



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

**MINUTES**

**October 12, 2011**

**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 2:15 PM on the day above written.**

---

**ROLL CALL AT 2:15 PM**

Members Present for the EMPLOYEES RETIREMENT BOARD  
Jeff Beatty, Marvell French, Randy Nason, Mark Scott

Members Absent: None

Members present for the FIRE AND POLICE BOARD

Paul Cliby, Oscar Williams, David Newton, Mike Reid, Tim Henry

Members absent: None

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 September 14, 2011, Regular Meeting of the Joint Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Nason to approve the minutes of September 14, 2011, Regular Meeting of the Joint Retirement Boards, DULY CARRIED  
RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Newton seconded by Member Williams to approve the minutes of September 14, 2011, Regular Meeting of the Joint Retirement Boards, DULY CARRIED  
RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

**APPROVE AGENDA**

Approve agenda of October 12, 2011, Regular Meeting of the Joint Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member French seconded by Member Nason to approve the agenda of October 12, 2011, Regular Meeting of the Joint Retirement Boards, DULY CARRIED  
RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Williams seconded by Member Reid to approve the agenda of October 12, 2011, Regular Meeting of the Joint Retirement Boards, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

**TIMED SCHEDULED HEARINGS AND MATTERS**

None

---

**A. CONSENT CALENDAR**

1. Approve date of the next regular meeting of the Joint Retirement Boards scheduled at 2:00 p.m. on October 25, 2011.

ACTION: Approved/Adopted

- 
2. Approve Systems' monthly operating account cash disbursements report for March 2011 through June 2011.

ACTION: Approved/Adopted

---

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

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

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

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

**B. EMPLOYEE PERSONNEL ISSUES**

None

---

**C. STAFF INITIATED ITEMS**

1. Consider request for Retainer Increase by Saltzman and Johnson Law Corporation.

ACTION: Approved/Adopted

The Board reviewed and considered proposal from Saltzman and Johnson and discussed proposed increase for last three years.

ON MOTION BY Member Scott seconded by Member Nason to direct staff to negotiate a revised contract without the \$400 increase for the last three years with additional review by Tom Hickey, Legal Counsel, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION BY Member Williams seconded by Member Henry to direct staff to negotiate a revised contract without the \$400 increase for the last three years with additional review by Tom Hickey, Legal Counsel, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

**D. BOARD INITIATED ITEMS**

1. Consider proposed amendment to the Joint Board Rules amending current meeting structure and general administrative updates.

ACTION: Approved/Adopted

The Boards reviewed proposed amendments, discussed and approved request from Member Nason to reschedule regular Board meeting time to 1:00 p.m.

ON MOTION by Member French seconded by Member Nason to approve proposed amendments to the Joint Board Rules and Regulations, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Williams seconded by Member Newton to approve proposed amendments to the Joint Board Rules and Regulations, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

- 
2. Consider modifications to the Boards Investment Objectives and Policy Statement for Domestic Equity Portfolios - Large and Small Capitalization

ACTION: Approved/Adopted

The Boards reviewed staff recommendation and considered modifications to Investment Policy.

ON MOTION by Member French seconded by Member Nason to adopt proposed language modifying Investment Policy for Domestic Equity Portfolios - Large and Small Capilization to restrict the purchase of ADR's of foreign companies to only developed market countries, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Williams seconded by Member Reid to adopt proposed language modifying Investment Policy for Domestic Equity Portfolios - Large and Small Capilization to restrict the purchase of ADR's of foreign companies to only developed market countries, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

- 
3. Review, discuss and consider proposed Joint Board Policy regarding Public Records Requests.

ACTION: Approved/Adopted

The Boards reviewed proposed new policy and considered staff and legal counsel's recommendations.

ON MOTION by Member French seconded by Member Scott to adopt Joint Board Policy on Public Records Requests, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Reid seconded by Member Williams to adopt Joint Board Policy on Public Records Requests, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

- 
4. Review, discuss and consider proposed Joint Board Confidentiality Policy.

ACTION: Approved/Adopted

The Boards reviewed and considered proposed policy and discussed confidentiality agreement and data migration.

ON MOTION by Member French seconded by Member Nason to adopt Confidentiality Policy, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Williams seconded by Member Reid to adopt Confidentiality Policy,  
DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

5. Review, discuss and consider proposed Joint Board Whistleblower Policy.

ACTION: Approved/Adopted

The Boards reviewed, discussed and considered proposed Whistleblower Policy.

