



**CITY OF FRESNO RETIREMENT SYSTEMS**  
**SPECIAL MEETING OF THE INVESTMENT COMMITTEE**  
**MINUTES**

**March 17, 2009**

**Investment Committee held a special meeting in Retirement Office, 2828 Fresno St., 2nd Fl., Board Chamber, Room 202, Fresno, California at the hour of 9:00 AM on the day above written.**

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**ROLL CALL AT 9:10 AM**

COMMITTEE MEMBERS PRESENT: Paul Cliby, Danny Aguirre, Jeff Beatty, Brian Burry, Carla Lombardi, Ken Nerland, and Daniel Ray

Members Absent: Marvell French

ALSO PRESENT: Stanley McDivitt, Retirement Administrator, Kathleen Riley, Asst. Retirement Administrator and Thomas Toth of Wilshire Associates

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**APPROVE AGENDA**

Approve agenda of March 17, 2009, Special Meeting of the Investment Committee.

ACTION: Approved/Adopted

ON MOTION BY Member Williams seconded by Member Lombardi to approve the agenda of March 17, 2009, Special Meeting of the Investment Committee, DULY CARRIED RESOLVED by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: French

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**A. AGENDA ITEMS**

1. Conduct a Self-Evaluation of our investment related processes, procedures and policies and consider possible recommendations to the Boards.

ACTION: Received

Through its self-evaluation review process the Investment Committee determined that the investment related processes, procedures, and policies are basically working well but could use some enhancements. The Committee agreed that e-Vestment Alliance database may provide additional information and independence to our search process and directed staff to schedule a presentation to the Committee.

A basic theme of the overall discussions surrounded the need to increase due diligence efforts in manager reviews and evaluations because although we've avoided blow-ups that have affected other systems we want to prevent the Systems from being a victim of fraud.

Additional due diligence to be considered includes on-site visits every three-years with current managers; a final due diligence review meeting before presentation to full Investment Committee for retention of new managers; modification to the screening process to include other qualitative factors; increase risk controls by adding better discussions of the necessary risk controls; and conduct legal review of Investment Manager Agreements to determine other risk control measures that could be included in the manager agreements to better protect the Systems.

The Committee requested that staff develop a Due Diligence Checklist Process Procedure Policy to include a due diligence checklist; due diligence questions; pertinent documents to be reviewed when considering a new investment management firm, what to look for in their staff, research capabilities and evaluation of due diligence impressions. The Committee also

asked for staff to consider asking CALAPRS to put together a Course for Due Diligence for a good source of information, feedback from others and a detailed checklist.

The Committee also discussed the immediate need for rebalancing of the portfolio and provided direction to staff for the next Committee meeting. Staff was directed to continue with the self evaluation process and place additional items on the Investment Committee agenda for discussion.

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**B. INFORMATION ONLY ITEMS**

1. March 11, 2009, Fraud Points to Need for Better Due Diligence. (Fundfire.com)  
ACTION: Received

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**C. PUBLIC COMMENTS**

None

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**D. UNSCHEDULED ORAL COMMUNICATIONS**

None

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**E. ADJOURNMENT**

2:30 pm

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