



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

February 10, 2010

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 2:05 PM on the day above written.

ROLL CALL AT 2:05 PM

Members Present for the EMPLOYEES RETIREMENT BOARD

Ken Nerland, Jeff Beatty, Marvell French, Carla Lombardi, Danny Aguirre

Members Absent: None

Members present for the FIRE AND POLICE BOARD

Paul Cliby, Carla Lombardi, Ken Nerland, Oscar Williams

Members absent: Brian Burry (attending Conference)

Also Present: Stanley McDivitt-Retirement Administrator and Russ Richeda, Legal Counsel, Kathleen Riley, Asst Retirement Administrator, Yvonne Arellano, Retirement Benefits Manager, Pattie Laygo, Executive Assistant

APPROVE MINUTES

Approve minutes of January 13, 2010, Regular Meeting of the Joint Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Aguirre to approve the revised minutes of January 13, 2010, Regular Meeting of the Joint Boards, DULY CARRIED RESOVLED by the following vote:

AYES: Nerland, Beatty, French, Lombardi, Aguirre

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member seconded by Member Nerland to approve the revised minutes of January 13, 2010, Regular Meeting of the Joint Boards, DULY CARRIED RESOVLED by the following vote:

AYES: Cliby, Lombardi, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry

APPROVE AGENDA

Approve agenda of February 10, 2010, Regular Meeting of the Joint Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Lombardi to approve the agenda of February 10, 2010, DULY CARRIED RESOLVED by the following vote:

AYES: Nerland, Beatty, French, Lombardi, Aguirre

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Nerland seconded by Member Lombardi to approve the agenda of February 10, 2010, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Lombardi, Nerland, Williams

NOES: None
 ABSTAIN: None
 ABSENT: Burry

TIMED SCHEDULED HEARINGS AND MATTERS

2:05 PM

Appearance by representative of the City Manager's Office regarding Board Chairs participation in the Mayor's Pension Review Task Force.

ACTION: Received

The Board received request by Nicole Zieba, Deputy City Manager regarding the Mayor's Proposed Pension Review Task Force, to ask the Chairs to sit on the Task Force to bring the credibility and knowledge of what is currently going on in the Systems, summarized that the intent of the task force is not to change or revise the current Systems but to define a healthy retirement system and ranking our System based on that definition and other systems accordingly, adding that they believe these findings will validate to the public how well our System has been run. She also reported that Councilmembers Xiong, Borges, and Perea have committed to the Task Force, as well as Mr. Ken Newby, a member of the community who has been involved with the Mayor on financial matters, Mr. Bruce Rudd, Interim City Manager, Joe Gray, Controller, Renena Smith, Budget Manager and Stan McDivitt, Retirement Administrator will be staff support to the Task Force.

Discussion followed regarding public meetings, the submission of minority reports, legal issues regarding the participation of the Chairs as individuals and not as Chairs of the Retirement Board, and the time frame for the task force. Ms. Zieba added that Task Force meetings will be webcast and accessible to the public.

Mr. Jacky Parks, FPOA spoke regarding the availability of minority reports.

ON MOTION by Member Lombardi seconded by Member Beatty to affirm that the Chair participate in the Mayor's Pension Task Force as individuals and not as members of the Retirement Board, approve staff's cooperation, and that any minority reports will be made accessible to the public, DULY CARRIED RESOLVED by the following vote:

AYES: Nerland, Beatty, French, Lombardi, Aguirre

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Williams seconded by Member Lombardi Beatty to affirm that the Chair participate in the Mayor's Pension Task Force as individuals and not as members of the Retirement Board, approve staff's cooperation, and that any minority reports will be made accessible to the public, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Lombardi, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry

A. CONSENT CALENDAR

1. Approve date of the next regular meeting of the Joint Retirement Boards scheduled March 10, 2010.

ACTION: Approved/Adopted

2. Approve monthly trust fund budget report as of November 30, 2009.

ACTION: Approved/Adopted

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

AYES: Nerland, Beatty, French, Lombardi, Aguirre

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Lombardi seconded by Member Williams to approve the consent calendar, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Lombardi, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry

B. EMPLOYEE PERSONNEL ISSUES

None

C. STAFF INITIATED ITEMS

None

D. BOARD INITIATED ITEMS

1. Consider memorandum from legal counsel regarding Decedent Retirees and Disability Retirement.

ACTION: Approved/Adopted

The Board received from Legal Counsel the background of the issue, conclusions and recommendation of the Committee.