ON MOTION by Member French seconded by Member Nason to adopt Whistleblower Policy,  
DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Reid seconded by Member Williams to adopt Whistleblower Policy,  
DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

6. Review, discuss and consider proposed policies and procedure regarding a Special Power of Attorney.

ACTION: Approved/Adopted

The Boards considered proposed Special Power of Attorney and discussed administrative procedures and implementation.

ON MOTION by Member French seconded by Member Nason to approve Special Power of Attorney, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Newton seconded by Member Williams to approve Special Power of Attorney, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

7. Discuss and consider the scheduling of an annual review of Benchmark Medical Advisors and corresponding disability retirement workshop for Board members and Retirement staff.

ACTION: Approved/Adopted

The Boards discussed and approved annual review with direction to staff and legal counsel to develop disability workshop for Board members.

---

8. Consider proposed amendments to the Fresno Municipal Code concerning service-connected death while in Deferred Retirement Option Program (DROP).

ACTION: Approved/Adopted

The Boards reviewed and discussed proposed amendment to FMC Sections 3-353(e), 3-424(3) and 3-552(e) amending the DROP provisions to provide for a service-connected death benefit applicable to DROP participants who die while in DROP due to a service-connected death.

ON MOTION by Member French seconded by Member Nason to adopt proposed amendments to the Fresno Municipal Code sections 3-353(e), 3-424(3) and 3-552(3) regarding service-connected death while in DROP effective June 1, 2008 and submit to the City Council, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Newton seconded by Member Reid to adopt proposed amendments to the Fresno Municipal Code sections 3-353(e), 3-424(3) and 3-552(3) regarding service-connected death while in DROP effective June 1, 2008 and submit to the City Council, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

---

9. Consider Proposed amendment to the Fresno Municipal code concerning reinstatement to Employment of Retirees.

ACTION: Approved/Adopted

The Boards reviewed and discussed proposed amendments to FMC sections 3-334 and 3-543 that delete the four-month distinction and the requirement of a medical examination.

ON MOTION by Member French seconded by Member Nason to adopt amendments to the Fresno Municipal Code sections 3-334 and 3-543 deleting the four month distinction and the medical examination requirement for retirees who have been retired for over four months and who wish to be reinstated to City employment and submit to the City Council, DULY CARRIED RESOLVED by the following vote:

AYES: Beatty, French, Nason, Scott

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Reid seconded by Member Williams to adopt amendments to the Fresno Municipal Code sections 3-334 and 3-543 deleting the four month distinction and the medical examination requirement for retirees who have been retired for over four months and

who wish to be reinstated to City employment and submit to the City Council, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Williams, Newton, Reid, Henry

NOES: None

ABSTAIN: None

ABSENT: None

- 
10. Review, Discussion and Direction regarding Letter from City of Fresno Charter Review Committee for Input on Work of the City of Fresno Charter Review Committee.

ACTION: Received

The Boards considered and discussed letter requesting input from the Charter Review Committee, with direction to Retirement Administrator to attend if asked and report back to the Boards.

- 
11. CLOSED SESSION –EMPLOYEE PERFORMANCE EVALUATION – Government Code section 54957  
A. Annual Review - Retirement Administrator

ACTION: No Action

- 
12. AB 1234 Ethics Training for Board members and staff conducted by Saltzman and Johnson Law Corporation.

ACTION: Laid Over

Due to limited time available, training is laid over.

---

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

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

ACTION: Received

The Board received project updates regarding RFP for Pension Administration System, Audit, transition of solid waste employees, asset allocation, stable value, contract renewal with Saltzman and Johnson, Succession Plan, update to DROP packets, and IRS filings.

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

ACTION: Received

The Board received project updates regarding DROS, Cline, and discussed the deletion of Boston Co. settlement.

---

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

1. Conference Evaluation Report of Real Assets Investing Forum, September 15-16, 2011, submitted by Jeff Beatty, Employees Board Member.

ACTION: Received

2. Fresno City Health and Welfare Trust Agenda for Regular Board meetings of June 8 and September 14, 2011, and minutes of May 11 and August 10, 2011 Regular Board meetings.  
ACTION: Received
- 

3. 2011 Report on City & County Retirement Systems: Funding Levels and Asset Allocation by Wilshire Consulting.  
ACTION: Received
- 

**G. UNSCHEDULED ORAL COMMUNICATIONS**

1. Police Member David Newton requested the Boards' direction to legal counsel to review and report back regarding a potential conflict of interest issue regarding Appointed Member Mark Scott. The Boards directed legal counsel to conduct such a review and report back to the Boards.
- 

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

None

---

**I. PUBLIC COMMENTS**

None

---

**J. ADJOURNMENT**

4:45 pm

---

---

Jeff Beatty  
Employees Retirement Board

---

Paul Cliby  
Fire and Police Retirement Board