

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

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

October 21, 2020

**EDUCATIONAL ON-SITE 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	Laura Basua	Dr. Rod Coburn
Steven Jolly	Nathan Magsig	Stan McDivitt
John Robinson	Riley Talford	Doug Papagni, Alternate

Trustees Absent:

Oscar Garcia

Staff and Service Providers Present:

Donald Kendig, Retirement Administrator
Debbie Paolinelli, Assistant Retirement Administrator
Douglas Kidd, Retirement Investment Officer
Elizabeth Avalos, Executive Assistant
Merelle Buttner, Administrative Assistant
Kenneth Price, Board Counsel
Craig Armstrong, Board Counsel
Jeffrey MacLean, Verus
Michael Kamell, Verus
Sasha Talcott and Libbey Cantrill, PIMCO
Jessica Curran and Howard Marks, Oaktree
Rob Arnott, Research Affiliates

Members of the Public that Addressed the Board:

None.

1. CALL TO ORDER

Chair Magsig called the meeting to order at 8:30 AM. In addition, Trustee Magsig pulled Closed Session Item 7.A. as there was nothing to discuss.

2. PLEDGE OF ALLEGIANCE

Pledge was led by Trustees John Adams.

3. PUBLIC COMMENT

None.

4. CONSENT AGENDA

A MOTION WAS MADE BY TRUSTEE TALFORD, SECONDED BY TRUSTEE MCDIVITT, TO APPROVE/ACCEPT CONSENT ITEMS 4.A. THROUGH 4.F. AS PRESENTED. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. ABSENT: GARCIA. MOTION PASSED.

- A. Receipt and Filing of the Quarterly Trustee Travel Report and Anticipated Trustee Travel – **RECEIVED AND FILED**
- B. Receipt and Filing of the Quarterly Report from the Retirement Administrator – **RECEIVED AND FILED**
- C. Receipt and Filing of the Quarterly Report from the Investment Officer – **RECEIVED AND FILED**
- D. Receipt and Filing of the Quarterly Disability Status Report – **RECEIVED AND FILED**
- E. Receipt and Filing of the Quarterly Strategic Plan Update – **RECEIVED AND FILED**
- F. Receipt and Filing of 2019-20 FCERA Performance Statistics – **RECEIVED AND FILED**

5. MINUTES

- A. October 7, 2020 Retirement Board Regular Meeting Minutes

PRESENTED AND DISCUSSED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. IT WAS NOTED THAT THE MINUTES WERE REVISED TO REFLECT THAT TRUSTEE COBURN ATTENDED THE OCTOBER 7, 2020 MEETING “IN PERSON” INSTEAD OF VIRTUALLY. A MOTION WAS MADE BY TRUSTEE ADAMS, SECONDED BY TRUSTEE TALFORD, TO APPROVE ITEM 5.A. AS PRESENTED. ROLL CALL VOTE: YES – ADAMS, BASUA, COBURN, JOLLY, MAGSIG, MCDIVITT, ROBINSON, TALFORD. ABSENT: GARCIA. MOTION PASSED.

6. DEMONSTRATIONS, PRESENTATIONS, AND DISCUSSION

- A. Educational Presentation: *A View from Washington*

PRESENTED AND REVIEWED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.A. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

- B. Educational presentation: *Update on Investment Manager On-site Due Diligence*

PRESENTED AND REVIEWED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.B. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

- C. Educational Presentation: *Investing in the Pandemic World*

PRESENTED AND REVIEWED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.C. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

- D. Educational presentation: *Prognosis on Value Investing*

PRESENTED AND REVIEWED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.D. WAS RECEIVED AND FILED WITH NO ACTION TAKEN.

- E. Educational Presentation: *Leverage Considerations*

PRESENTED AND REVIEWED. AN OPPORTUNITY WAS PROVIDED FOR PUBLIC COMMENT. ITEM 6.E. WAS RECEIVED AND FILED WITH NO ACTION TAKEN. THE BOARD DIRECTED STAFF TO OBTAIN A LEGAL OPINION ON THE USE OF EXPLICIT PORTFOLIO LEVERAGE AND THE PRUDENT PERSON RULE, AND TO SURVEY PEERS ON THEIR USE OF EXPLICIT PORTFOLIO LEVERAGE, IF ANY.

7. CLOSED SESSION – FCERA REALTY GROUP LLC:

- A. 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. Oral Reports

- A. Report from Closed Session
 7.A. Item was pulled.
- B. FCERA Administration
 1. Staff requested and received clarification on the “prudent person rule and portfolio leverage direction”.
- C. Board Counsel
 Board Counsel had nothing to report.
- D. Committee Reports
 There were no Committee reports.
- E. Board Members
 1. Trustee Jolly requested a revised risk return based on the current policy allocation and Verus' Capital Market assumptions.
 2. Cake was served in honor of Trustee McDivitt's Birthday.

There being no further business, the meeting adjourned at 1:18 PM.

Donald C. Kendig, CPA
 Secretary to the Board