



**CITY OF FRESNO RETIREMENT SYSTEMS**  
**REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE**  
**MINUTES**

**September 29, 2009**

**Administrative Committee held a meeting in Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, California at the hour of 8:30 AM on the day above written.**

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**ROLL CALL AT 8:31 AM**

Members Present: Carla Lombardi, Jeff Beatty, Danny Aguirre, Brian Burry (arrived 8:32), Paul Cliby, Marvell French (arrived 8:38 am), Ken Nerland, Oscar Williams

Members Absent: None

Also Present: Russ Richeda, Legal Counsel, Stanley McDivitt, Kathleen Riley, Yvonne Arellano, Pattie Laygo

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**APPROVE MINUTES**

Approve minutes of August 18, 2009, Regular Meeting of the Administrative Committee.

ACTION: Approved/Adopted

ON MOTION by Member Nerland seconded by Member Williams to approve the agenda of September 29, 2009, Regular Meeting of the Administrative Committee, DULY CARRIED

RESOLVED by the following vote:

AYES: Lombardi, Beatty, Aguirre, Cliby, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry, French

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**APPROVE AGENDA**

Approve agenda of September 29, 2009, Regular Meeting of the Administrative Committee.

ACTION: Approved/Adopted

ON MOTION by Member Cliby seconded by Member Williams to approve the agenda of September 29, 2009, Regular Meeting of the Administrative Committee, DULY CARRIED

RESOLVED by the following vote:

AYES: Lombardi, Beatty, Aguirre, Cliby, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: Burry, French

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**A. AGENDA ITEMS**

1. Discussion and direction regarding concurrent participation in the DROP Program of a prior retirement system that a member has accumulated service.

ACTION: To Committee for Review

The Committee reviewed the issues identified in staff's report and legal counsel's analysis including the calculations and estimates prepared by staff. The Committee extensively discussed and considered the grandfather option as discussed by legal counsel. The Committee directed legal counsel to draft a Board Policy or Board Rule for review by the Committee that would grandfather those thirty-three individuals who currently have dual membership in both Systems thus exempting them from a new Board policy that would prohibit future employees with dual membership from participating in the DROP programs of both Systems.

The Committee continued discussion and also considered the issue where a disabled employee from one System is offered employment in the other System and the status of their DROP account in the prior System. The Committee was supportive of the draft policy submitted by legal counsel and staff and directed legal counsel to combine this issue with the prior issue into one Board policy or Board Rule for consideration by the Committee next month. ON MOTION BY Member Nerland seconded by Member Burry to recommend approval of the grandfather option that allows those individuals listed in staff report to participate concurrently in the DROP programs of both Systems, DULY CARRIED RESOLVED by the following vote:

AYES: Lombardi, Beatty, Aguirre, Burry, Cliby, French, Nerland, Williams  
NOES: None  
ABSTAIN: None  
ABSENT: None

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2. Discussion and Direction regarding Concurrent Employment/Retirement ("CE/R").

ACTION: To Committee for Review

The Committee extensively reviewed this issue, considered recent IRS Code sections and the implementation of concepts presented by legal counsel.

A MOTION is made by Member Williams that an employee cannot be employed full time with the City of Fresno and receive a retirement benefit and/or DROP at the same time, but MOTION failed due to lack of a second. After brief discussion, motion is withdrawn by Member Williams.

The Committee continued with a discussion that any implementation of this IRS provision would require approval/adoption by the City Council and during these extreme economic times the issue should not be pursued. However, the Committee directed staff and legal counsel to continue to with research for future discussions by the Committee.

ON MOTION by Member Burry seconded by Member Cliby to continue staff research and ongoing Committee discussion and consideration regarding concurrent employment and retirement, DULY CARRIED RESOLVED by the following vote:

AYES: Burry, Aguirre, Beatty, Cliby, French  
NOES: Williams, Nerland, Lombardi  
ABSTAIN: None  
ABSENT: None

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3. Review and discuss proposed amendments to the Municipal Code concerning the Cessation of Membership in the Retirement Systems.

ACTION: To Committee for Review

The Committee considered and reviewed draft Municipal Code amendments that amend and clarify membership in the Retirement Systems and directed legal counsel to revise amendments for review by the Committee, that consider when a member dies post retirement and surviving spouse submits application for service-connected disability retirement, and direction to staff to continue research of other systems with regards to this issue.

Frank Balekian spoke to this issue.

ON MOTION by Member Williams seconded by Member Nerland that legal counsel revise amendments to reflect when a member dies post retirement and surviving spouse submits application for service-connected disability retirement for review by the Committee, DULY

CARRIED RESOLVED BY THE FOLLOWING VOTE:

AYES: Lombardi, Burry, Aguirre, Beatty, Cliby, French, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

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4. Review, Discuss and Consider Compliance Monitoring Program "Concept Paper".

ACTION: Accepted

The Committee reviewed, discussed, considered and accepted compliance monitoring program concept paper.

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5. Update on Acquisition of Benchmark Medical Consultants by Examworks, Inc. and direction to staff.

ACTION: Accepted

The Committee reviewed and discussed ExamWork's response to questions proposed by staff and legal counsel, and determined that staff conduct and schedule a due diligence and that legal counsel continue review of contract with ExamWorks.

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6. Accept Systems Monthly Operating Account Cash Disbursements Report in accordance with the Board's Operating Account Policy.

ACTION: Approved/Adopted

The Committee reviewed, discussed and accepted reports as submitted.

ON MOTION by Member Cliby seconded by Member Burry to accept Systems Monthly Operating Account Cash Disbursements Report for the period ending July, 2009, DULY CARRIED RESOLVED by the following vote:.

AYES: Lombardi, Burry, Aguirre, Beatty, Cliby, French, Nerland, Williams

NOES: None

ABSTAIN: None

ABSENT: None

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7. Review and discuss Legal Counsel's report on IRS guidelines on "Normal Retirement Age."

LAID OVER

ACTION: Laid Over

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**B. INFORMATION ONLY ITEMS**

1. Fresno City Employees Health and Welfare Trust Agenda for Regular Board Meeting held on September 9, 2009 and Minutes of August 12, 2009, Regular Board Meeting.

ACTION: Received

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2. September 17, 2009, Fresno County Delays Costs (The Fresno Bee)

ACTION: Received

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3. September 8, 2009, Do Pension Boards need restructuring? (capitalweekly.net)

ACTION: Received

Legal Counsel provided a brief overview of this issue.

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**C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING**

None

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**D. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**E. ADJOURNMENT**

10:42 a.m.

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