

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

April 21, 2010

Trustees Present:

Michael Cardenas
Eulalio Gomez
Phil Larson

Nick Cornacchia
James Hackett
John Souza

Franz Criego
Steve Jolly

Trustees Absent:

Vicki Crow

Others Present:

Ronald S. Frye, Alternate Trustee
Carol Sheela, FCERA Member
Michael Cunningham, FCERA Member
Thanaphat Srisukwatana, Systems & Procedures Analyst
Susan Coberly, Senior Deputy County Counsel
Roberto L. Peña, Retirement Administrator
Becky Van Wyk, Assistant Retirement Administrator
Elizabeth Avalos, Administrative Secretary

1. Call to Order

Chair Gomez called the meeting to order at 8:33 AM.

2. Pledge of Allegiance

Recited.

3. Presentation of Plaque to Carol Sheela for her more than twenty-seven years of dedicated service to the Fresno County Employees' Retirement Association.

Roberto L. Peña, Retirement Administrator, presented Carol Sheela with a plaque and thanked her for her more than twenty-seven years of dedicated service to the Fresno County Employees' Retirement Association. Ms. Sheela thanked the FCERA Staff and Board and commented on her years with FCERA.

4. Public Presentations

None.

Consent Agenda/Opportunity for Public Comment

A motion was made by Vice Chair Hackett, seconded by Trustee Souza, to Approve Consent Agenda Items 5-12. VOTE: Unanimous (Absent – Crow)

***5. Approve the April 7, 2010 Retirement Board Regular Meeting Minutes**

RECEIVED AND FILED; APPROVED

***6. Summary of monthly statistics from the Retirement Association Office on service credit purchases, retirement benefit estimates, public service, age adjustments, final compensation calculations, and disability retirement applications for March 2010**

RECEIVED AND FILED

***7. Public Records Requests and/or Retirement Related Correspondence from Tristan Gitman, Joseph Capital LLC; Gary Anderson, FCERA Member; Parker Point Capital Team, Parker Point Capital LLC; Dick Estel, Retired Employees of Fresno County; Jakema Lewis, Investment Management Weekly; Rita Deubner, FCERA Member; Justin Ferrier, Myo Capital Advisers Limited; Landry Haarmann The Financial Times; Yvonne Maldonado, FCERA Member; James Perkins, Benedetto Gartland & Co.; Carl Winfield, Money Management Letter; Barbara Swarts, FCERA Member; Yadira Vazquez, Merced CERA; Stirling Bornar, Fortress Group, Inc.; and Ron Madsen, FCERA Member**

RECEIVED AND FILED

***8. Update of Board of Retirement directives to FCERA Administration**

RECEIVED AND FILED

***9. Board Communications**

RECEIVED AND FILED

***10. Administration's response to a request from Board of Supervisor Chair Judy Case regarding the employer contribution rates for the UAAL for the years June 30, 2000 through June 30, 2009**

RECEIVED AND FILED

***11. Quarterly Trustee Travel and Anticipated Travel Report**

RECEIVED AND FILED; APPROVED

***12. Travel Advance Requests from Chair Gomez, Trustees Criego & Souza, and Roberto L. Peña, Retirement Administrator, in the amount of \$567.00 (each for hotel accommodations) to attend the 2010 SACRS Spring Conference on May 11-14, 2010**

RECEIVED AND FILED; APPROVED

13. Discussion and appropriate action on Selection Process for an Information Technology consultant to assist with the implementation of the IT Roadmap projects presented by Roberto L. Pena, Retirement Administrator

Roberto L. Peña, Retirement Administrator, opened discussions by reminding the Board that on April 15, 2009 Administration presented a complete I.T. Roadmap document created by Linea Solutions. The I.T. Roadmap detailed key I.T. related projects that FCERA will overtake in the next five years, including:

- Pensions Administration System Upgrade
- Electronic Document Management System
- Disaster Recovery/Business Continuity Plan
- Workflow Automation
- Web Self Service/Member Portal
- General Ledger Upgrade

Mr. Peña noted that Administration strongly believes that the best approach for completing these projects is to have one consultant assist with all the remaining projects for stability and continuity of the various projects, there will be less down-time as the consultant will know FCERA's processes very well and some of the projects can be done concurrently. Contracting with a single consulting firm can aid Administration with the smooth coordination and implementation of each project.

