



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

**David J. Kehler**  
Retirement Administrator

136 N. AKERS STREET  
VISALIA, CA 93291

TELEPHONE (559) 713-2900  
FAX (559) 730-2631  
WEBSITE: www.tcera.org

**MINUTES OF THE BOARD OF RETIREMENT**  
REGULAR RETIREMENT BOARD MEETING  
**Wednesday, January 25, 2017 @ 8:30 a.m.**  
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

**I. CALL TO ORDER**

Called to Order by Roland Hill, Chair

**II. ROLL CALL**

Members Present: Hill, Embrey, Reed, Young, Watson, Crawford, Vander Poel  
Members Absent: Woodard, Ross  
Alternates Present: Norman, Taylor  
Alternates Absent: Wallis  
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator;  
Barbara Grunwald, Deputy County Counsel  
Clerk: Rebecca Pendleton

Let the record show Mr. Norman arrived at 8:31 a.m. and Ms. Crawford arrived at 8:33 a.m.

1. As a courtesy to those in attendance, all individuals are requested to place cell phones and other electronic devices in the non-audible alert mode.
2. Pledge of Allegiance and Moment of Silence

**III. PUBLIC COMMENT**

1. At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

None.

**IV. X-AGENDA ITEMS**

None.

**V. DISABILITIES – Time Certain: 8:30 a.m.**

1. Closed session was held from 8:33 to 8:58 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Larry Preston Jr., consider and take action regarding the application for a disability retirement.

MOTION to grant Larry Preston Jr. a service connected disability retirement.

Young/Embrey            Approved Unanimously  
Absent:                 Woodard, Ross

3. In the matter of the disability application of Michael Strawn, consider and take action regarding the application for a disability retirement.

MOTION to grant Michael Strawn a non-service connected disability retirement.

Watson/Reed                      Approved Unanimously  
Absent:                      Woodard, Ross

4. In the matter of the disability application of Luke Vance, consider and take action regarding the application for a disability retirement.

MOTION to deny the disability application of Luke Vance.

Young/Vander Poel              Approved Unanimously  
Absent:                      Woodard, Ross

5. Accepted as filed: Disability Status Report Overview and County Counsel Disability Case Status Report.

**VI. CONSENT CALENDAR**

1. Approve Minutes of the following Meetings:
  - a. Retirement Board Minutes of January 11, 2017.
2. Approve payments to:
  - a. County Counsel – invoice for legal services to the Board of Retirement for the period ending December 31, 2016, in the amount of \$1,852.90.
  - b. County Counsel – invoice for disability legal services to the Board of Retirement for the period ending December 31, 2016, in the amount of \$4,949.90.
3. Approve reports:
  - a. Retirement applications and option selections: deceased pensioners, through December 31, 2016.

MOTION to approved the Consent Calendar.

Young/Embrey                      Approved Unanimously  
Absent:                      Woodard, Ross

**VII. COMMITTEE REPORTS**

1. Update by Roland Hill regarding the Investment Committee meeting of January 17, 2017. Discussion and possible action regarding the following items:
  - a. Asset Allocation Status

Mr. Hill indicated that the Committee reviewed the Asset Allocation Status report. The Committee requested a refresher regarding the purpose of the report and the source of the data provided in each column. The Committee also discussed TCERA’s rebalancing policy. Because the allocations are all within the approved bands, Staff is using upcoming capital calls for real estate and alternative managers to rebalance the portfolio over time. Staff is not undertaking major rebalancing at this time in order to minimize transaction costs. There may be a point, however, when certain asset classes will need to be addressed with targeted rebalancing activity, especially for those allocations that have been brought down to a zero targeted balance. This will be determined by the timing and amount of the capital calls as well as any action taken by the Board in the coming months regarding the strategic asset allocation.

b. 2017 Investment Committee Goals and Objectives Timeline and 2017 Education Calendar

Mr. Hill stated that the Committee reviewed the Committee Goals and Objectives, noting that the Committee expects some goals and specific education requests to be generated from the Board retreat on February 22<sup>nd</sup>. Scott Whalen suggested the following items for the 2017 Education Calendar:

March 22, 2017 – Strategic Asset Allocation/Capital Markets Assumptions

July 26, 2017 – Real Assets Outlook

October 25, 2017 – Private Equity Outlook

The Committee requested that these items be placed on the calendar by TCERA Staff.

c. Investment Managers

1) Verus Flash Report – All Managers

Mr. Hill noted that the Committee reviewed manager performance as reported in the Flash Report that was distributed at the meeting. The quarterly performance report for the period ending December 31, 2016 will be presented to the Board of Retirement on March 22, 2017.

2) Managers of Interest

a) Waddell & Reed – Update from Verus

b) RREEF – Update from Verus

c) KKR – Notification of personnel changes

d) Pantheon – Notification of personnel changes

e) Gresham – Notification of fund name changes

f) State Street – Notification and Consent of transfer of investment management business to SSGA Trust Company

g) Titan – Notification of update to offering memorandum

h) Shenkman – Notification of personnel changes

Mr. Hill mentioned that the Committee reviewed all of the materials presented for the Managers of Interest. No action was required for these communications. In addition, the Committee recommended that Waddell & Reed (Ivy) and RREEF be removed as a standing discussion item.

The Board directed Staff to remove Waddell & Reed (Ivy) and RREEF from TCERA's Watch List.

## VIII. NEW BUSINESS

1. Discussion and possible action SACRS Board of Directors 2017-2018 Elections.

No action was taken.

## IX. OLD BUSINESS

1. Discussion regarding new laws, proposed legislation, and topics of interest impacting public pension plans.

Mr. Kehler reported that Staff is monitoring the California Supreme Court's handling of cases involving pension benefit issues and the possibility of changes to defined benefit formulas. Staff will report back as the matter progresses.

Mr. Reed noted a recent article stating that an additional \$10.00 fee for California driver's licenses will be charged in order to help fund pension liabilities for the California Highway patrol.

## **X. EDUCATION ITEMS**

1. Discussion and possible action regarding all education items listed in Trustee binders.

No action taken.

## **XI. UPCOMING MEETINGS**

1. 02/08/2017 Retirement Board meeting @ 8:30 a.m.
2. 02/21/2017 Investment Committee meeting @ 1:30 p.m. (*Tuesday*)
3. 02/22/2017 Retirement Board Retreat @ 8:30 a.m.
4. 02/27/2017 Administrative Committee meeting @ 3:00 p.m.

Mr. Vander Poel indicated that would need to leave the Board Retreat at noon due to a prior commitment.

## **XII. TRUSTEE / STAFF COMMENTS**

1. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

Ms. Crawford would like input from Risk Management regarding returning disability applicants back to work. Mr. Hill requested that Staff place the item on a future agenda and request Risk Management to make a presentation before the Board.

## **XIII. COMMUNICATIONS**

1. For Your Information:
  - a. Information from Cheiron and Verus regarding any pending litigation involving their funds.

## **XIV. ADJOURNED: 9:38 a.m.**

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Roland Hill, Chair