



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

**MINUTES**

**March 14, 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.

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**ROLL CALL AT 1:16 PM**

Members Present for the EMPLOYEES RETIREMENT BOARD

Phillip Hardcastle, TJ Miller, David Cain, Jane Sumpter, Marvell French

Members Absent: None

Members present for the FIRE AND POLICE RETIREMENT BOARD

David Newton, Ted Semonious (left at 3:00 pm), Jonathan Lusk

Members Absent: Reid, Bennink,

Also Present: Russ Richeda, Legal Counsel, Don Stracke, Investment Consultant, Robert Theller, Retirement Administrator, Kathleen Riley Brown, Assistant Retirement Administrator, Yvonne Timberlake, Benefits Manager, Pattie Laygo, Executive Assistant

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**APPROVE MINUTES**

Approve minutes of February 14, 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 February 14, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Semonious seconded by Member Lusk to approve the minutes of February 14, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: Reid, Bennink

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**APPROVE AGENDA**

Approve agenda of March 14, 2018, Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

ON MOTION by Member Sumpter seconded by Member Miller to approve the agenda of March 14, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: None

ON MOTION by Member Semonious seconded by Member Lusk to approve the agenda of March 14, 2018, Regular Joint Meeting of the Retirement Boards, DULY CARRIED by the following vote:

AYES: Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: Reid, Bennink

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**TIMED SCHEDULED HEARINGS AND MATTERS**

None

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**A. CONSENT CALENDAR**

1. Approve date and time of the next Joint Meeting of the Retirement Boards scheduled at 1:00 pm on Tuesday, March 27, 2018.

ACTION: Approved/Adopted

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2. Review and accept reports for Administrative Oversight in accordance with Joint Retirement Boards' Administrative Oversight Policy §2-3.

ACTION: Approved/Adopted

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

ACTION: Approved/Adopted

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

AYES: Hardcastle, Miller, French, Cain, Sumpter

NOES: None

ABSTAIN: None

ABSENT: None

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

AYES: Newton, Lusk, Semonious

NOES: None

ABSTAIN: None

ABSENT: Reid, Bennink

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**B. EMPLOYEE PERSONNEL ISSUES**

None

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**C. STAFF INITIATED ITEMS**

None

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**D. BOARD INITIATED ITEMS**

1. Review and accept the Quarterly Investment Performance Report from NEPC for the period ending December 31, 2017.  
ACTION: Accepted  
The Boards received summary and accepted quarterly report provided by Don Stracke, Investment Consultant.

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2. Review NEPC 2018 Capital Market Assumptions presented by Mr. Don Stracke.  
ACTION: Received  
The Boards received an overview of key market themes and current opportunities provided by Don Stracke, Investment Consultant.

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3. Review, discuss and consider:
  - a) Real Estate and Private Market Pacing Plan and
  - b) Real Estate rebalancing and investment recommendations from consultant and staffACTION: Received  
The Boards received an overview of Real Estate Program and NEPCs plan recommendations provided by Matt Ritter of NEPC.

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4. Review proposed RFP for Value Add Real Estate Manager Search.  
ACTION: Accepted  
The Boards discussed request for proposal for Value Add Real Estate Manager.

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5. Review, discuss and consider exempt status from public disclosure for Alternative Investments pursuant to California Government Code §6254.26, §6255, and §54957.5.  
ACTION: Received  
The Boards received and accepted a legal review provided by Russ Richeda and Tom Hickey (via teleconference) as to what is legally required to be disclosed under the Public Records Act with respect to some types of alternative investments.  
  
Future discussion will also be reviewed and considered with respect to Brown Act requirements at the Board meeting in April.

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6. Status Update and preliminary discussion on responses to the Boards' Trade Cost Analysis Request for Proposals.

ACTION: Received

The Boards received summary and update of the processes with regard to responses and analysis of the RFP for Trade Cost Analysis provided by Chad Jacobs, Investment Officer.

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7. Annual performance review of Investment Consulting Firm, relating to the Agreement between NEPC and the City of Fresno Retirement Systems, renewed effective February 1, 2018, for discussion at the next meeting, March 27, 2018.

ACTION: Received

The Boards received a brief update and reminder by Administrator Theller.

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

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

ACTION: Received

The Boards received updates to ongoing projects provided by Administrator Theller.

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

ACTION: Received

The Boards received overview by Russ Richeda, Legal Counsel regarding pending legal actions.

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

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

ACTION: Received

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

ACTION: Received

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3. Monthly Fixed Income Analysis Report January 31, 2018.

ACTION: Received

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

ACTION: Received

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5. Portfolio Management update from PIMCO, February 1, 2018

ACTION: Received

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6. Kennedy Capital Management-Director of Research Announcement, February 9, 2018

ACTION: Received

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

1. Review Private Equity Fund of 1 RFI/Q Manager Search

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2. Discuss Board Retreat Planning Proposals

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3. Education on Non-US Fixed Income/Credit/Debt (EM debt)

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4. Discuss Non-US EM Debt manager search process

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5. Review TCA RFP responses/select vendor

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6. Conduct Annual Consultant Review

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**H. UNSCHEDULED ORAL COMMUNICATIONS**

1. Administrator Theller provided an update and discussed a proposal received for a governance workshop at the Boards Retreat.

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**I. PUBLIC COMMENTS**

None

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**J. ADJOURNMENT**

4:13 pm

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Employees Retirement Board

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Fire and Police Retirement Board