



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

**MINUTES**

**April 25, 2017**

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.

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**ROLL CALL AT 2:09 PM**

Members Present for the EMPLOYEES RETIREMENT BOARD

Phillip Hardcastle, TJ Miller, Marvell French, David Cain, Jane Sumpter

Members Absent: None

Members present for the FIRE AND POLICE RETIREMENT BOARD

Michael Reid, David Newton, Jonathan Lusk, Ted Semonious

Members Absent: None

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

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**APPROVE MINUTES**

Approve minutes of the Regular Joint Meeting of the Retirement Boards scheduled at 1:00 pm on Tuesday, March 28, 2016.

ACTION: Approved/Adopted

ON MOTION BY Member French seconded by Member Miller to approve the minutes of Regular Joint Meeting of the Retirement Boards scheduled at 1:00 pm on Tuesday, March 28, 2017, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION BY Member Lusk seconded by Member Newton to approve the minutes of Regular Joint Meeting of the Retirement Boards scheduled at 1:00 pm on Tuesday, March 28, 2017, DULY CARRIED by the following vote:

AYES: Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

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**APPROVE AGENDA**

Approve agenda of April 25, 2017, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Miller to approve agenda of April 25, 2017 Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: None

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#### **TIMED SCHEDULED HEARINGS AND MATTERS**

- 2:00 PM** JPMorgan Strategic Property Fund presentation and portfolio review provided by Ann Cole, Managing Director, Co-Portfolio Manager and Todd Evans, Relationship Manager of JPMorgan Asset Management
- ACTION:** Received
- The Boards received and accepted portfolio investment summary and performance review presented by Ann Cole and Todd Evans of JP Morgan Asset Management.
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#### **A. CONSENT CALENDAR**

1. Approve date and time of the next Regular Joint Meeting of the Retirement Boards scheduled at 1:00 pm on Wednesday, May 10, 2017.  
**ACTION:** Approved/Adopted  
Meeting time rescheduled to 1:30 pm.  
ON MOTION BY Member French seconded by Member Miller to approve the consent calendar, DULY CARRIED by the following vote:  
**AYES:** Hardcastle, Miller, French, Cain, Sumpter  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None  
ON MOTION BY Member Lusk seconded by Member Semonious to approve the consent calendar, DULY CARRIED by the following vote:  
**AYES:** Reid, Newton, Lusk, Semonious  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None
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#### **B. EMPLOYEE PERSONNEL ISSUES**

None

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#### **C. STAFF INITIATED ITEMS**

None

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#### **D. BOARD INITIATED ITEMS**

1. Review and Consider Mistakes Made Complying with Brown Act.  
**ACTION:** Received  
ERS Retiree Sandra Brock spoke to this issue, with Administrator Theller responding.
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2. Review and Discuss Board Retreat and Possible Future Retreats

ACTION: Received

The Boards discussed Board Retreat 2017 and directed staff to plan accordingly for the next retreat to be held in the Fall of 2018.

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3. Consider amendments to Joint Board Policy Section 2-35 regarding an Application to Redeposit Contributions due to reentry to the System.

ACTION: Approved/Adopted

Administrator Theller summarized amendments as presented.

ON MOTION by Member Miller seconded by Member Sumpter to adopt amendments to Joint Board Policy 2-46 regarding an application to redeposit contributions due to reentry to the System, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Lusk seconded by Member Semonious to adopt amendments to Joint Board Policies 2-35 and 2-46 regarding an application to redeposit contributions due to reentry to the System, DULY CARRIED by the following vote:

AYES: Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

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4. JPMorgan Strategic Property Fund portfolio evaluation provided by Mr. Don Stracke, consultant at NEPC.

ACTION: Accepted

The Boards reviewed summary and accepted recommendation presented by Don Stracke, Investment Consultant.

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5. Review, discuss and consider Real Estate Asset Class and Real Estate Pacing Plan provided by Mr. Don Stracke, consultant at NEPC.

ACTION: Accepted

The Boards received and accepted RE Investment Plan summarized and reviewed by Don Stracke, Investment Consultant.

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6. Review and discuss manager search process and timelines for Infrastructure, MLPS, PE, PD – specifically discuss opportunities to invest in new direct lending funds with Crescent and Monroe.

ACTION: Direction to Staff

The Boards received overview provided by Don Stracke, Investment Consultant. Direction to staff is made to pursue infrastructure open-ended funds, conduct interviews of four (4) firms in

July, target hiring at the Board meeting in September, and accept recommendation to increase allocation to direct lending.

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7. Review actual Asset Allocation as of March 31, 2017, update April and May 2017 drawback for Operating and Payroll Expenses.

ACTION: No Action

The Boards accepted staff report presented Assistant Administrator Kathleen Riley Brown.

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#### **E. GENERAL DISCUSSION**

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

ACTION: Received

The Boards received updates provided by the Administrator regarding Member Module, MemberDirect, Notice to Members, Imaging, Board Retreat, implementation of Workiva, and CASP inspection.

Sandra Brock spoke regarding supplemental notice to retirees.

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

ACTION: Received

Legal Counsel provided updates regarding review of amendment to ExamWorks contract and continuing review of disability retirement applications.

Sandra Brock spoke to inquire as to the status of supplemental information for POA access to MemberDirect.

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#### **F. INFORMATION ONLY ITEMS**

1. Northern Trust Monthly Portfolio Performance Reports as of March 31, 2017.

ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview March 31, 2017.

ACTION: Received

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3. Monthly Fixed Income Analysis Report March 31, 2017.
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4. Investment Manager Monitoring and Evaluation Report March 31, 2017.

ACTION: Received

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5. Announcement that Carillon Tower Advisers has signed a definitive agreement to acquire Reams Asset Management (a fixed-income specialist) and Scout Investments (a mid-cap and international equity specialist) as partner affiliates. April 2017

ACTION: Received

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6. RVK Public Fund Universe Analysis Report - December 31, 2016

ACTION: Received

Police Member David Newton requested that Kuhns report be added to next meeting for the Boards to further review and discuss.

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**G. PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING**

1. Presentation by Zeno Consulting
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2. Presentations and portfolio reviews provided by Principal Global for REIT and EAFE
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3. Presentation and portfolio review provided by Heitman REIT.
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**H. PUBLIC COMMENTS**

1. Sandra Brock spoke regarding the Brown Act.
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**I. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**J. ADJOURNMENT**

4:28 pm

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Employees Retirement Board

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Fire and Police Retirement Board