



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

MINUTES

April 24, 2018

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 1:04 PM

Members Present for the EMPLOYEES RETIREMENT BOARD

TJ Miller, David Cain, Marvell French

Members Absent: Phillip Hardcastle, Jane Sumpter

Members present for the FIRE AND POLICE RETIREMENT BOARD

David Newton, Ted Semonious, Jonathan Lusk, Lynn Bennink

Members Absent: Michael Reid,

Also Present: Don Stracke, Investment Consultant, Robert Theller, Retirement Administrator, Kathleen Riley Brown, Assistant Retirement Administrator, Yvonne Timberlake, Benefits Manager, Chad Jacobs-Investment Officer, Pattie Laygo, Executive Assistant

APPROVE MINUTES

Approve minutes of the April 11, 2018, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Cain to approve the minutes of April 11, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Hardcastle, Sumpter

ON MOTION by Member Semonious seconded by Member Lusk to approve the minutes of April 11, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following votes:

AYES: Newton, Lusk, Semonious

NOES: None

ABSTAIN: Bennink

ABSENT: Reid

APPROVE AGENDA

Approve agenda of April 24, 2018, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Cain to approve the agenda of April 24, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Sumpter

ON MOTION by Member Semonious seconded by Member Bennink to approve the agenda of April 24, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Newton, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Reid

TIMED SCHEDULED HEARINGS AND MATTERS

1:00 PM Transaction Cost Analysis (TCA) Presentation:

1. Abel Noser-TCA service described in original submission.
2. Zeno Consulting Group-TCA service described in original submission.
3. Joint-Fee Proposal reflecting strengths of Zeno and Abel Noser.

ACTION: Received

The Boards received and accepted TCA presentation by Mary Davidson, Brian Greene and Warren Chun of Abel Noser and Zeno Consulting Group.

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 9, 2018.

ACTION: Approved/Adopted

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

AYES: Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Hardcastle, Sumpter

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

AYES: Newton, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Reid

B. EMPLOYEE PERSONNEL ISSUES

None

C. STAFF INITIATED ITEMS

None

D. BOARD INITIATED ITEMS

1. Review and discuss TCA presentations and consider next steps in the selection of a TCA service provider.

ACTION: Approved/Adopted

The Boards reviewed and discussed recommendation to provide transaction cost evaluation services related to the Systems' total assets, measuring trading efficiency and evaluating the reasonableness of investment manager's trading costs and commissions; service will be initially for one year, to understand any identifiable trends, and to revisit if warranted.

ON MOTION by Member Cain seconded by Member French to accept Option 2 proposal from Zeno AN Consulting pending completion of the merger, for Zeno Sponsor Monitor TCA service at the reduced rate of \$30,000, annually, DULY CARRIED by the following vote:

AYES: Miller, French, Cain

NOES: None

ABSTAIN: None

ABSENT: Hardcastle, Sumpter

ON MOTION by Member Semonious seconded by Member Bennink to approve Option 2 and accept fee proposal with Zeno Sponsor Monitor starting June 30, 2018 DULY CARRIED by the following vote:

AYES: Newton, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Reid

2. MLP Education and discussion of possible next steps provided by Mr. Don Stracke.

ACTION: Received

The Boards received and accepted MLP Education presented by Mr. Don Stracke, Investment Consultant.

3. Review, discuss and consider Staff Due Diligence report on Eagle, Kennedy Capital and Principal REIT and EAFE portfolios.

ACTION: Received

The Boards received and accepted summary of due diligence presented by Chad Jacobs.

4. Consider Notice of Quiet Period for Value Add Real Estate Search.

ACTION: Received

The Boards received and accepted the Notice of Quiet Period for Value Add Real Estate Search, including Infrastructure and Private Equity.

5. Update on Infrastructure Background Investigations and alternative strategies for Operational Due Diligence on selected Infrastructure funds.

ACTION: Approved/Adopted

The Boards discussed and considered status update regarding operational due diligence and alternative strategies on infrastructure funds.

ON MOTION by Member Cain seconded by Member French to cease further negotiations with KMCO for operational due diligence, DULY CARRIED by the following vote:

Ayes: Miller, French, Cain
Noes: None
Abstain: None
Absent: Hardcastle, Sumpter

ON MOTION by Member Cain and Member French to issue an RFI for the third-party operational due diligence investigations, DULY CARRIED by the following vote:

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

ON MOTION by Member Semonious seconded by Member Bennink to cease further negotiations with KMCO for operational due diligence, DULY CARRIED by the following vote:

Ayes: Newton, Lusk, Semonious, Bennink
Noes: None
Abstain: None
Absent: Reid

ON MOTION by Member Semonious and Member Bennink to issue an RFI for the third-party operational due diligence investigations, DULY CARRIED by the following vote:

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

E. GENERAL DISCUSSION

None

F. INFORMATION ONLY ITEMS

1. Northern Trust Monthly Portfolio Performance Reports as of March 31, 2018.

ACTION: Received

-
2. Northern Trust Monthly Asset Allocation Overview March 31, 2018.

ACTION: Received

-
3. Investment Manager Monitoring and Evaluation Report March 31, 2018.

ACTION: Received

4. Acadian Personnel Update April 2018

ACTION: Received

5. Updated Manager Rating System Memo – NEPC

ACTION: Received

6. NEPC Work Plan Updated April 2018.

ACTION: Received

7. International Foundation of Employee Benefit Plans (IFEBP) Investment Institute Conference Evaluation submitted by Fire and Police Member Lynn Bennink.

ACTION: Received

G. PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

None

H. UNSCHEDULED ORAL COMMUNICATIONS

None

I. PUBLIC COMMENTS

None

J. ADJOURNMENT

3:25 PM

Employees Retirement Board

Fire and Police Retirement Board