

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

*"Our mission is to provide secure retirement benefits to our members and beneficiaries
while investing the assets of the plan within prudent levels of risk."*

April 1, 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**

Trustees Present:

John Adams, via Tele-Conference
Dr. Rod Coburn, III, via Tele-Conference
Steven Jolly, via Tele-Conference
Stanley McDivitt, via Tele-Conference
John Robinson

Laura Basua, via Tele-Conference
Oscar Garcia
Nathan Magsig
Douglas Papagni, Alternate, via Tele-Conference
Riley Talford

Trustees Absent:

None

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator, via Tele-Conference
Doris Rentschler, Assistant Retirement Administrator
Douglas Kidd, Retirement Investment Officer, via Tele-Conference
Conor Hinds, Supervising Accountant
Elizabeth Avalos, Executive Assistant
Merelle Buttner, Administrative Assistant
Kenneth Price, Board Counsel
Jeffrey MacLean, Verus, via Tele-Conference
Frances Coombes, via Tele-Conference
Kurt Halvorson, via Tele-Conference
Sean Johnson, via Tele-Conference
Elliot Neumayer, via Tele-Conference
Sasha Talcott, via Tele-Conference
Matt Clark, via Tele-Conference
Jason Mandinach, via Tele-Conference
Jamie Weinstein, via Tele-Conference

Members of the Public that Addressed the Board:

Jan Rowden, FCERA Member, via Tele-Conference

1. **CALL TO ORDER**

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

2. **PLEDGE OF ALLEGIANCE**

Trustee Riley Talford led the Pledge.

3. **PUBLIC COMMENT**

None.

4. **CONSENT AGENDA**

CONSENT ITEM 4.A. WAS PULLED FOR COMMENT/DISCUSSION AND CONSENT ITEM 4.C. WAS PULLED FOR DIRECTION. CONSENT ITEM 4.B. WAS CONTINUED TO THE APRIL 15, 2020 REGULAR MEETING. CONSENT ITEM 4.D WAS CONTINUED UNTIL THE NEXT SACRS.

AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE GARCIA, TO APPROVE CONSENT ITEM 4.E. AS PRESENTED. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

A. Receipt and Filing of the FCERA Cash Flow Position as of February 2020

DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. TRUSTEE JOLLY EXPRESSED CONCERN OVER THE AMOUNT OF CASH THAT WAS IN THE TREASURY POOL. THE BOARD DIRECTED STAFF TO BRING BACK THE ISSUE FOR FURTHER DISCUSSION/CONSIDERATION. A MOTION WAS MADE BY TRUSTEE MCDIVITT, SECONDED BY TRUSTEE TALFORD, TO ACCEPT CONSENT ITEM 4.A. AS PRESENTED. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

B. Receipt and Filing of the Unaudited Comparative Financial Statements for the Six Months Ended December 31, 2019 and June 30, 2019 with the Statement of Fiduciary Net Position – **CONTINUED**

C. Receipt and Filing of the Waiver (Temporary) of Investment Guideline

THE BOARD DIRECTED STAFF TO GRANT WAMCO WITH 60 TO 90 DAYS TO RESOLVE THE ISSUE OF OVERWEIGHT HIGH YIELD BONDS AND TO NOTIFY STAFF WITHIN 30 DAYS OF THE STATUS, AND TO NOTIFY STAFF OF ANY OTHER CHANGES AS THEY OCCUR. A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE ADAMS, TO APPROVE THE DIRECTION AS NOTED. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

D. Receipt and Filing of State Association of County Retirement Systems (SACRS) 2020-2021 Board of Director Elections Final Ballot presented by Donald Kendig, Retirement Administrator – **CONTINUED**

E. Approval of Retirements for March 2020 – **APPROVED**

5. MINUTES

- A. Consideration of the March 18, 2020 Retirement Board Regular Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE ADAMS, TO APPROVE ITEM 5.A. AS PRESENTED. ROLL CALL VOTE: YES – BASUA, MAGSIG, MCDIVITT, ROBINSON, TALFORD. ABSTAIN: ADAMS, COBURN, GARCIA, JOLLY. MOTION PASSED.

