

**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."

September 2, 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, via Tele-Conference	Laura Basua
Dr. Rod Coburn, III, via Tele-Conference	Oscar Garcia
Steven Jolly, via Tele-Conference	Nathan Magsig
Stanley McDivitt	Douglas Papagni, Alternate
John Robinson	Riley Talford

Trustees Absent:

None

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Douglas Kidd, Retirement Investment Officer
Merelle Buttner, Administrative Assistant
Kenneth Price, Board Counsel
Craig Armstrong, Board Counsel
Jeffrey MacLean, Verus via Tele-conference
Michael Kamell, Verus via Tele-conference

Members of the Public that Addressed the Board:

None

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

Trustee Laura Basua led the Pledge.

3. PUBLIC COMMENT

None.

4. CONSENT AGENDA

AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE MCDIVITT, TO ACCEPT/APPROVE CONSENT ITEMS 4.A. THROUGH 4.J. 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 June and July 2020 – **RECEIVED AND FILED**
- B. Receipt and Filing of the Budget Status for the Quarter ended June 30, 2020 – **RECEIVED AND FILED**
- C. Receipt and Filing of the Annual Equity Investment Manager Proxy Voting Reports as of June 30, 2020 – **RECEIVED AND FILED**
- D. Receipt and Filing of Quarterly Internal Investment Compliance Monitoring Update – **RECEIVED AND FILED**
- E. Receipt and Filing of Official Canvass of August 20, 2020 Board of Retirement General Member and Safety Member Elections – **RECEIVED AND FILED**
- F. Receipt and Filing of Alameda Ruling Update – **RECEIVED AND FILED**
- G. Approval of Retirements for August 2020 – **APPROVED**
- H. Approval of Travel Request from Trustee Riley Talford to attend the IFEBP Certificate Series Investment Basics on Friday and Saturday October 16-17, 2020 in Las Vegas NV – **APPROVED**
- I. Approval of request from Donald Kendig, Retirement Administrator, to attend the CALAPRS Virtual Administrators' Institute – **APPROVED**
- J. Approval of Western Asset Management Company Investment Management Agreement Amendment, Treasury Investment Fees and Guidelines, and Mortgage Backed Securities (MBS) Fees and Guidelines – **APPROVED**

5. MINUTES

- A. Consideration of the August 5, 2020 Retirement Board Regular Meeting Minutes

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

6. DISCUSSION

A. Review of Quarterly Investment Reports for the Period Ended June 30, 2020

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

PRESENTED, RECEIVED AND FILED. NO ACTION TAKEN.

B. Consideration of Investment Policy Statement (IPS) Updates

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE COBURN, TO APPROVE THE INVESTMENT POLICY STATEMENT AS AMMENDED BY TRUSTEE MCDIVITT FOR THE ADDITION OF STAFF TO REPORT BACK TO THE BOARD AFTER A TRANSITION MANAGEMENT EVENT UNDER SECTION X., PARAGRAPH 7. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

C. Consideration of Real-Estate Pacing Analysis

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

D. Consideration of Overlaying Accelerated Hedge Fund Proceeds

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE JOLLY, TO APPROVE STAFF'S RECOMMENDATION OF OPTION 1. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

E. Consideration of Working After Retirement Policy

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. A MOTION WAS MADE BY TRUSTEE MCDIVITT, SECONDED BY TRUSTEE TALFORD, TO APPROVE STAFF'S RECOMMENDATION TO HOLD AN INITIAL READING OF THE WORKING AFTER RETIREMENT POLICY, APPROVE THE PROPOSED WORKING AFTER RETIREMENT POLICY AS PRESENTED; AND DIRECT STAFF TO PLACE THE POLICY ON THE NEXT REGULAR BOARD MEETING CONSENT AGENDA FOR A SECOND READING AND ADOPTION. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

7. CLOSED SESSION – FCERA REALTY GROUP LLC:**A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

(Paragraph (1) of subdivision (d) of Section 54956.9):

FCERA REALTY GROUP LLC, a California limited liability company v.