Mr. Peña reminded the Board that on July 15, 2009, FCERA selected Linea Solutions to assist with the General Ledger upgrade project with the intention of identifying a consultant to use for the remaining projects at a later time. This has provided staff with the opportunity to evaluate the strengths of Linea Solutions and the opportunity to find out if Administration can work and develop a team concept approach with Linea Solutions. Mr. Peña noted that the working relationship with Linea Solutions is excellent and that their work product and ethic have been favorable.

Administration believes that, although FCERA has a good working relationship with Linea Solutions, given the size and scope of the upcoming projects FCERA would best be served by evaluating the top consultants in the field to determine which firm is best suited for FCERA to work with on the remaining projects included in the roadmap.

As a result, Administration drafted an email survey that was distributed to other 1937 act systems and some other retirement associations in California requesting the names of the consulting firms used on various I.T. projects. Mr. Peña noted that the vast majority of responses indicated that two firms, Linea Solutions and LR Wechsler, were used most often for these types of I.T. projects.

Based on the survey, Administration is recommending that the Board invite Linea Solutions and LR Wechsler to make a presentation that would focus on their strengths and experiences in assisting with similar types of projects, including a discussion of the

team members that will be assigned, and an estimated cost for their services over the period of the project.

In response to a question from Trustee Cornacchia regarding whether the costs for the consultant were included in the original I.T. Roadmap cost projections, Mr. Peña noted that the costs were included.

In response to a question from Vice Chair Hackett regarding whether Administration considered any other factors in addition to the survey in selecting the recommended firms, Mr. Peña noted that Administration had also contacted various peer retirement agencies regarding their working relationship with the firms. Becky Van Wyk, Assistant Retirement Administrator, also noted that an extensive review of Linea Solutions and LR Wechsler was performed when the responses to the Request for Proposal for the IT Roadmap were evaluated. During that process, Linea Solutions and LR Wechsler were rated the top two of the respondents.

A motion was made by Trustee Jolly, seconded by Trustee Souza, to Accept Administration's recommendation to invite Linea Solutions and LR Wechsler to make presentations that would focus on their strengths and experiences in assisting with similar types of projects, including a discussion of the team members that will be assigned, and an estimated cost for their services over the period of the project. VOTE: Unanimous (Absent – Crow)

RECEIVED AND FILED; APPROVED

14. Discussion and appropriate action on draft letter to the Board of Supervisors requesting that FCERA be included in discussions of any retirement benefit proposals prior to adoption by the Board of Supervisors

Roberto L. Peña, Retirement Administrator, opened discussions by reminding the Board of a request made by Trustee Jolly that Administration draft a letter to the County Administrator requesting that FCERA be included in future discussions about potential retirement benefits prior to their adoption.

Mr. Peña referred to the draft letter and requested the Board's input/comments.

Trustee Jolly thanked Administration for its efforts in drafting the letter and noted that the letter captures his intention as requested.

A motion was made by Trustee Jolly, seconded by Trustee Criego, to Approve the letter as presented. VOTE: Unanimous (Absent – Crow)

RECEIVED AND FILED; APPROVED

15. Discussion and appropriate action on whether to implement the County of Fresno Mandatory Furlough program for the FCERA staff presented by Roberto L. Peña, Retirement Administrator

Roberto L. Peña, Retirement Administrator, opened discussions by reminding the Board of its May 6, 2009 decision to approve the implementation of the furlough program for the FCERA staff for, what he believes, the current fiscal year only.

Mr. Peña noted that last year, on March 24, 2009, the Board of Supervisors confirmed the decision of the County Administrative Officer to activate Personnel Rule 12, Section 12060 – Mandatory Furlough in Fiscal Year 2009-10 and future fiscal years for certain bargaining units and non-elected department heads, management (including Senior Management) and unrepresented employees.

Mr. Peña reviewed the composition and representation of FCERA's staff is as follows:

1. Office Assistants and Account Clerks, Bargaining Unit 12, represented by SEIU Local 521
2. Supervising Account Clerk II, Bargaining Unit 36, represented by SEIU Local 521
3. Accountants (excluding the Supervising Accountant), Bargaining Unit 19, represented by Professional Association of Employees (PAE)
4. Retirement Coordinators, Retirement Coordinator Supervisor, Administrative Secretary, Supervising Accountant and Systems and Procedures Analyst - Unrepresented employees
5. Assistant Retirement Administrator and Retirement Benefits Manager - Senior Management.
6. Retirement Administrator - Department Head

Chair Gomez and Trustee Souza expressed their concerns that, due to the limited number of FCERA staff, members will be negatively impacted by the furlough.