- B. Consideration of the March 18, 2020 Retirement Board Personnel Committee Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE ADAMS, TO APPROVE ITEM 5.B. AS PRESENTED. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

6. DISCUSSION

- A. Educational Presentation: Current Market Update

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

- B. Current Portfolio Update and Consideration of Fixed Income Changes and the Equity Allocation

PRESENTED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. NO ACTION TAKEN.

- C. Educational Presentation: Western Asset, Portfolio Review and US Aggregate hybrid Option

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

- D. Educational Presentation: PIMCO Liquid Credit Option

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

- E. Consideration of Adoption of Policy Benchmarks

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE COBURN, TO ADOPT, AS AN EQUITIES BENCHMARK THE ACWI IMI INDEX, THE DOMESTIC EQUITIES BENCHMARK AS THE ACWI US INDEX, AND THE INTERNATIONAL DEVELOPED BENCHMARK AS THE MCSI WORLD EX-US INDEX, AND RETAINED THE INTERNATIONAL EQUITIES BENCHMARK THE MSCI ACWI EX-US INDEX AND THE EMERGING MARKETS BENCHMARK AS THE MSCI EM IMI INDEX. ROLL CALL VOTE: YES – ADAMS, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. ABSTAIN: BASUA. MOTION PASSED.

F. Consideration of Overly Program Guidelines and Policy Tracking Error

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE MCDIVITT, TO APPROVE THE UPDATED GUIDELINES PRESENTED WITH CORRECTIONS TO THE GLIDE PATH TABLE ON PAGE EXHIBIT A-10 FOR THE LATEST GLIDE PATH ADOPTED BY THE BOARD IN MARCH, UPDATED TARGET PERCENTAGES ON EXHIBIT A-11 OF 32%, 32%, AND 36% AND CORRECTING THE EMBEDDED TABLE, AND NOTIONAL PERCENTAGES OF 10% INSTEAD OF 15%, AND A CHANGE TO THE LAST PARAGRAPH OF PAGE EXHIBIT A-12 ADDING THAT THE MANAGER WILL “ATTEMPT TO NOTIFY” THE CLIENT AND IF THE CLIENT GIVES APPROVAL “OR DOES NOT DENY APPROVAL PRIOR TO THE CLOSE OF THE MARKET,” THE MANAGER IS AUTHORIZED TO ADJUST. ROLL CALL VOTE: YES – ADAMS, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. ABSTAIN: BASUA. MOTION PASSED.

7. CLOSED SESSION:

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

1. Jan Rowden

B. Consideration of whether to initiate litigation - pursuant to G.C. §54956 (a)(4) – Potential initiation of Litigation (One Case)

8. ORAL REPORTS:

A. Reports from Closed Session

7.A.1. MILLS – DECISION – TO APPROVE AND ADOPT THE PROPOSED FINDINGS AND THE RECOMMENDATION OF THE REFEREE TO DENY A SERVICE-CONNECTED DISABILITY RETIREMENT. THE MOTION WAS MADE BY TRUSTEE ADAMS, SECONDED BY TRUSTEE MAGSIG. ROLL CALL VOTE: YES – ADAMS, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON. NO – BASUA, COBURN, TALFORD. MOTION PASSED.

7.B. NO REPORTABLE ACTION.

B. FCERA Administration

1. Staff informed the Board that the SACRS Spring Conference was cancelled due to the COVID-19 crisis.
2. FCERA will remain closed to foot traffic until further notice and a recommendation by the State or County to re-open.

C. Board Counsel

None.

D. Committee Reports

None.

E. Board Members

Chair Magsig his appreciation for everyone's patience and confidence that the meeting will go more smoothly next time.

There being no further business, the meeting adjourned at 12:20 PM.

Donald C. Kendig, CPA
Secretary to the Board