

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

September 15, 2010

Trustees Present:

Michael Cardenas
Vicki Crow
Phil Larson

Nick Cornacchia
Eulalio Gomez
John Souza

Franz Criego
Steven J. Jolly

Trustees Absent:

James E. Hackett

Others Present:

Ronald S. Frye, Alternate Trustee
Susan Coberly, Senior Deputy County Counsel
Roberto L. Pena, Retirement Administrator
Becky Van Wyk, Assistant Retirement Administrator
Elizabeth Avalos, Administrative Secretary

1. Call to Order

Chair Gomez called the meeting to order at 8:36 AM.

2. Pledge of Allegiance

Recited.

3. Public Presentations

None.

Consent Agenda/Opportunity for Public Comment

A motion was made by Trustee Souza, seconded by Trustee Larson, to Approve Consent Agenda Items 4-13. VOTE: Unanimous (Absent – Cardenas, Hackett)

- *4. 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 August 2010**

RECEIVED AND FILED

- *5. Public Records Requests and/or Retirement Related Correspondence from Kerry McCants, FCERA Member; Gregory Mack, Los Angeles Fire & Police Pensions; Franz Criego, FCERA Member; Christopher Smith, The Financial Times; Ryan Delaney, Camden Asset Management; Akira Suzuki, Sumitomo Mitsui Asset Management Company; Jakema Lewis, Source Media; Carl Winfield, Money Management Letter; Peter Jarman, Fort Washington Capital Partners Group; Stephanie Hoppe, RAB Capital; Brad Branan, Fresno Bee; Camilla Love, Perennial Investment Partners; Leland Scholey, Federated Global Institutional Sales; Kenneth Tollmann, Morgan Stanley Investment Management; Laura Weeks, Acadian Asset Management; and Aaron Enz, Sustainable World Capital**

RECEIVED AND FILED

- *6. Update of Board of Retirement directives to FCERA Administration**

RECEIVED AND FILED

- *7. Educational Reading Materials**

- August 27, 2010 The Wall Street Journal article – *Public Pensions and Our Fiscal Future*
- August 29, 2010 Daily News article – *Paul Weber: Public employee pension 'reform' recipe for disaster*
- September 1, 2010 Asset International article – *Pay Scandals Encourage CA Bill to Tackle Inflated Pensions*
- September 2010 Asset International article – *A Shiny New Pension Toy*
- September 2010 Asset International article – *Navigating a Public Pension*
- September 2010 Asset International article – *The Last American Hero Manages a Pension Fund in West Virginia*
- September 2010 The Monitor Newsletter
- Summer 2010 SACRS Magazine
- CALAPRS Trustees' Roundtable ~ Friday, October 15, 2010, San Diego, CA

RECEIVED AND FILED

- *8. Travel Advance requests from Chair Eulalio Gomez and Trustee John Souza in the amounts of \$603.00 to attend the SACRS Fall Conference 2010 in Universal City, CA on November 9-12, 2010**

RECEIVED AND FILED; APPROVED

- *9. Service Agreement with Small World Solutions, LLC to provide death auditing services and/or address services**

RECEIVED AND FILED

- *10. Notification from the Segal Company that their Benefits Consulting unit will respond to Fresno County Superior Court’s Request for Information (RFI) for Benefits/Payroll Consultant**

RECEIVED AND FILED; APPROVED

- *11. Special Liability Insurance Renewal for the FCERA Administration building**

RECEIVED AND FILED; APPROVED

- *12. Special Liability Insurance Renewal for the Fresno Station Business Center**

RECEIVED AND FILED; APPROVED

- *13. Actuarial Audit Contract with EFI**

RECEIVED AND FILED; APPROVED

- 14. Discussion and appropriate action on SACRS Lobbying team recommended “Sample AB 609 Letter of Support to the Governor” requesting the Governor to sign the bill recently passed by the Assembly**

Roberto L. Peña, Retirement Administrator, opened discussions by stating that Administration received a request from the SACRS Administration requesting that FCERA prepare a letter to the Governor that supports the passing of AB 609.

Mr. Peña noted that the new bill increases the annual administrative budget cap by, among other things, changing the cap from the current 18 basis points “total assets” to a 21 basis points of the “accrued actuarial liability”. It also excludes information technology (IT) and computer expenditures from the administrative cap.