Trustee Criego stated that he is opposed to the mandatory furlough program because there are no studies that demonstrate any net County savings as a result of implementing the mandatory furlough program. However, employees should be given the option of participating in the voluntary furlough program.

Mr. Peña clarified that, should the Board decide to not have FCERA staff participate in the mandatory furlough program, those FCERA staff represented by a bargaining unit will be required to participate in the program if negotiated by their representatives.

In response to the comment from Trustee Criego regarding voluntary furlough, Mr. Peña noted that staff will have the option to participate in the voluntary furlough program which was adopted by the County several years ago. Under this program, employees may request up to 120 hours of unpaid leave per year with the loss of pay spread over 26 pay periods. Department Heads are mandated to establish the maximum amount of hours that could be taken by employees within their respective departments based on workload needs. FCERA Administration has always set the limit at 80 hours. Historically, two or three FCERA employees elected to participate in the program. Administration will continue to allow up to 80 hours of voluntary furlough, which is in addition to the mandatory furlough, for eligible employees.

A motion was made by Trustee Souza, seconded by Chair Gomez, to not require FCERA staff to participate in the County's mandatory furlough program. VOTE: Unanimous. Recuse – Larson (Absent – Crow)

Trustee Jolly noted that he would like to abstain from the vote because he does not know enough about the furlough process/issue to make an educated decision.

A motion was made by Trustee Jolly, seconded by Chair Gomez, to reconsider the motion. VOTE: Unanimous (Absent – Crow)

A motion was made by Trustee Souza, seconded by Chair Gomez, to not require FCERA staff to participate in the County's mandatory furlough program. ROLL CALL VOTE: Yes – Cardenas, Criego, Hackett, Souza, Gomez. Recuse – Larson. Abstain - Cornacchia, Jolly. (Absent – Crow) MOTION PASSED.

RECEIVED AND FILED; APPROVED

16. Discussion and appropriate action on Records Retention Policy presented by Becky Van Wyk, Assistant Retirement Administrator

Becky Van Wyk, Assistant Retirement Administrator, opened discussions by reminding the Board that FCERA's current Record Retention Policy was adopted by the Board on December 6, 1995. In addition, the Board of Supervisors approved a Records Retention Schedule for FCERA on January 22, 2002. Because of the age of the policy, Administration is seeking the Board's input on the policy and record retention schedule, before destroying any records under the existing policy.

Ms. Van Wyk noted that no original records have been destroyed under the Records Retention Schedule adopted by the Board of Supervisors due to the special projects that have arisen since that time. However, before undertaking the actual destruction process, Administration felt it would be a good time to have the Board and its fiduciary counsel review the existing policy to ensure that it is as complete as possible and that it complies with current law.

In addition, Ms. Van Wyk noted that FCERA staff is currently inventorying all records, housed both on and off-site, to identify records that are eligible for destruction and to insure that the Records Retention Schedule accurately identifies all records in FCERA's possession. Some items that have been noted as not being on the listing are electronic records including e-mails, letters, schedules, and reports and recordings of Board meetings; Requests for Proposals/Quotes and responses; litigation files; correspondence to/from the Administrator and or Board members; Form 700 filings; and public requests for information, to name a few.

Based on the Board's input/comments, Administration will revise the policy and record retention schedule for approval by the Board at a future meeting.

In response to a question from Vice Chair Hackett regarding using an electronic filing system, Ms. Van Wyk noted that such a system will be implemented in the future as part of the I.T. Roadmap projects.

In response to a question from Chair Gomez regarding the length of time that the Board minutes are kept, Ms. Van Wyk noted that the minutes are kept indefinitely (forever).

A motion was made by Trustee Larson, seconded by Trustee Criego, to obtain a legal analysis and recommendation on the policy and schedule and to authorize the destruction of the deceased records more than five years old. VOTE: Unanimous. (Absent – Crow)

RECEIVED AND FILED; APPROVED

17. Discussion and appropriate action on the establishment of a BLOG and draft BLOG Policy presented by Becky Van Wyk, Assistant Retirement Administrator, and Thanaphat Srisukwatana, Systems & Procedures Analyst

Becky Van Wyk, Assistant Retirement Administrator, opened discussions by reminding the Board that on January 6, 2010, she reported that the Stakeholder Relations Program task force has been researching the establishment of a blog as a method of obtaining input from stakeholders. She noted that establishing a blog within the County's network is fairly easy, but would limit input to only County employees. Thus, the task force looked into other avenues for the blog. Two possible hosts were identified for a blog and it was determined that wordpress.com would provide the greatest benefit as it is easy to use and update and has allows unlimited users.

