



**CITY OF FRESNO RETIREMENT SYSTEMS**  
**REGULAR MEETING OF THE INVESTMENT COMMITTEE**

**MINUTES**

**February 23, 2010**

**Investment 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 8:33 AM**

COMMITTEE MEMBERS PRESENT: Paul Cliby, Carla Lombardi, Danny Aguirre, Jeff Beatty, Brian Burry, Marvell French (arrived 8:37 am), Oscar Williams and Daniel Ray

Members Absent: Ken Nerland (vacation)

Kathleen Riley, Asst. Retirement Administrator, Tom Toth, Wilshire Investment Consultants, Pattie Laygo, Executive Assistant.

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**APPROVE MINUTES**

Approve minutes of January 26, 2010, Regular Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Beatty to approve the minutes of January 26, 2010, Regular Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: French, Nerland

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**APPROVE AGENDA**

Approve agenda of February 23, 2010, Regular Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Beatty to approve the agenda of February 23, 2010, DULY CARRIED RESOLVED by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: French, Nerland

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**TIMED SCHEDULED HEARINGS AND MATTERS**

**8:30 AM** Presentation and review of Kalmar Small Cap Equity portfolio by Jeffrey Stroble, CFA Client Services and Dana Walker, CFA, Portfolio Manager.

ACTION: Received

The Committee received introduction by Jeffrey Stroble and Dana Walker who provided a review of Kalmar Growth-with-Value Small Cap Equity portfolio, received an organizational update, reviewed shareholder agreement, overview of growth-with-value investment strategies, portfolio summary and comparative performance, risk comparisons and return volatility, and discussed 4th Quarter New Purchases, investment philosophies and strategies.

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**A. CONSENT CALENDAR**

1. Approve time and date for the next regular meeting of the Investment Committee scheduled at 8:30 a.m. on March 23, 2010.

ACTION: Approved/Adopted

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

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

NOES: None

ABSTAIN: None

ABSENT: Nerland

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## B. AGENDA ITEMS

1. Continuing Investment Education session provided by Mr. Thomas Toth.

ACTION: Laid Over

The Committee accepted presentation material, but due to time constraints, laid over presentation by Investment Consultant to March.

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2. Kalmar Small Cap "Growth-with-Value" Equity portfolio evaluation provided by Mr. Thomas Toth for review, discussion and direction.

ACTION: Received

The Committee reviewed and discussed Kalmar's presentation and philosophies and received a summary of evaluation and performance update of Kalmar Investments - Small Cap Growth with Value portfolio by Tom Toth, Investment Consultant. The Committee decided to keep Kalmar on watch and to continue as planned.

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3. Review and accept the Investment Performance Reports from Wilshire Associates for the quarter ended December 31, 2009.

ACTION: Accepted

The Committee received and discussed summary performance report for the 4th quarter 2009, and received Investment Performance Analysis, presented by Tom Toth.

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4. Monthly status update of Investment Manager Monitoring and Evaluation report for the period ending December 31, 2009.

ACTION: Approved/Adopted

The Committee reviewed reports, discussed with Investment Consultant and considered staff's recommendations.

ON MOTION by Member Burry seconded by member Williams to reclassify Alliance Bernstein Large Cap Equity portfolio to good standing, universe rank and reclassify Pyramis Select International Equity portfolio to under review status, Universe Rank, DULY CARRIED RESOLVED by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: Nerland

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5. Review, discuss and consider U.S. Equity Structure update provided by Mr. Thomas Toth, Wilshire Associates.

ACTION: Approved/Adopted

The Committee received presentation and discussed with Investment Consultant the US Equity large Cap structure and discussed changing S&P 500 fund to the Russell 1000 fund.

ON MOTION by Member Lombardi seconded by Member Burry to approve change from SP500 to Russell 1000 and recommend rebalance subject to a review of the monthly liquidity in the Russell 1000 fund, DULY CARRIED RESOLVED by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: Nerland

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6. Review, discussion and direction on methodology for the Small Cap Growth equity search.  
ACTION: Received

The Committee received update of the Small Cap Growth Manager search, reviewed and considered semifinalists to review in March, and to possibly schedule interviews in April.

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7. Consider staff recommendation for monthly drawback for operating and payroll costs.  
ACTION: Approved/Adopted

The Committee received and discussed asset allocation spreadsheet and updated model, and considered recommendation to authorize withdrawal.

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8. Review, update and prioritize Committee projects, activities and manager presentations for Calendar Year 2010.

ACTION: Received

The Committee received and accepted the list of topics and potential projects.

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#### **C. INFORMATION ONLY ITEMS**

1. Northern Trust Monthly Portfolio Performance Reports as of January 31, 2010.

ACTION: Received

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2. Northern Trust Monthly Asset Allocation Overview as of January 31, 2010.

ACTION: Received

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3. Monthly Fixed Income Analysis Report as of January 31, 2010.

ACTION: Received

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#### **D. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING**

1. Baillie Gifford ACWlxUS portfolio review.

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#### **E. UNSCHEDULED ORAL COMMUNICATIONS**

None

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#### **F. PUBLIC COMMENTS**

None

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**G. ADJOURNMENT**

11:50 a.m.

ACTION: Approved/Adopted

ON MOTION by Member Williams seconded by Member Burry to adjourn regular meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Cliby, Lombardi, Aguirre, Beatty, Butty, French, Williams

NOES: None

ABSTAIN: None

ABSENT: Nerland

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