

**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 5, 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 Basua	Gregory Baxter
Alan Cade, Jr.	Dr. Rod Coburn, III
Vicki Crow	Robert Dowell
Eulalio Gomez	Mary Ann Rogozinski, Alternate

Trustees Absent:

Steven Jolly	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
Kenneth Price, Board Counsel
Craig Armstrong, Board Counsel
Michael Kamell, Verus
Kristen Gasper, Eaton Vance
Craig Russ, Eaton Vance

Members of the Public that Addressed the Board:

Robert Skowronski, FCERA Member
Columba Mares, FCERA Member

1. Call to Order

Vice Chair Coburn called the meeting to order at 8:34 AM, noting that, in addition to the current vacancy, Chair Jolly and Trustee Crow were absent.

2. Pledge of Allegiance

Recited.

3. Public Comment

Robert Skowronski, FCERA Member, commented on the Grosvenor and direct Hedge Fund contracts and shared his views opposing an increased allocation to hedge funds.

Trustee Crow joined the Board at 8:35 AM, during Public Comment.

4. Consent Agenda

Vice Chair Coburn pulled Consent Item 4.F for discussion and Consent Item 4.B. on behalf of Robert Skowronski, FCERA Member.

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

- A. Approval of Retirements for September 2016 – **RECEIVED AND FILED; APPROVED**
- B. Receipt and Filing of Public Records Requests and/or Retirement Related Correspondence

Robert Skowronski, FCERA Member, commented on his recent records request submissions noting that he believes that the investment return rate is overly optimistic.

A MOTION WAS MADE BY TRUSTEE GOMEZ, SECONDED BY TRUSTEE DOWELL, TO APPROVE/ACCEPT CONSENT ITEM 4.B. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – JOLLY)

- C. Receipt and Filing of the FCERA Cash Flow Position as of August 2016 – **RECEIVED AND FILED**
- D. Approval of the Renewal of the Special Liability Insurance Program (SLIP) for the FCERA Administration Building for the period September 29, 2016 through September 29, 2017 - **APPROVED**
- E. Approval of Request for Proposal for Actuarial Services Short List – **APPROVED**
- F. Receipt and Filing of Waddell & Reed, AJO, and DFA Comparative Holdings Analysis

Vice Chair Coburn requested a comparison of actual returns of the domestic equity strategies. Verus will provide an updated report to Staff for forwarding to the Board.

A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE CADE, TO APPROVE/ACCEPT CONSENT ITEM 4.F. AS PRESENTED. VOTE: UNANIMOUS (ABSENT – JOLLY)

- G. Receipt and Filing of Correspondence from Harvey Leiderman and Jeffrey Rieger of Reed Smith expressing Appreciation for the Excellent Service to FCERA and the Excellent Relationship with Reed Smith – **RECEIVED AND FILED**

5. Minutes

- A. Consideration of the September 21, 2016 Retirement Board Regular Meeting Minutes

Staff will make a correction to Consent Item 4 noting Trustee Basua as the second to Trustee Dowell's motion to approve.

A MOTION WAS MADE BY TRUSTEE GOMEZ, SECONDED BY TRUSTEE CROW, TO APPROVE/ACCEPT ITEM 5.A. WITH NOTED CHANGES. VOTE: YES – BASUA, BAXTER, COBURN, CROW, DOWELL, GOMEZ. ABSTAIN – CADE (ABSENT FROM 9/21/16 MEETING) (ABSENT – JOLLY)

6. Discussion

- A. Receipt and Filing of Eaton Vance Investment Update

The Board heard a presentation from Kristen Gasper and Craig Russ of Eaton Vance which included a review of the firm's philosophy, organizational structure, and investment strategy.

Mr. Russ commented on the market environment and its impact on the Plan's investment returns since inception.

Mr. Russ and Ms. Gasper addressed various comments and questions from the Board and public in regard to the Plan's overall investment performance and market environment going forward.

Verus will return to the Board with a recommendation on whether to invest in the plus program and how much to allocate should the Board decide to invest.

NO ACTION TAKEN

- B. Consideration of Transition Manager Services Selection

Michael Kamell of Verus provided historical context and recommendation for pre-approved vendor list with respect to transition management services to coincide with Verus' approved transition management providers.

The recommended vendor list includes Citigroup Global, Russell Investments, Northern Trust, and Penserra Capital. Verus recommends that FCERA leverage Verus' existing efforts over the last 12-18 months in developing this standard bench of preapproved Transition Management providers.

A MOTION WAS MADE BY TRUSTEE BAXTER, SECONDED BY TRUSTEE BASUA, TO APPROVE THE RECOMMENDED PRE-APPROVED TRANSITION MANAGEMENT VENDOR LIST AS PRESENTED. VOTE: UNANIMOUS (ABSENT – JOLLY)

C. State Association of County Retirement Systems (SACRS) Legislative Items

Donald Kendig, Retirement Administrator, informed that Board that he commented to and requested that California Strategies relay to the SACRS Legislative Committee that the Merced legislation would also affect FCERA potentially allowing SACRS sponsorship since FCERA also does not have an alternate Safety member.

The Ventura Item will not be sponsored by SACRS because AB 1853 was vetoed by the Governor.

NO ACTION TAKEN

D. Presentation of Plaque to Trustee Vicki Crow in Appreciation of her more than 13 Years of Dedicated Service to the Fresno County Employees' Retirement Association

Trustee Crow was presented with plaque expressing appreciation for her service to the members of the Association. The Board and Staff thanked her for her dedication.

7. Closed Session:

The Board heard from Columba Mares prior to moving to Closed Session where she continued her oral presentation.

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

1. Columba Mares

8. Oral Reports:

A. Report out of Closed Session

7.A.1. Mares – **Decision** – Grant Service Connected Disability benefits with an effective date of January 22, 2015, which is the day following the last date paid, based on the Findings of Fact and Decision including Dr. Butler's evaluation and the Applicant's medical and personnel records.

MOTION – GOMEZ. SECOND – BASUA. VOTE: UNANIMOUS (ABSENT – JOLLY)

B. FCERA Administration

1. Due to the lack of a quorum, the Andres Rodriguez hearing will not be heard in October. Staff has solicited availability for November 18 and 29, 2016 via Doodle.
2. Staff was informed that Oscar Garcia will replace Vicki Crow as ACTTC effective October 17th. Staff will extend an invitation to the Annual Educational Off-site meeting and schedule an orientation with the Administrator to review Trustee duties.
3. The Grosvenor Better Futures Fund was funded at \$150 million last month.
4. The new FCERA offices are 25% complete.
5. Staff will offer training in the future on the new electronic submission of FPPC Form 700's.

C. Board Counsel

Craig Armstrong will attend the Educational Off-site meeting on October 19th and Kenneth Price with attend on October 20th.

D. Committee Reports

Personnel Committee Chair noted that the Retirement Administrator evaluation forms were distributed. The deadline to return the completed forms is October 20th.

E. Board Members

Nothing to report.

There being no further business, the meeting adjourned at 10:04 AM.

Donald C. Kendig, CPA
Secretary to the Board