



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

MINUTES

June 27, 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 1:07 PM

Members Present for the EMPLOYEES RETIREMENT BOARD
Phillip Hardcastle, TJ Miller, David Cain, Jane Sumpter

Members Absent: Marvell French

Members present for the FIRE AND POLICE RETIREMENT BOARD
Michael Reid, David Newton, Ted Semonious, Lynn Bennink

Members Absent: Jonathan Lusk

Also Present: Anthony Ferrara of NEPC, 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 June 13, 2018, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member Miller seconded by Member Sumpter to approve the minutes of June 13, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Newton seconded by Member Semonious to approve the minutes of June 13, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

APPROVE AGENDA

Approve agenda of June 27, 2018, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member Miller seconded by Member Cain to approve the agenda of the June 27, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Newton seconded by Member Semonious to approve the agenda of the June 27, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

TIMED SCHEDULED HEARINGS AND MATTERS

None

A. CONSENT CALENDAR

1. Approve date and time of the next Regular Joint Meeting of the Retirement Boards rescheduled at 1:00 pm Thursday, July 19, 2018.

ACTION: Approved/Adopted

2. Review and accept Asset Allocation and Monthly Drawback for Funding of the Systems' Operating and Payroll Accounts.

ACTION: Approved/Adopted

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

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

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

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

B. EMPLOYEE PERSONNEL ISSUES

None

C. STAFF INITIATED ITEMS

None

D. BOARD INITIATED ITEMS

1. Closed Session - Review, discuss and consider Infrastructure Investments.
Upon call, the Chairs called for closed session and room is cleared.
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2. a. Pertinent Infrastructure Fund legal documents presented by Mr. Thomas Hickey of Foley & Lardner.

ACTION: Accepted

As reported out of closed session by Administrator Theller, the Boards received and accepted legal review as presented by Tom Hickey of Foley and Lardner.

ON MOTION by Member Cain seconded by Member Sumpter to accept legal review as presented by Tom Hickey of Foley and Lardner with direction to staff to complete the infrastructure onboarding process, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Semonious seconded by Member Bennink to accept legal review as presented by Tom Hickey of Foley and Lardner with direction to staff to complete the infrastructure onboarding process, DULY CARRIED by the following vote:

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

3. b. Background investigations completed by Charles Levenberg, LLC..

ACTION: Accepted

As reported out of closed session by Administrator Theller, the Boards accepted background investigations conducted by Charles Levenburg, LLC,

ON MOTION by Member Sumpter seconded by Member Cain with direction to staff to work with Mr. Levenburg to determine number of actual hours worked and to compensate accordingly for an amount not to exceed \$9,000, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Semonious seconded by David Newton with direction to staff to work with Mr. Levenburg to determine number of hours worked and to compensate accordingly for an amount not to exceed \$9,000, DULY CARRIED by the following vote:

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

4. c. On-Site Operational Due Dilligence Report by Staff and Funding direction.

ACTION: Accepted

As reported by ERS Chair Hardcastle out of closed session, the Boards reviewed and accepted staff's summary and recommendations.

ON MOTION by Member Miller seconded by Member Cain to approve Option 1 to allocate 60 million to each, Ullico and JP Morgan, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Semonious seconded by Member Newton to approve Option 1 to allocate 60 million to each, Ullico and JP Morgan, DULY CARRIED by the following vote:

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

5. US and Non-US Equity Asset Class Reviews presented by Anthony Ferrara of NEPC; and consider whether or not to hold existing manager presentations in Fresno during the remainder of calendar year 2018.

ACTION: Received

The Boards received and accepted 2018 Public Equity Asset Class review presented by Tony Ferrara, NEPC Consultant.

6. Review and consider proposed MLP manager search process and potential schedule for interviews.

ACTION: Accepted

The Boards reviewed and accepted recommendation and timeline presented by Tony Ferrara of NEPC.

7. Status update on RFI Responses for Value Add Real Estate search; review and consider proposed interview and selection process.

ACTION: Accepted

The Boards received update and discussed NEPCs recommendation and search criteria presented by Tony Ferrara of NEPC.

ON MOTION by Member Sumpter seconded by Member Miller that NEPC and staff conduct investment due diligence on-site visits; and staff conduct operational due diligence with the semi finalists prior to background investigations, legal review and then provide recommendation to Boards for selection, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Newton seconded by Member Semonious that NEPC and staff conduct investment due diligence on-site visits; and staff conduct operational due diligence with the semi finalists prior to background investigations, legal review and then provide recommendation to Boards for selection, DULY CARRIED by the following vote

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

8. Status update on RFI Responses for Private Equity Fund of 1 managers; review and consider proposed interview and select process.

ACTION: Received

The Boards received update on the status of search for Private Equity fund manager provided by Tony Ferrara of NEPC. The Board took no action.

9. Review, discuss and adopt the FY2019 Proposed Budgets for Retirement System Trust Fund Budgets, Retirement Administration Operating Budget and Deferred Compensation Contract Services Budget.

ACTION: Approved/Adopted

The Boards received and discussed FY 19 Budget summary provided by Staff.

ON MOTION by Member Sumpter seconded by Member Cain to adopt the Fiscal Year 2019 Trust Fund Budgets, Retirement Administration Operating Budget and the Deferred Compensation Contract Services Budget, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: French

ON MOTION by Member Semonious seconded by Member Bennink to adopt the Fiscal Year 2019 Trust Fund Budgets, Retirement Administration Operating Budget and the Deferred Compensation Contract Services Budget, DULY CARRIED by the following vote:

AYES: Reid, Newton, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Lusk

E. GENERAL DISCUSSION

None

F. INFORMATION ONLY ITEMS

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

ACTION: Received

2. Northern Trust Monthly Asset Allocation Overview May 31, 2018.

ACTION: Received

3. Monthly Fixed Income Analysis Report April 30, 2018.

ACTION: Received

4. Investment Manager Monitoring and Evaluation Report May 31, 2018.

ACTION: Received

G. PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

None

H. UNSCHEDULED ORAL COMMUNICATIONS

None

I. PUBLIC COMMENTS

None

J. ADJOURNMENT

3:19 pm

Employees Retirement Board

Fire and Police Retirement Board