



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

**January 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 1:00 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: Don Stracke, Legal Counsel, Anthony Ferrare, Robert Theller, Retirement Administrator, Kathleen Riley Brown, Assistant Retirement Administrator, Pattie Laygo, Executive Assistant

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**APPROVE MINUTES**

Approve minutes of January 11, 2017, Regular Joint Meeting of the Retirement Boards,

ACTION: Laid Over

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**APPROVE AGENDA**

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

ACTION: Approved/Adopted

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**TIMED SCHEDULED HEARINGS AND MATTERS**

**1:00 PM** Presentation and Kennedy Capital Small Cap Value Equity portfolio review provided by Mr. Don Frank, Client Service, and Mr. Frank Latuda, Jr. CIO/PM, of Kennedy Capital Management.

ACTION: Received

The Boards received presentation by Frank Latuda Jr and Donald Frank of Kennedy Capital Management who provided an overview of the firm, investment philosophy and process, and reviewed portfolio performance as of December 31, 2016.

A member of the public spoke to this issue.

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**2:00 PM** 1. Presentation and Eagle Asset Management Small Cap Growth portfolio review by Mr. Clay Lindsey, Senior Vice President, Client Portfolio Manager and Mr. Eric Mintz, CFA, Co-PM, of Eagle Asset Management.

ACTION: Received

The Boards received presentation provided by Erid Mintz and Clay Lindsay of Eagle Asset Management, who provided update of the small cap grown team, points of differentiation and investment process and performance as of December 31, 2016.

**A. CONSENT CALENDAR**

1. Approve date and time of the next Joint Meeting of the Retirement Boards scheduled on at 1:00 pm on Wednesday, February 8, 2017.

ACTION: Approved/Adopted

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

AYES: Reid, Newton, Lusk

NOES: None

ABSTAIN: None

ABSENT: Semonious

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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. Kennedy Capital Management Small Cap Value portfolio evaluation provided by Mr. Tony Ferrara, consultant at NEPC.

ACTION: Accepted

The Boards discussed and accepted recommendation provided by Anthony Ferrara of NEPC.

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2. Eagle Asset Management Small Cap Growth portfolio evaluation provided by Mr. Tony Ferrara, consultant at NEPC.

ACTION: Received

The Boards discussed recommendation provided by Anthony Ferrara of NEPC and requested further analysis with direction to staff to provide costs for transition for the Boards review at the next meeting.

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3. Review, discuss and consider the results of the RVK Public Pension Report for City of Fresno Retirement Systems Public Fund Universe Analysis for Period Ending June 30, 2016.

ACTION: Received

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4. Review, discuss and consider the NEPC Work Plan for 2017 presented by Mr. Don Stracke.

ACTION: Received

The Boards accepted work plan reviewed by Don Stracke, and requested that work plan be added to the Joint Board agenda going forward.

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5. Review actual Asset Allocation as of December 31, 2016, update January 2017 drawback and consider funding options for February 2017 for Operating and Payroll Expenses.

ACTION: Approved/Adopted

The Boards received and accepted overview provided by the Assistant Administrator Kathleen Riley.

ON MOTION by Member Cain seconded by Member Miller to authorize a drawback from NTAM Russell 1000 Index fund in the amount up to \$7.4 million to fund benefit and operating expenses for the month of February 2017, DULY CARRIED RESOLVED by the following vote:

AYES: Hardcastle, Miller, French, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Newton seconded by Member Lusk to authorize a drawback from NTAM Russell 1000 Index fund in the amount up to \$7.4 million to fund benefit and operating expenses for the month of February 2017, DULY CARRIED RESOLVED by the following vote:

AYES: Reid, Newton, Lusk

NOES: None

ABSTAIN: None

ABSENT: Semonious

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#### E. GENERAL DISCUSSION

None

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#### F. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of December 31, 2016.

ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview December 31, 2016.

ACTION: Received

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3. Monthly Fixed Income Analysis Report December 31, 2016.

ACTION: Received

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4. Investment Manager Monitoring and Evaluation Report December 31, 2016.

ACTION: Received

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5. FundFire article, December 7, 2016, Private Equity Managers Face Tough Call on 'Deregistering'  
ACTION: Received
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6. December 16, 2016, Principal Names Pat Halter Chief Operating Officer of Principal Global Investors.  
ACTION: Received
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7. Principal Annual strategy outlook for 2017 – Inside Real Estate.  
ACTION: Received
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8. P&I article, December 28, 2016, Squaring the letter of California's new fee disclosure law with the realities of alternative investment funds.  
ACTION: Received
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9. FUNDfire article January 13, 2017, Northern Trust to Pay \$4.25M to Settle Pension Suit.  
ACTION: Received
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**G. PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING**

1. Crescent Capital and Monroe Capital presentations and portfolio reviews.
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**H. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**I. PUBLIC COMMENTS**

None

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**J. ADJOURNMENT**

4:00 pm

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Employees Retirement Board

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Fire and Police Retirement Board