

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

BOARD RETREAT

October 20 – 21, 2010 – 9:00 AM

Trustees Present:

Michael Cardenas
Vicki Crow
Phil Larson

Nick Cornacchia
Eulalio Gomez
John Souza

Franz Criego
Steven Jolly

Trustees Absent:

James E. Hackett

Others Present:

Ronald S. Frye, Alternate Trustee
Michael Cunningham, FCERA Member
Ron Madsen, FCERA Member
Paul Angelo, The Segal Company
Andy Yeung, The Segal Company
Jeffrey Rieger, Reed Smith
Kelly Prinz, Retirement Benefits Manager
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 9:11 AM.

2. Public Presentations

None.

Consent Agenda/Opportunity for Public Comment

Roberto L. Peña, Retirement Administrator, pulled Consent Agenda Item 9 for discussion.

A motion was made by Trustee Souza, seconded by Trustee Crow, to Approve Consent Agenda Items 3-8. VOTE: Unanimous (Absent – Criego, Hackett)

***3. Approval of the October 6, 2010 Retirement Board Regular Meeting Minutes**

RECEIVED AND FILED; APPROVED

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

RECEIVED AND FILED; APPROVED

***5. Public Records Requests and/or Retirement Related Information Requests from Jojon Tamir MMI Investments, LP; Johanna Gordon, Bain Capital, LLC; Jakema Lewis, Source Media; Brad Tribsch, Central Valley Fund; Brand Hughes, MERCER; David Hunter, Partners Group, Inc.; Donna Bonnel, Sacramento Regional Transit District; Gene Freeman, IPREO; Richard Guay, Montrusco Bolton Investments, Inc.; Ken Wallace, Industry Ventures LLC; Shirley Carlson, REFCO; and Peter Dabrowski, Tano Capital LLC**

RECEIVED AND FILED

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

RECEIVED AND FILED

***7. Educational Reading Materials**

RECEIVED AND FILED

- September 6, 2010 Pensions & Investments article – *Rate assumptions go under the microscope*
- September 10, 2010, Robert Palmer, SACRS Interim Director correspondence – *Pension Accounting and Financial Reporting by Employers*
- September 16, 2010 Robert Palmer, SACRS Interim Director correspondence – *Participation in NASRA Response to GASB PV No. 34*
- September 17, 2010 Paul Angelo, Conference of Consulting Actuaries Public Plans Committee correspondence – *GASB PV No. 34*
- October 3, 2010 latimes.com article – *Despite vetoes, pension limits are still possible*
- October 5, 2010 PlanSponsor.com article – *Workers Willing to Pay More for Guaranteed Retirement Benefits*
- October 6, 2010 The Washington Post article – *Government workers' pensions no longer sacred*
- October 9, 2010 Rockford Register Star article – *Investment shift could pay off for pensions*
- October 13, 2010 Forbes.com article – *401ks: America's Biggest Investment Fraud Was Foreseen and Preventable*
- October 13, 2010 Asset International – *Law Firm Manatt Phelps & Phillips Settles Role in NY Pension Investigation*
- October 2010 The Monitor Newsletter

***8. SACRS 2011 Proposed Legislation**

RECEIVED AND FILED

***9. Certification of John P. Souza as Duly Nominated and Unopposed for Election as Retired Member Representative on the Board of Retirement. Approve request to place certification on the Board of Supervisors' November 9, 2010 Agenda**

Roberto L. Peña, Retirement Administrator, congratulated Trustee John Souza on his appointment to the Board of Retirement for a term expiring December 31, 2013.

A motion was made by Trustee Souza, seconded by Trustee Jolly, to Approve Consent Agenda Item 9 as presented. VOTE: Unanimous (Absent – Criego, Hackett)

RECEIVED AND FILED; APPROVED

Trustee Criego joined the Board at 9:17 AM.

10. EDUCATIONAL PRESENTATIONS

A. Presentation on FCERA's Funding Policy presented by Paul Angelo and Andy Yeung, The Segal Company

The Board heard a presentation by Paul Angelo and Andy Yeung, The Segal Company, on FCERA's Funding Policy. The presentation included a high level review of the policy based on established practices and written policy documents.

Detailed discussions, questions, and comments ensued regarding FCERA's funding and asset valuation methods and the current Amortization Policy.

NO ACTION TAKEN

RECEIVED AND FILED

B. Presentation on GASB Preliminary Discussion on Pension Accounting-Obligations & Liabilities presented by Paul Angelo and Andy Yeung, The Segal Company

The Board heard a presentation by Paul Angelo and Andy Yeung, The Segal Company, on the GASB Preliminary Discussion on Pension Accounting-Obligations & Liabilities.

Detailed discussions, questions, and comments followed regarding the impact on the plan sponsors should changes occur to the accounting or funding methods used in determining the liabilities and ultimate funding ratio of the plan.