ON MOTION by Member Beatty seconded by Member French to accept legal opinion that where a disability application is pending, that application may continue to be processed, but where a disability application is not pending, a post death application may not be considered, DULY CARRIED RESOLVED by the following vote:

AYES: Nerland, Beatty, French, Lombardi, Aguirre

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Williams seconded by Member Nerland to accept legal opinion that where a disability application is pending, that application may continue to be processed, but where a disability application is not pending, a post death application may not be considered, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Lombardi, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry

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2. Consider recommendation by the Investment Committee to adopt modifications to the Boards' Investment Objectives and Policy Statement to allow ACWIXUS International Equity Portfolios to hold +/- 10% of Benchmark Weight in Emerging Markets.

ACTION: Approved/Adopted

The Board received background relating to the request from Baille Gifford to remove the hard cap restriction of 30% maximum limit in emerging markets and replace it with a range relative to the benchmark weighting, and considered recommendation of the Board's Investment Consultant and staff.

ON MOTION by Member Beatty seconded by Member French to adopt the modifications to its policies for International Equity - Developed and Emerging Markets portfolios (Section 5.4.5), DULY CARRIED RESOLVED by the following vote:

AYES: Nerland, Beatty, French, Lombardi, Aguirre

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Williams seconded by Member Lombardi to adopt the modifications to its policies for International Equity - Developed and Emerging Markets portfolios (Section 5.4.5), DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Lombardi, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry

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3. Consider proposed contract with Ice Miller and authorize signature by the Chairs.

ACTION: Approved/Adopted

The Board reviewed background and developments and discussed fees and proposed contracts with Ice Miller as presented by Legal Counsel.

ON MOTION BY Member Aguirre seconded by member Beatty to accept contract with Ice Miller and authorize signature by the Chair, DULY CARRIED RESOLVED by the following vote:

AYES: Nerland, Beatty, French, Lombardi, Aguirre

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION BY Member Williams seconded by Member Lombardi to accept contract with Ice Miller and authorize signature by the Chair, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Lombardi, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry

E. GENERAL DISCUSSION

1. Report by the Retirement Administrator of ongoing projects and Committee actions.

ACTION: Received

The Board received report from the Administrator that Board elections are coming, update to disability process, the development of early retirement incentive and workload, Ice Miller contracts, pension review task force, small cap search, discussion regarding the RFP for information technology consultant.

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

ACTION: Received

The Board received legal counsel's update regarding pending disability litigation, review of tax compliance issues with Ice Miller, discussed Lexin case.

F. INFORMATION ONLY ITEMS

None

G. UNSCHEDULED ORAL COMMUNICATIONS

1. Board Member Lombardi requests information and update from Nicole Zieba regarding the City's proposed early retirement incentive.

ACTION: Received

As requested by Board Members, the Boards received an update from Nicole Zieba, Deputy City Manager regarding the Early Retirement Incentive, who summarized complications of the ERI process include the DROP program, the cost, and the City's budget deadline, that the Mayor has made her decision and the incentive is proposed for Council approval on Feb 25, 2010, the formula is outlined as 1 week of salary for every year of service, maximum cap of \$50,000 / minimum of \$10,000, a prorated percentage is proposed for DROP participants with less than 3 years remaining and for more than 3 yrs the entire incentive is eligible, there is a \$1 million cap appropriated from reserves for the incentive, but if successful, cap may be raised, all applications will be first come first served and subject to approval to consider cost savings for positions. The results of the survey were also briefly discussed.

H. PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

None

I. PUBLIC COMMENTS

None

J. ADJOURNMENT

2:58 pm

Ken Nerland
Employees Retirement Board

Brian Burry
Fire and Police Retirement Board