliance Resource has been initiated for recruitment of the Assistant Retirement Administrator. Staff will work parallel with the County on a simultaneous recruitment.
5. Staff is conducting interviews for the Retirement Benefits Manager position. A selection should be made Friday, June 3, 2016.
6. Donald Kendig, Retirement Administrator, will be absent from the June 15, 2016 Regular meeting. Becky Van Wyk will staff the meeting in his place.
7. A Staff member terminated her employment and has accepted a private sector job with higher pay. Management continues to experience difficulty retaining staff.

C. Board Counsel

Craig Armstrong, Counsel, will attend the CALAPRS Attorneys' Roundtable on June 10, 2016.

D. Committee Reports

None.

E. Board Members

1. Trustee Dowell reported on his attendance at the Gerding Edlen Advisory Board meeting on May 26, 2016.
2. Trustee Gomez noted that he did not attend the SACRS Spring Conference due to a family emergency.

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

Donald C. Kendig, CPA
Secretary to the Board