NO ACTION TAKEN

RECEIVED AND FILED

Lunch Recess

Trustee Larson departed at 1:00 PM.

EDUCATIONAL PRESENTATIONS CONTINUED

C. Presentation on Fiduciary Standards presented by Attorney Jeffrey Rieger, Reed Smith

The Board heard presentation by Attorney Jeffrey Rieger, Reed Smith, on Fiduciary Standards which included recent trends, temptations, and fundamentals of strong fiduciary stewardship.

Detailed discussions, questions, and comments ensued regarding responsible communications, conflicts of interest, and the importance of following the law.

NO ACTION TAKEN

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D. Presentation on Public Records Act Policy presented by Attorney Jeffrey Rieger

The Board heard a presentation by Attorney Jeffrey Rieger, Reed Smith, on the Public Records Act (PRA) as applied to the Fresno County Employees' Retirement Association.

Detailed discussions, questions, and comments followed regarding the basic principles of the PRA and how it applies to FCERA.

NO ACTION TAKEN

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E. Presentation on FCERA Disability Process and Hearings Policy presented by Becky Van Wyk, Assistant Retirement Administrator

The Board heard a presentation by Becky Van Wyk, Assistant Retirement Administrator, on FCERA's disability process and Hearings Policy. The presentation outlined potential changes and enhancements to ensure that the policy provides an administrative framework for assisting the Board in making the factual findings necessary to administer FCERA in compliance with law, and to resolve claims by members, beneficiaries or participating employers, in a manner that is transparent and efficient and that provides the impacted parties a fair opportunity to be heard before the Board makes a final administrative decision.

Detailed discussions, questions, and comments followed.

NO ACTION TAKEN

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The Board recessed at 5:15PM.

Recess to 8:30 AM Thursday, October 21, 2010, at the Belmont Room

Thursday, October 21, 2010

Belmont Room

Trustees Present:

Michael Cardenas
Vicki Crow
Phil Larson

Nick Cornacchia
Eulalio Gomez
John Souza

Franz Criego
Steven Jolly

Trustees Absent:

James E. Hackett

Others Present:

Ronald S. Frye, Alternate Trustee
Michael Cunningham, FCERA Member
Tony Oliveira, Economist
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

Board to Reconvene – 8:30 AM

Call to Order

Chair Gomez called the meeting to order at 8:34 AM.

11. EDUCATIONAL PRESENTATIONS

A. Presentation on Pension Reform presented by Tony Oliveira, Kings County Supervisor and Government Representative to the CalPERS Board of Administration

The Board heard a presentation by Kings County Supervisor and Government Representative to the CalPERS Board of Administration, on the local challenges of the pension reform.

Discussions, questions, and comments followed regarding the many issues that have caused intense review of the defined benefit system and potential alternatives that have or will be considered in the future.

NO ACTION TAKEN

RECEIVED AND FILED

B. Educational Video “Inside the Meltdown ~ What happened to the economy?”

The Board viewed and commented on the educational video *Inside the Meltdown. What happened to the economy?*

RECEIVED AND FILED

Lunch Recess**EDUCATIONAL PRESENTATIONS CONTINUED****C. Presentation on Robert’s Rules of Order presented by Susan Coberly, Senior Deputy County Counsel**

Attorney Coberly gave a brief overview on Robert’s Rule of Order (Robert’s Rules). It was noted that the Board must operate its meetings according to the Brown Act and that the requirement for Robert’s Rules is “procedural” in nature. FCERA’s Board Operations Policy provides that Robert’s Rules “shall guide” the FCERA Board in its proceedings, except as otherwise provided for in that Policy, the Brown Act, and FCERA’s Bylaws.

Attorney Coberly noted that the Brown Act applies to the Board’s conduct as Board Members, and to the Board generally, as well as to the conduct of its meetings, agendas, the allowance for public comments, etc. The Board also is guided by its Bylaws and the Operations Policy. The Board is to use Robert’s Rules “to guide you” when they do not conflict with the Brown Act, the Bylaws, and other operative law and regulations.

General discussions ensued.

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D. Status report/update on outstanding Board Directives presented by Roberto L. Peña, Retirement Administrator, and Becky Van Wyk Assistant Retirement Administrator

Roberto L. Peña, Retirement Administrator, and Becky Van Wyk, Assistant Retirement Administrator, updated the Board on the current status of prior Board direction. Mr. Peña noted that some of the directives will require further discussion and action by the Board and suggested that the Board agendaize a discussion of the directives at the next Regular Board meeting. The Board agreed.

NO ACTION TAKEN

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12. Report from FCERA Administration

Administration had nothing to report.

13. Report from County Counsel

County Counsel had nothing to report.

14. Board Member Announcements or Reports

The Board Members had nothing to report.

The being no further business the meeting adjourned at 1:56 PM.

Roberto L. Peña
Secretary to the Board