

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

"Our mission is to administer the retirement benefits for the members and beneficiaries in a courteous, accurate, prompt and professional manner, while administering fund assets in a manner that achieves investment and funding objectives within prudent levels of risk."

March 4, 2020

**REGULAR MEETING
ACTION SUMMARY MINUTES**

[AN AUDIO RECORDING OF THE OPEN SESSION DISCUSSION ITEMS CAN BE FOUND ON THE FCERA WEBSITE AT WWW.FRESNOCOUNTYRETIREMENT.ORG](http://WWW.FRESNOCOUNTYRETIREMENT.ORG)

Trustees Present:

John Adams
Oscar Garcia
John Robinson

Laura Basua
Steven Jolly
Douglas Papagni, Alternate

Dr. Rod Coburn, III
Stanley McDivitt

Trustees Absent:

Nathan Magsig

Riley Talford

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Doris Rentschler, Assistant Retirement Administrator
Douglas Kidd, Retirement Investment Officer
Conor Hinds, Supervising Accountant
Elizabeth Avalos, Executive Assistant
Merelle Buttner, Administrative Assistant
Kenneth Price, Board Counsel
Jeffrey MacLean, Verus
Kristen Gaspar, Eaton Vance
Ralph Hinckley, Eaton Vance

Members of the Public that Addressed the Board:

None.

1. CALL TO ORDER

Vice Chair McDivitt called the meeting to order at 8:30 AM.

2. PLEDGE OF ALLEGIANCE

Vice Chair McDivitt led the Pledge.

3. PUBLIC COMMENT

None.

4. CONSENT AGENDA

AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE ADAMS, SECONDED BY TRUSTEE BASUA, TO ACCEPT/APPROVE CONSENT ITEMS 4.A THROUGH 4.F AS PRESENTED. VOTE: UNANIMOUS. ABSENT: MAGSIG, TALFORD.

- A. Receipt and Filing of the FCERA Cash Flow Position as of January 2020 – **RECEIVED AND FILED**
- B. Receipt and Filing Annual Cash Flow Projection Report – **RECEIVED AND FILED**
- C. Receipt and Filing of Quarterly Investment Performance Report as of December 31, 2019: Hamilton Lane – **RECEIVED AND FILED**
- D. Receipt and Filing of Aronson Johnson Ortiz Watch Status Memo by Verus – **RECEIVED AND FILED**
- E. Approval of Hamilton Lane Guideline Changes – **APPROVED**
- F. Approval of Retirements for February 2020 – **APPROVED**

5. MINUTES

- A. Consideration of the February 19, 2020 Retirement Board Regular Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE ADAMS, TO APPROVE ITEM 5.A. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: MAGSIG, TALFORD.

- B. Consideration of the February 19, 2020 Retirement Board Personnel Committee Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE ROBINSON, SECONDED BY TRUSTEE BASUA, TO APPROVE ITEM 5.B. AS PRESENTED. VOTE: UNANIMOUS. ABSENT: MAGSIG, TALFORD.

6. DISCUSSION

- A. Review of Performance and Economic Summary Report: Eaton Vance, Bank Loans

PRESENTED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. RECEIVED AND FILED.

- B. Review of Quarterly Investment Reports for the Period Ended December 31, 2019

- 1. Investment Landscape
- 2. Investment Performance
- 3. Guideline Compliance

PRESENTED, RECEIVED AND FILED. NO ACTION TAKEN.

C. Consideration of Asset Allocation Follow-up

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY COBURN, TO APPROVE 1) LIQUIDATING TIPS TO FUND CORE FIXED INCOME WHEN A LOCATION TO FUND IS READY 2) REDUCING THE BRANDYWINE PORTFOLIO AND RECLASSIFYING RBC AS CORE, 3) INCREASING THE COMMITMENT TO IFM UNDER THE NEW ALLOCATION OF 4%, 4) FUNDING THE ADDITIONAL REAL ESTATE CAPACITY WITH CLOSED-END VALUE-ADD AND/OR OPPORTUNISTIC FUNDS TO THE NEW ALLOCATION OF 7%.. VOTE: UNANIMOUS. ABSENT: MAGSIG, TALFORD.

D. Receipt and Filing of the Internal Compliance Report Update and Consideration of Investment Manager Guideline Updates

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. THE BOARD DIRECTED STAFF TO WORK WITH THE LISTED MANAGERS AND VERUS TO COME TO AN AGREEMENT WITH PROPOSED GUIDELINE CHANGES AND NORTHERN TRUST UPDATES TO GET THE FILTERS AND GUIDELINES ALIGNED. NO ACTION TAKEN.

E. Consideration of FCERA Mission and Vision Statements

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY GARCIA, TO APPROVE ITEM 5.E AS RECOMMENDED. VOTE: UNANIMOUS. ABSENT: MAGSIG, TALFORD.

F. Consideration of Divorce Policy (1st reading)

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE ADAMS, SECONDED BY BASUA, TO REVISIT WITH REQUESTED MODIFICATION BY BOARD COUNSEL FOR FURTHER CONSIDERATION AT THE NEXT BOARD MEETING. VOTE: UNANIMOUS. ABSENT: MAGSIG, TALFORD.

7. CLOSED SESSION:

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

1. John Terry

8. ORAL REPORTS:

A. Report Out of Closed Session

7.A.1. TERRY – DECISION – TO APPROVE AND ADOPT THE PROPOSED FINDINGS AND THE RECOMMENDATIONS OF THE REFEREE (THE REFEREE’S FINDING WAS TO DENY A SERVICE-CONNECTED DISABILITY RETIREMENT). THE MOTION WAS MADE BY TRUSTEE COBURN, SECONDED BY TRUSTEE JOLLY. VOTE: UNANIMOUS. ABSENT: MAGSIG, TALFORD.

- B. FCERA Administration
 - 1. Staff gave a brief investment market update, noting that high yield spreads went up.
- C. Board Counsel
 - None.
- D. Committee Reports
 - 1. The Personnel Committee will be meeting on March 18, 2020 to discuss a proposed Succession Plan Policy.
 - 2. At the recommendation of Board Counsel formed Ad Hoc Retirement Administrator Evaluation Committee comprised of Basua, McDivitt, Robinson, and Talford.
- E. Board Members
 - 1. Trustee Adams commented on the strong dollar while traveling, being nominated as a SACRS delegate, and thanked Elizabeth for making SACRS flight arrangements. In addition, Trustee Adams will be absent from the March 18th Regular meeting.

A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE COBURN, TO ADJOURN. VOTE: UNANIMOUS.

There being no further business, the meeting adjourned at 11:59 AM.

Donald C. Kendig, CPA
Secretary to the Board