



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

**MINUTES**

**June 14, 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 1:39 PM**

Members Present for the EMPLOYEES RETIREMENT BOARD  
Phillip Hardcastle, TJ Miller, Marvell French, David Cain

Members Absent: Jane Sumpter

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, Robert Theller, Retirement Administrator, Kathleen Riley Brown, Assistant Retirement Administrator, Yvonne Timberlake, Retirement Manager, Pattie Laygo, Executive Assistant

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**APPROVE MINUTES**

Approve minutes of May 23, 2017, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member Miller seconded by Member French to approve the minutes of May 23, 2017, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Sumpter

ON MOTION by Member Lusk seconded by Member Semonious to approve the minutes of May 23, 2017, Regular Joint Meeting of the Retirement Boards, 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 June 14, 2017, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Miller to approve the agenda of June 14, 2017, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Sumpter

ON MOTION by Member Semonious seconded by Member Lusk to approve the agenda of June 14, 2017, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

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#### TIMED SCHEDULED HEARINGS AND MATTERS

**1:15 PM** Cyber Security Protocols presented by Bryon Horn, Chief Information Officer for the City of Fresno

ACTION: Received

The Boards received presentation by Bryon Horn and discussed firewalls in place, Security Assessment Audit in 2015 and scheduled in 2018 that includes penetration tests and vulnerability, additional employee training, and confirmation that the COF does have Cyber Liability Insurance.

Ms. Sandra Brock spoke to this issue.

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**1:30 PM** Presentation by Segal Select Insurance Services regarding cyber liability insurance.

ACTION: Received

The Board received presentation by Anna Bell of Segal Select Insurance Services.

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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 Tuesday, June 27, 2017.

ACTION: Approved/Adopted

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

AYES: Hardcastle, Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Sumpter

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**

1. Discuss and consider rescheduling the July 12, 2017, Retirement Board meeting.

ACTION: Approved/Adopted

The Boards tabled discussion pending decision and/or outcome of Item C-2.

The Boards reviewed calendars and discussed available dates. Employees Board Member French reported that she will be on vacation July 17-23, 2017.

ON MOTION BY Member Cain seconded by Member Miller to approve rescheduling the Board Meeting scheduled on July 12 to July 19, 2017, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Sumpter

ON MOTION BY Member Newton seconded by Member Lusk to approve rescheduling the Board Meeting scheduled on July 12 to July 19, 2017, DULY CARRIED by the following vote:

AYES: Reid, Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: None

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2. Discussion and direction regarding the Boards' Second Regular Monthly meeting date and time.

ACTION: No Action

The Boards reviewed calendars and discussed potential dates to move the Boards Second regular meeting as requested by NEPC and determined that the second regular meeting will continue to be scheduled at 1:00 pm on the 4th Tuesday of every month.

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**D. BOARD INITIATED ITEMS**

1. Review, discuss and consider whether or not to obtain Cyber Liability Insurance.

ACTION: Approved/Adopted

The Boards reviewed presentation and discussed staff and legal counsel recommendations.

ON MOTION by Member Miller seconded by Member French to accept Travelers Policy \$2 million aggregate, 2-million sublimit for regulatory action defense and fines & penalties, \$1,000,000 sublimit for PCI Fines & Penalties, \$6,145 premium, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Sumpter

ON MOTION by Member Semonious seconded by Member Lusk to accept Travelers Policy \$2 million aggregate, 2-million sublimit for regulatory action defense and fines & penalties, \$1,000,000 sublimit for PCI Fines & Penalties, \$6,145 premium, DULY CARRIED by the following vote:

AYES: Reid, Newton, Lusk, Semonious  
NOES: None  
ABSTAIN: None  
ABSENT: None

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2. Review, discuss and consider whether or not to begin sending Board meeting notices to the media contacts.

ACTION: Approved/Adopted

The Boards accepted staff's recommendation to send to media list presented.

ON MOTION by Member Cain seconded by Member Miller that staff begin distributing agendas to media list provided, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain  
NOES: None  
ABSTAIN: None  
ABSENT: Sumpter

ON MOTION by Member Semonious seconded by Member Lusk that staff begin distributing agendas to media list provided, DULY CARRIED by the following vote:

AYES: Reid, Newton, Lusk, Semonious  
NOES: None  
ABSTAIN: None  
ABSENT: None

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3. Review, discuss and consider legal review fee proposal for new Direct Lending funds.

ACTION: Approved/Adopted

The Boards received summary overview provided by Administrator and legal counsel.

ON MOTION by Member Miller seconded by Member Cain to approve the NTE legal review fee proposal of \$17,500 each for Mr. Thomas Hickey to conduct the legal review of all pertinent legal documents relating to the Systems' potential investment in new funds offered by Crescent and Monroe Capital, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain  
NOES: None  
ABSTAIN: None  
ABSENT: Sumpter

ON MOTION by Member Lusk seconded by Member Semonious to approve the NTE legal review fee proposal of \$17,500 each for Mr. Thomas Hickey to conduct the legal review of all pertinent legal documents relating to the Systems' potential investment in new funds offered by Crescent and Monroe Capital, DULY CARRIED by the following vote:

AYES: Reid, Newton, Lusk, Semonious  
NOES: None  
ABSTAIN: None  
ABSENT: None

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## E. GENERAL DISCUSSION

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

ACTION: Received

The Boards received administrative updates provided by Retirement Administrator regarding meetings for Felony Forfeiture of Pension issue, MemberDirect, Annual Budget, DROP Cost Neutrality Study, Fiduciary and Cyber Liability policies, and CASP report.

Ms. Sandra Brock spoke regarding Felony Forfeiture issue.

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

ACTION: Received

Legal Counsel summarized ongoing legal issues.

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

1. Notice to retirees regarding Monthly DROP payments

ACTION: Received

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2. Notice to retirees regarding no longer mailing of direct deposit advices, member contribution statements and DROP statements.

ACTION: Received

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

None

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#### **H. UNSCHEDULED ORAL COMMUNICATIONS**

None

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#### **I. PUBLIC COMMENTS**

None

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#### **J. ADJOURNMENT**

3:29 pm

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Employees Retirement Board

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Fire and Police Retirement Board