



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

**MINUTES**

**March 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.

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**ROLL CALL AT 1:04 PM**

Members Present for the EMPLOYEES RETIREMENT BOARD

Phillip Hardcastle, TJ Miller, Marvell French

Members Absent: Jane Sumpter, David Cain

Members present for the FIRE AND POLICE RETIREMENT BOARD

Michael Reid, Ted Semonious, Jonathan Lusk, Lynn Bennink

Members Absent: David Newton

Also Present: 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 March 14, 2018 Regular Joint Meeting of the Retirement Boards.

ACTION: Approved/Adopted

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

AYES: Hardcastle, Miller, French

NOES: None

ABSTAIN: None

ABSENT: Sumpter, Cain

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

AYES: Reid, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Newton

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**APPROVE AGENDA**

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

ACTION: Approved/Adopted

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

AYES: Hardcastle, Miller, French

NOES: None

ABSTAIN: None

ABSENT: Sumpter, Cain

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

AYES: Reid, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Newton

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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 Wednesday, April 11, 2018

ACTION: Approved/Adopted

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2. Review and accept reports for Asset Allocation as of February 28, 2018 and Update on Drawbacks for Funding for Operating and Payroll Expenses.

ACTION: Approved/Adopted

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

AYES: Hardcastle, Miller, French,

NOES: None

ABSTAIN: None

ABSENT: Sumpter, Cain

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

AYES: Reid, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Newton

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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. Consider Benchmarks for existing and new Private Market Strategies, establish Policy Benchmark with Target Weights and modify the Boards' Investment Objectives and Policy Statement accordingly.

ACTION: Approved/Adopted

The Boards reviewed and discussed staffs recommendation presented by Chad Jacobs, Investment Advisor.

ON MOTION by Member French seconded by Member Miller to approve the benchmarks recommended for PIMCO Income Fund and Alternative asset classes, and adopt modifications to the Boards' Investment Objectives and Policy Statement, adopting a Policy Index effective March 31, 2018, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French

NOES: None

ABSTAIN: None

ABSENT: Sumpter, Cain

ON MOTION by Member Semonious seconded by Member Lusk to approve the benchmarks recommended for PIMCO Income Fund and Alternative asset classes, and adopt modifications to the Boards' Investment Objectives and Policy Statement, adopting a Policy Index effective March 31, 2018, DULY CARRIED by the following vote:

AYES: Reid, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Newton

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2. Review, discuss and consider Trade Cost Analysis (TCA) Vendors' RFP responses, vendor selection and proposed modification to the Boards' investment objectives and policy statement

ACTION: Approved/Adopted

The Boards discussed vendors and RFQ responses, and considered staff's recommendations reviewed by Chad Jacobs, Investment Advisor.

ON MOTION by Member Miller seconded by Member French directing staff to schedule presentations by Abel Noser and Zeno and adopt amendments to Section 4.3 of the Boards Investment Objectives and Policy Statement, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French

NOES: None

ABSTAIN: None

ABSENT: Sumpter, Cain

ON MOTION by Member Bennink seconded by Member Semonious directing staff to schedule presentations by Abel Noser and Zeno and adopt amendments to Section 4.3 of the Boards Investment Objectives and Policy Statement, DULY CARRIED by the following vote:

AYES: Reid, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Newton

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3. Request for Boards to engage Cortex for presentation at 2018 Fresno Retirement Systems Board Retreat

ACTION: Approved/Adopted

The Boards discussed engaging Cortex for presentation at the 2018 Fresno Retirement Systems Board Retreat.

ON MOTION by Member Miller seconded by Member French to engage Cortex for a presentation at the 2018 Fresno Retirement Systems Board Retreat, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French

NOES: None

ABSTAIN: None

ABSENT: Sumpter, Cain

ON MOTION by Member Semonious seconded by Member Lusk to engage Cortex for a presentation at the 2018 Fresno Retirement Systems Board Retreat, DULY CARRIED by the following vote:

AYES: Reid, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Newton

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4. Review Private Equity Fund of one RFP/Q manager search.

ACTION: Approved/Adopted

The Boards reviewed background provided by Staff and approved RFI/Q and timeline as presented. Investment Consultant will amend RFI as discussed.

ON MOTION by Member Miller seconded by Member French to approve the RFI/Q Manager Search for a Fund of One private equity manager, DULY CARRIED by the following vote:

AYES: Hardcastle, Miller, French

NOES: None

ABSTAIN: None

ABSENT: Sumpter, Cain

ON MOTION by Member Bennink seconded by Member Lusk to approve the RFI/Q Manager Search for a Fund of One private equity manager, DULY CARRIED by the following vote:

AYES: Reid, Lusk, Semonious, Bennink

NOES: None

ABSTAIN: None

ABSENT: Newton

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5. Annual Performance Review of Investment Consulting Firm, relating to the agreement between NEPC and The City of Fresno Retirement Systems.

ACTION: Accepted

The Boards received introduction by Administrator and accepted the Annual Performance

Review of Investment Consulting Firm. Administrator to update questions for next evaluation.

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6. Education regarding Non-US Fixed Income/Credit/Debt (EM debt) and review, discuss and consider Non-US EM Debt manager search process.

ACTION: Received

The Boards received and accepted educational presentation by Investment Consultant regarding Non-US Fixed Income/Credit/Debt and requested additional education at the 2018 Board retreat.

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

None

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

1. Northern Trust Monthly Portfolio Performance Reports as of February 28, 2018

ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview as of February 28, 2018

ACTION: Received

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3. Monthly Fixed Income Analysis Report for the month of February 28, 2018

ACTION: Received

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4. Investment Manager Monitoring and Evaluation Report as of February 28, 2018

ACTION: Received

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

1. Employees Member Miller requested discussion regarding the interactive process for alternative work search and reciprocity from System to System. Member Miller also requested discussion and education for Benchmarking 101.
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#### **H. UNSCHEDULED ORAL COMMUNICATIONS**

None

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#### **I. PUBLIC COMMENTS**

None

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#### **J. ADJOURNMENT**

2:30 pm

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Employees Retirement Board

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Fire and Police Retirement Board