



CITY OF FRESNO RETIREMENT SYSTEMS
SPECIAL MEETING OF THE INVESTMENT COMMITTEE
ACTION AGENDA

August 8, 2007

Investment Committee held a special meeting in Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, California at the hour of 7:30 AM on the day above written.

ROLL CALL AT 7:30 AM

COMMITTEE MEMBERS PRESENT: Paul Cliby, Brian Burry, Ken Nerland

Members Absent: Carla Lombardi, KC Chen, Daniel Ray

via Conference Phone: Michael Schlachter, Wilshire Associates and Russ Richeda, Boards' Legal Counsel

OTHERS PRESENT: Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator, Yvonne Arellano, Retirement Benefits Manager, Employees Board Members Frank Balekian and Danny Aguirre

APPROVE AGENDA

Approve agenda of the August 8, 2007, Special Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION by Member Burry seconded by Member Nerland to approve the agenda of the August 8, 2007, Special Meeting of the Investment Committee, DULY CARRIED by the following vote:

AYES: Cliby, Burry, Nerland

NOES: None

ABSTAIN: None

ABSENT: Lombardi, Chen

A. AGENDA ITEMS

1. Discussion and action concerning the possible termination of The Boston Company and transfer of funds to a successor manager.

ACTION: To Board

Given the emergency nature of the situation at hand, staff and the Investment Committee confirmed with Board legal counsel that the Investment Committee has the authority under existing Board policy to take emergency actions as necessary to resolve this pending issue involving The Boston Company and report the actions back to the Board at their next monthly meeting for ratification by the Boards. The Investment Committee, staff, the Board's legal counsel and Investment Consultant, unanimously agreed that the situation constituted an emergency. Due to the emergency situation, the Investment Committee provided direction and authority to terminate The Boston Company and then made a secondary cost effective decision that directed staff to transition the portfolio through BGI in either their EAFE index or EAFE enhanced index portfolios subject to final review by staff of BGI and Northern Trust's pre-trade analysis reports. The Committee also authorized staff to use Northern Trust as an alternative transition and successor manager if the trade analysis reports from BGI were not acceptable relative to Northern Trust's reports.

ON MOTION by Member Nerland seconded by Member Burry to approve the termination of The Boston Company investment services and to freeze the account from further trading due to the unforeseen resignations of virtually the entire Boston Company international core equity investment team DULY CARRIED by the following vote:

AYES: Cliby, Burry, Nerland

NOES: None

ABSTAIN: None

ABSENT: Lombardi, Chen

The Committee unanimously agreed to utilize a short term solution to transition the holdings into an EAFE index or EAFE enhanced index portfolio based upon the results shown by the Pre-Trade Analysis Reports provided by BGI. As a contingent backup direction, staff was authorized to use Northern Trust's EAFE index fund if the BGI pre-trade analysis was in any way inappropriate when compared to the Northern Trust transition cost analysis reports.

ON MOTION by Member Nerland seconded by Member Burry to approve that the Committee direct staff to take action to move The Boston Company frozen portfolio to BGI EAFE or EAFE enhanced index fund contingent upon reasonable transition proposal and fees with an alternate direction to allow transition to Northern Trust EAFE products, if costs or fees from BGI are not reasonable DULY CARRIED by the following vote:

AYES: Cliby, Burry, Nerland

NOES: None

ABSTAIN: None

ABSENT: Lombardi, Chen

B. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

None

C. UNSCHEDULED ORAL COMMUNICATIONS

None

D. PUBLIC COMMENTS

None

ADJOURNMENT 8:10 AM

There being no further business to bring before the Committee, and hearing no objections, the Chair declares the Investment Committee meeting adjourned.