BOARDWALK AT PALM BLUFFS, LP, a California limited partnership; BOARDWALK AT PALM BLUFFS II, LP, a California limited partnership; TARGET CONSTRUCTORS, INC., a California corporation; ALCAL SPECIALTY CONTRACTING, INC., a Nevada corporation; PETERS ROOFING, INC., a California corporation; JOHNSON FIRE PROTECTION INCORPORATED, a California corporation; A. COLMENERO PLASTERING, INC., a California corporation; B&L MECHANICAL, INC. and DOES 1-10, inclusive (Case No. 19CECG01169)

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (pursuant to G.C. §54956.8)

Property: 7766 N. Palm Ave. Fresno, CA 93711

Agency Negotiators: Donald Kendig, Kenneth Price, Beau Plumlee and Brian Decker

Under Negotiation: 7766 N Palm Avenue

8. CLOSED SESSION:

A. Consideration of Purchase or Sale of Particular, Specific Pension Fund Investments (pursuant to G.C. §54956.81. Number of Investments: 2

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. Number of Cases: 2

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

1. Veronica Moya

2. Sheng Vang

9. APPEALS

A. Consideration of Appeal by Pascual Hernandez who worked in excess of 960 hours during the 2019 calendar year

BASED UPON ACTION TAKEN BY THE BOARD, IT WAS NO LONGER NECESSARY FOR THE BOARD TO CONSIDER THE APPEAL.

10. ORAL REPORTS:

A. Report from Closed Session

7.A. NO REPORTABLE ACTION. BOARD COUNSEL, KENNETH PRICE, RECUSED HIMSELF

7.B. PRESENTED AND DISCUSSED. A MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE MCDIVITT, TO EXECUTE THE LISTING AGREEMENT WITH BEAU PLUMLEE AND BRIAN DECKER OF COLLIERS INTERNATIONAL. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

AN ADDITIONAL MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE ROBINSON TO APPROVE A SECOND AMMENDMENT TO DWIGHT W. SIEVERT, MD'S LEASING AGREEMENT TO EXPAND. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

8.A. NO REPORTABLE ACTION.

8.B. NO REPORTABLE ACTION.

8.C.1. MOYA – DECISION – TO DENY THE SERVICE CONNECTED DISABILITY APPLICATION AS PRESENTED. THE MOTION WAS MADE BY TRUSTEE JOLLY, SECONDED BY TRUSTEE TALFORD. ROLL CALL VOTE: YES – ADAMS, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. NO - BASUA. MOTION PASSED.

8.C.2. VANG – DECISION – TO GRANT THE NON-SERVICE CONNECTED DISABILITY APPLICATION AS PRESENTED. THE MOTION WAS MADE BY TRUSTEE GARCIA, SECONDED BY TRUSTEE BASUA. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, GARCIA, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. MOTION PASSED.

B. FCERA Administration

STAFF ANNOUNCED THAT DEBBIE PAOLINELLI FROM THE COUNTY ADMINISTRATORS OFFICE WILL BE JOINING FCERA AS OUR ASSISTANT RETIREMENT ADMINISTRATOR STARTING ON SEPTEMBER 8TH.

C. Board Counsel

NOTHING TO REPORT.

D. Committee Reports

NOTHING TO REPORT.

E. Board Members

TRUSTEE ROBINSON – INQUIRED ON THE PROGRESS OF THE DISABILITY RETIREMENTS POLICY ON POST RETIREMENT MEDICAL EVALUATIONS. STAFF RESPONDED BY INDICATING THAT ONCE THE NEW ASSISTANT RETIREMENT ADMINISTRATOR IS ON BOARD, SHE WILL CALL A MEETING.

TRUSTEE GARCIA ASKED IF THE THOMAS H. LEE EQUITY FUND INQUIRY WAS RESOLVED. STAFF RESPONDED THAT FCERA WAS NOT INVESTED IN THE COMPANY IN QUESTION AND THE MATTER WAS RESOLVED.

There being no further business, the meeting adjourned at 12:27 PM.

Donald C. Kendig, CPA
Secretary to the Board