



CITY OF FRESNO RETIREMENT SYSTEMS
REGULAR MEETING OF THE ADMINISTRATIVE COMMITTEE

MINUTES

May 28, 2009

Administrative Committee held a meeting 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.

ROLL CALL AT 1:01 PM

Members Present: Danny Aguirre, Jeff Beatty, Brian Burry, Paul Cliby, Marvell French (arrived 1:06 pm), Carla Lombardi (arrived 1:56 pm), Oscar Williams

Members Absent: Ken Nerland, Carla Lombardi (arrived 1:56 pm)

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

APPROVE MINUTES

Approve minutes of April 23, 2009, Regular Meeting of the Administrative Committee.

ACTION: Approved/Adopted

ON MOTION by Member Cliby seconded by Member Williams, to approve the minutes of April 23, 2009, Regular Meeting of the Administrative Committee, DULY CARRIED RESOLVED BY THE FOLLOWING VOTE:

AYES: Aguirre, Beatty, Burry, Cliby, Williams

NOES: None

ABSTAIN: None

ABSENT: Nerland, French, Lombardi

APPROVE AGENDA

Approve agenda of the May 28, 2009, Regular Meeting of the Administrative Committee.

ACTION: Approved/Adopted

ON MOTION BY Member Cliby seconded by Member Williams to approve the agenda of the May 28, 2009, regular meeting of the Administrative Committee, DULY CARRIED RESOLVED by the following vote:

AYES: Aguirre, Beatty, Burry, Cliby, Williams

NOES: None

ABSTAIN: None

ABSENT: French, Lombardi, Nerland

TIMED SCHEDULED HEARINGS AND MATTERS

1:00 PM

Review, discussion and direction regarding renewal of Fiduciary Liability Insurance via conference call with Gina Jackson and Brian Smith of The Segal Company.

ACTION: Approved/Adopted

Pending arrival of Member Lombardi, Legal Counsel provided a summary review of Fiduciary Liability insurance and clauses. Gina Jackson with The Segal Company provided an overview of insurance requirements. The Committee continued by telephone with Mr. Brian Smith who reviewed ratings, current issues, developments in the fiduciary markets, bids for renewal, and provided a clarification of claims and coverage. (At 1:55, Member Lombardi arrives.) The Committee reviewed and discussed renewal information and determined the appropriate limit of liability coverage.

ON MOTION by Member Cliby seconded by Member Burry to approve the renewal of a enhanced fiduciary liability policy provided by Chubb with a \$20 million limit of liability,

\$25,000 deductible, and authorize staff to make annual premium payment of \$207,900, effective June 17, 2009, DULY CARRIED RESOLVED by the following vote:

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

A. AGENDA ITEMS

1. Review, discussion and final direction on proposed Trust, Operating and Deferred Compensation budgets for Fiscal Year 2010.

ACTION: Approved/Adopted

The Committee reviewed and discussed the proposed FY 2010 budgets for the Retirement Office, Deffered Compensation Plan and Trust Funds. Administrator McDivitt noted the actual amount budgeted may change as the Mayor's Proposed Budget and pending labor negotiations excludes salary increases including those mandated by MOU and STEP increases for FY2010. Member Burry requested adding line item numbering for quick reference.

ON MOTION by Member Cliby seconded by Member Lombardi to approve the Trust, Operating and Deferred Compensation budgets for Fiscal Year 2010 and recommend adoption by the Retirement Board, DULY CARRIED RESOLVED by the following vote:

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

2. Continued review and discussion of the Systems' current disabilities application process, including proposed CFRS' Disability Policies and Procedures and Disability Handbook.

ACTION: To Staff for More Info

The Committee extensively reviewed and discussed the staff report and draft documents for the disability retirement process, recommended revisions were discussed and noted by staff for implementation and then review by legal counsel for the Committee's ongoing review at the next meeting.

3. Review and consider Addendum to the Maintenance and Support Agreement for PensionGold System Software for Fiscal Year 2010.

ACTION: Approved/Adopted

The Committee reviewed proposed addendum to the maintenance and support agreement and discussed annual maintenance fee.

ON MOTION by Member Cliby seconded by Member Williams to recommend Board approval of the addendum to the maintenance and support agreement for Fiscal Year 2010, DULY CARRIED RESOLVED by the following vote:

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

4. Review, Discussion, and Direction regarding existing Cost of Living Provisions and possible future amendments.

ACTION: Received

The Committee reviewed and discussed staff's report and the fiscal impact to amend the existing cost of living provisions. The Committee concluded and directed staff and legal counsel to provide assistance to the retirees and prepare resolutions for the Boards approval and draft ordinances amending the Fresno Municipal Code that would allow the banking of a negative COLA provision. Upon call to the interested parties present, Mr. Frank Balekian spoke on behalf of the retirees and in support of the Committee's conclusion to assist the retirees and prepare resolutions and draft ordinances to amend the FMC to reflect that when a negative COLA is present that the negative be banked until positive numbers are present.

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5. Ongoing review and evaluation of the Joint Board Policies Section 2-30 and 2-31 and recommendations to the Joint Retirement Board as necessary.

ACTION: Approved/Adopted

The Committee reviewed and discussed amendments to the Joint Board Policies and recommended Board approval of amendments to Joint Board Policy 2-30 and determined that Joint Board Policy 2-31 will be laid over to the next Committee meeting to allow further review and clarification of administrative changes.

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6. Accept Quarterly Expense Report And Monthly Systems' Cash Disbursements Reports In Accordance With The Board's Administrative Oversight Policy.

ACTION: Approved/Adopted

The Committee reviewed, discussed and accepted reports as submitted.

ON MOTION BY Member Cliby seconded by Member Burry to accept Quarterly Expense Report and Monthly Systems' Cash Disbursements Reports for the months of March and April 2009, DULY CARRIED RESOLVED by the following vote:.

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

NOES: None

ABSTAIN: None

ABSENT: Nerland, Lombardi

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

LAID OVER

B. INFORMATION ONLY ITEMS

1. Fresno City Health and Welfare Trust Agendas for Regular Board meeting of May 13, 2009, and Minutes of the Regular Board meeting of March 11, 2009.

ACTION: Received

C. PROPOSED AGENDA ITEMS FOR NEXT COMMITTEE MEETING

None

D. UNSCHEDULED ORAL COMMUNICATIONS

1. The Committee discussed rescheduling the regular meeting of the Administrative Committee due to conflicts on the Committee's calendar when the Committee members must attend the City Council meetings and/or Agenda Conference. The Committee determined the next Administrative Committee meeting will be held at 8:30 am on June 30 and the regular Administrative Committee be rescheduled to every third Tuesday of every month. The Committee also directed staff to review and consider the regular meeting of the Investment Committee with the Investment Consultant.

E. PUBLIC COMMENTS

None

F. ADJOURNMENT

3:23 p.m.
