



CITY OF FRESNO RETIREMENT SYSTEMS
REGULAR JOINT MEETING OF THE RETIREMENT BOARDS
MINUTES

September 14, 2016

The Employees and Fire and Police Retirement Boards met in a joint session in Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, California at the hour of 1:00 PM on the day above written.

ROLL CALL AT 1:30 PM

Members Present for the EMPLOYEES RETIREMENT BOARD
Phillip Hardcastle, TJ Miller, David Cain, Renena Smith

Members Absent: Marvell French

Members present for the FIRE AND POLICE RETIREMENT BOARD

Oscar Williams, Michael Reid, David Newton, Jonathan Lusk, Theodore Semonious

Members absent: None

Also Present: Russ Richeda, Legal Counsel, Robert Theller, Retirement Administrator, Kathleen Riley Brown, Assistant Retirement Administrator, Pattie Laygo, Executive Assistant

APPROVE MINUTES

Approve minutes of August 23, 2016, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member Smith seconded by Member Cain to approve the minutes of the August 23, 2016, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Smith

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Semonious seconded by Member Lusk to approve the minutes of the August 23, 2016, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Williams, Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

APPROVE AGENDA

Approve agenda of September 14, 2016, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

Corrected to Read: Joint Meeting of the Retirement Boards.

ON MOTION by Member Smith seconded by Member Cain to approve the agenda of September 14, 2016, Regular Joint Meeting of the Retirement Boards, DULY CARRIED, by the following vote:

AYES: Hardcastle, Miller, Cain, Smith

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Lusk seconded by Member Newton to approve the agenda of September 14, 2016, Regular Joint Meeting of the Retirement Boards, DULY CARRIED, by the following vote:

AYES: Williams, Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

TIMED SCHEDULED HEARINGS AND MATTERS

None

A. CONSENT CALENDAR

1. Approve date and and time of the next Regular Joint Meeting of the Retirement Boards scheduled at 1:00 pm on Tuesday, September 27, 2016.

ACTION: Approved/Adopted

ON MOTION by Member Cain seconded by Member Miller to approve the consent calendar, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Smith

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Semonious seconded by Member Lusk to approve the consent calendar, DULY CARRIED by the following vote:

AYES: Williams, Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

B. EMPLOYEE PERSONNEL ISSUES

1. CLOSED SESSION - EMPLOYEE PERFORMANCE EVALUATION - Government Code section 54957
A. Evaluation - Retirement Administrator

ACTION: No Action

No action is reported out of closed session.

C. STAFF INITIATED ITEMS

None

D. BOARD INITIATED ITEMS

1. Consider modifications to the Boards' Investment Objectives and Policy Statement for High Yield Fixed Income Portfolios and Adopt Amendment to the Boards Investment Management Agreement with Loomis Sayles.

ACTION: Approved/Adopted

The Boards received background report and staff's recommendation provided by Kathleen Riley Brown.

ON MOTION by Member Smith seconded by Member Miller to adopt the proposed modifications to its High Yield Fixed Income Policy Sections 3.5.f.ii and adopt Amendment One to the Investment Management Agreement between the Boards and Loomis Sayles, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Smith

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Reid seconded by Member Semonious to adopt the proposed modifications to its High Yield Fixed Income Policy Sections 3.5.f.ii and adopt Amendment One to the Investment Management Agreement between the Boards and Loomis Sayles, DULY CARRIED by the following vote:

AYES: Williams, Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

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2. Request for Discussion and Summary by Fire & Police Board Member David Newton regarding Ex-Spouse Buy-Back Provision

ACTION: Approved/Adopted

The Boards received summary of the issue provided by Police Member David Newton and extensive discussion followed.

Speaking to the issue were: Damon Kurtz and John Jensen with the Fresno Police Department and Sandra Brock.

Motion is made by Police Member Newton that the Systems pay for the actuarial studies necessary to calculate the total cost that a member would incur to buy-back that portion of their retirement paid out to an ex-spouse as the result of a QDRO including the amount necessary to keep the Retirement System cost neutral, but failed by lack of a second.

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3. Discussion regarding contract renewal for Legal Services with Saltzman and Johnson Law Corporation.

ACTION: Approved/Adopted

The Boards reviewed and discussed proposal as presented by Legal Counsel.

ON MOTION by Member Smith seconded by Member Miller to approve proposal dated Sept 6, 2016, submitted by Saltzman and Johnson that extends their contract by five additional years, as well as an increased rate for their services, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Smith

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Smith seconded by Member Miller to approve proposal dated Sept 6, 2016, submitted by Saltzman and Johnson that extends their contract by five additional years, as well as an increased rate for their services, DULY CARRIED by the following vote:

AYES: Williams, Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

4. Consider Joint Boards Retreat for April or May 2017

ACTION: Approved/Adopted

The Boards received summary and considered options and associated costs provided by Administrator Theller. The Boards reviewed calendars and directed staff to secure reservation at Copper River Country Club for April 5 and 6, 2017 for a two-day Board retreat.

5. Review and Discuss request for information on Retiree organizations having access to mailing services.

ACTION: Approved/Adopted

The Boards reviewed background summary provided by Administrator Theller. Mr. Frank Balekian spoke on behalf of FORCE.

Sandra Brock also spoke to this issue.

ON MOTION by Member Smith seconded by Member Miller that staff prepare a new Joint Board Policy which specifies "retiree organizations" and which requires the retiree organization to bear all costs, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Smith

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Reid seconded by Member Lusk that staff amend existing Joint Board Policy 2-20 which specifies "retiree organizations" instead of "third party" and which requires the retiree organization to bear all costs, DULY CARRIED by the following vote:

AYES: Williams, Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

6. Consider and Adopt Joint Resolutions of the Retirement Boards to commingle investments, allocations, and designate signing authority.

ACTION: Approved/Adopted

The Boards reviewed background and staff's recommendation as presented by Assistant

Administrator.

ON MOTION BY Member Cain seconded by Member Miller to adopt Joint Resolution of the Retirement Boards authorizing commingled investments, allocations of capital and designate signature authority, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Smith

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION BY Member Lusk seconded by Member Semonious to adopt Joint Resolution of the Retirement Boards authorizing commingled investments, allocations of capital and designate signature authority, DULY CARRIED by the following vote:

AYES: Williams, Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

E. GENERAL DISCUSSION

1. Report by Retirement Administrator of ongoing projects and updates.

ACTION: Received

The Boards received updates provided by Administrator Theller.

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2. Report by Legal Counsel regarding pending legal actions and updates.

ACTION: Received

The Boards accepted legal counsel's review and update.

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3. Case Update: (Marin Association of Public Employees v. Marin County Employees' Retirement Association.

ACTION: Received

The Boards reviewed and discussed case update provided by Legal Counsel.

Frank Balekian and Sandra Brock spoke to this issue.

F. INFORMATION ONLY ITEMS

1. Agenda of the Regular Board Meeting of the Fresno City Employees Health and Welfare Trust Board to be held on Wednesday, September 6, 2016 and Minutes of August 10, 2016, Regular Board Meeting.

G. PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

None

H. UNSCHEDULED ORAL COMMUNICATIONS

None

I. PUBLIC COMMENTS

None

J. ADJOURNMENT

3:40 pm

Employees Retirement Board

Fire and Police Retirement Board