Thanaphat Srisukwatana, Systems & Procedures Analyst, gave a brief demonstration of the proposed BLOG noting the review process for approving or denying comments prior to posting on the BLOG.

In response to a question from Chair Gomez regarding whether any 1937 Act Counties offer a BLOG forum, Mr. Srisukwatana stated that, to his knowledge, none offer this type of communication forum.

In response to a question from Vice Chair Hackett regarding the types of comments that will be approved for posting, Mr. Peña noted that all comments, positive or negative, will be posted. However, Administration will omit any comments with derogatory or false statements prior to posting.

In response to a question from Trustee Souza regarding the costs and staff time that will be utilized to monitor the BLOG, Ms. Van Wyk noted that having a blog is not expense free, although there is no cost to host the blog at this location currently. The expense will be for staff to read, moderate, approve and update the blog. There is no way of anticipating the time. However, if the participation is similar to that experienced when the website was established, high traffic is expected for the first couple of months and then a gradual reduction in postings.

Trustee Cornacchia and Chair Gomez expressed support for the BLOG noting that it is an important communication tool.

Trustee Criego expressed concern that the BLOG will be time consuming, have a mandatory minimum cost (staff monitoring time), and will have issues related to time sensitive issues and suggested, because it is not a necessity, that the issue be delayed until a time when the economic situation improves.

Trustee Jolly expressed concern that the retirement issues are too complex to be discussed in this type of forum. In addition, there may risks involved in not answering questions completely and accurately.

Roberto L. Peña, Retirement Administrator, expressed support for the BLOG, noting that it will enhance the communications with members. However, should the BLOG prove to be too complex or unsuccessful, Administration will have the authority to remove it at any time.

Detailed discussions ensued on the pros and cons of using an open forum for discussion. Ms. Van Wyk noted that the BLOG is intended to be used as a tool for gathering input from the FCERA members and public.

A motion was made by Trustee Criego, seconded by Chair Gomez, to Approve the FCERA Web Logs Policy as presented.

Trustee Jolly commented on the Board's current Communication Policy and inquired whether comments/answers will be presented to the Board for approval prior to posting on the BLOG. The question was unanswered.

Chair Gomez restated the motion as follows:

To Approve the FCERA Web Logs Policy as presented. ROLL CALL VOTE: Yes – Cardenas, Cornacchia, Hackett, Gomez. No – Criego, Jolly, Larson, Souza. (Absent – Crow) Motion failed.

RECEIVE AND FILED; APPROVED

Roberto L. Peña, Retirement Administrator, pulled Closed Session Agenda Item 18.B.1 as there was nothing to discuss.

18. Closed Session:

- A.** Conference with Legal Counsel – Proposed Litigation – pursuant to G.C. §54956.9(c)
- B.** Conference with Real Property Negotiators – pursuant to G.C. §54956.8

1. Property: 1713 Tulare Street, Fresno, CA 93721
Agency Negotiators: Brian Decker of Colliers Tingey

Trustee Larson departed at 9:44 AM.

19. Report from Closed Session

- 18.A. Nothing to Report.
- 18.B.1. Pulled.

20. Report from FCERA Administration

Roberto L. Peña, Retirement Administrator, reported on the following:

1. Kelly Prinz joined the FCERA team as the Retirement Benefits Manager. Ms. Prinz comes to FCERA with over 11 years experience with the Auditor-Controller/Treasurer-Tax Collector's Office.
2. Due to the light agenda, the Small Cap Value presentations will be scheduled for the May 5, 2010 Regular Board Meeting.

21. Report from County Counsel

Susan Coberly, Senior Deputy County Counsel, had nothing to report.

22. Board Member Announcements or Reports

In response to a comment from Trustee Souza regarding the poor quality of the Boardroom projection system, Becky Van Wyk, Assistant Administrator, noted that Administration is working to correct the issue.

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

Roberto L. Peña
Secretary to the Board