AB 609, if signed into law by the Governor, will provide the 1937 retirement systems with much needed flexibility to deal with unexpected administrative needs to properly discharge their legally required responsibilities. Mr. Peña presented a spreadsheet estimating the impact of AB 609 to the FCERA administrative budget and a copy of AB 609 bill.

Mr. Peña presented a sample AB 609 letter of support prepared by the SACRS Lobbying team and recommended that the Board authorize the Retirement Administrator to sign the recommended letter to the Governor.

A motion was made by Trustee Crow, seconded by Trustee Larson, to authorize the Retirement Administrator to sign the recommended letter to the Governor as presented. VOTE: Yes – Criego, Crow, Gomez, Jolly, Larson, Souza. No – Cornacchia. (Absent – Cardenas, Hackett)

RECEIVED AND FILED; APPROVED

15. Discussion and appropriate action on determination of County of Fresno Earn Code CBH (Call Back – Work From Home)

Roberto L. Peña, Retirement Administrator, opened discussions by reminding the Board that, as required by GC§ 31461 and as in previous cases of new earn codes adopted by plan sponsors, the Board must determine if earn code CBH (Call Back – Work From Home) should be included as compensation earnable.

This earn code (CBH), which did not exist prior to the establishment of the Settlement Agreement, is for working from home outside of the normal work day, is paid at time and a half (akin to overtime pay scale) and is similar to existing non-pensionable earn codes for call back. The difference here is that call back normally includes a return to the work site.

Mr. Peña recommended that, based on the earn code description provided by the County as stated in the MOU, the Board determine the earn code CBH to be non-pensionable effective August 23, 2010.

A motion was made by Trustee Crow, seconded by Chair Gomez, to approve the recommendation as presented. VOTE: Unanimous (Absent – Cardenas, Hackett)

RECEIVED AND FILED; APPROVED

Trustee Cardenas joined the Board at 8:46 AM.

16. Presentation of staff estimated cost to process the Dues Deductions for the Retired Employees of Fresno County (REFCO)

Roberto L. Peña, Retirement Administrator, opened discussions by reminding the Board that, as directed, FCERA Staff began tracking the time it takes to process the dues for the Retired Employees of Fresno County (REFCO).

Mr. Peña noted that, on average, FCERA staff spends between seven and eight hours each month processing the dues deduction for REFCO for an approximate cost of between \$297 and \$338.

NO ACTION TAKEN

Roberto L. Peña, Retirement Administrator, pulled Closed Session Item 17.A.1. as there was nothing to discuss.

17. Closed Session:

A. Conference with Legal Counsel – Actual Litigation - pursuant to G.C. §54956.9(a)

1. *Geraldine Chisom, et al. v. Board of Retirement, etc., et al., Fresno County Superior Court Case No. 10 CECG 02372*

- B. Conference with Legal Counsel – Potential Litigation – pursuant to G.C. §54956.9(c) – possible initiation of litigation (three cases)
- C. Conference with Legal Counsel – Potential Litigation – pursuant to G.C. §54956.9 (b)(3)(C) – Claim for damages by NOAH, Inc./Frank S. Johnson (claim is available for public inspection)
- D. 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
- E. Disability Retirement Applications – Personnel Exception (G.C. §54957):
 - 1. Rudolph Gutierrez

18. Report from Closed Session

17.A.1. Pulled.

17.B. The Board adopted a Resolution authorizing the Administrator to determine whether it is in the best interest of FCERA to join as a named plaintiff in the class action suit entitled Toyota Securities Litigation. A copy of the adopted Resolution is available upon request as a public record. **M – Souza. S – Gomez. VOTE: Yes - Cardenas, Cornacchia, Criego, Crow, Gomez, Larson, Souza. No – Jolly. (Absent –Cardenas)**

17.C. The Board approved a Claim for Damages in the amount of \$1,055.00 with a Wavier of Release. **M – Gomez. S – Larson. VOTE: Unanimous. (Absent – Hackett)**

17.D. Nothing to Report.

17.E.1. The Board agreed to deny Rudolph Gutierrez service-connected disability retirement benefit.

19. Report from FCERA Administration

Roberto L. Pena, Retirement Administrator, had nothing to report.

20. Report from County Counsel

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

21. Board Member Announcements or Reports

The Board Members had nothing to report.

There being no further business the meeting adjourned at 9:26 AM.

Roberto L. Peña
Secretary to the Board