



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, March 8, 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, Ross, Reed, Watson, Crawford, Vander Poel  
Members Absent: Woodard, Young  
Alternates Present: Norman, Taylor  
Alternates Absent: Wallis  
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Renee Smale, Craig Chandler and Adriana Gonzales-Chang, Retirement Specialist; Barbara Grunwald, Deputy County Counsel

Let the record show that Mr. Ross and Mr. Vander Poel arrived at 8:32 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 8:35 to 8:52 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Bertha Longoria, consider and take action regarding the application for a disability retirement.

MOTION to deny Bertha Longoria's application for a non-service connected disability retirement as recommended by the Internal Review Committee.

Vander Poel/Watson                      Approved Unanimously  
Absent:                                      Woodard, Young

3. In the matter of the disability application of Steven (Sam) Streets, consider and take action regarding the Hearing Officer's Proposed Decision.

Attorney John Sarsfield addressed the Board of behalf of Mr. Streets.

MOTION to approve the Hearing Officer's Findings and recommendation to deny the service connected disability application of Steven (Sam) Streets.

Vander Poel/Embrey                      Approved Unanimously  
Absent:                      Woodard, Young

4. In the matter of the disability application of James Fansett, consider and take action regarding the application for a service connected disability retirement under Government Code Section 31720.5.

MOTION to deny James Fansett's service connected disability application as recommended by the Internal Review Committee.

Vander Poel/Ross                      Approved  
Ayes:                      Hill, Embrey, Ross, Reed, Watson, Crawford, Vander Poel  
Noes:                      Watson

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

#### **VI. ADDENDUM – LEGAL REPORT**

1. Update by Barbara Grunwald along with discussion and possible action regarding recent decisions in the following court cases:
  - a. California Supreme Court decision on prejudgment interest in disability retirement (Flethez v. San Bernardino County Employees Retirement Assn.).
  - b. California Supreme Court decision on personal devices and Public Records Act (City of San Jose v. Superior Court).
  - c. California Court of Appeal decision on fiduciary duty of retirement board (O'Neal v. Stanislaus County Employees' Retirement Assn.).

Ms. Grundwald, Deputy County Counsel, reported the outcomes of Court decisions related to: 1) Flethez v. San Bernardino County Employees Retirement Association regarding the payment of interest on retroactive disability application decisions; 2) City of San Jose v. Superior Court regarding the Court's decision that messages, records, etc. on private personal devices are subject to Public Records Acts requests; and 3) O'Neal v. Stanislaus County Employees' Retirement Association regarding fiduciary responsibilities of Retirement Boards.

The Board directed Staff to bring the Electronic Device Policy back to the Administrative Committee for possible revision related to the use of private email accounts and devices.

The Chair authorized twenty minutes of continuing educational credit for Trustees and Staff in attendance.

#### **VII. CONSENT CALENDAR**

1. Approve Minutes of the following Meetings:
  - a. Retirement Board Minutes of February 8, 2017.
  - b. Minutes of the Retirement Retreat held February 22, 2017.
2. Approve reports:
  - a. Retirement applications and option selections: deceased pensioners, through January 31, 2017.

MOTION to approve the Consent Calendar.

Vander Poel/Embrey                      Approved Unanimously  
Absent:                      Woodard, Young

## VIII. COMMITTEE REPORTS

2. Update by Mike Watson regarding the Administrative Committee meeting of February 27, 2017. Discussion and possible action regarding the following items:

- a. Final Financial and Budget Reports for the period ending December 31, 2016.

Mr. Watson reported that at the Administrative Committee meeting Mr. Kehler and Ms. Malison explained the impact of crediting interest to the Market Stabilization Reserve (line 3510) and to the Supplemental Retiree Benefit Reserve (line 3320) along with the possible implications for TCERA. The Committee recommends approval.

MOTION to approve the Financial and Budget Reports for the period ending December 31, 2016.

Watson/Embrey	Approved Unanimously
Absent:	Woodard, Young

- b. Proposed revision to TCERA policy for the division of community property interests.

Mr. Watson stated that Mr. Kehler explained at the Committee meeting the Staff reasons for the proposed revision to existing policy and indicated that it would allow for an alternative and legally acceptable method for dividing community property interest where information related to the TCERA account balance is missing or difficult to locate. The Committee recommends approval.

MOTION to approve the proposed revision to TCERA's current policy for the division of community property interest.

Watson/Ross	Approved Unanimously
Absent:	Woodard, Young

## IX. INVESTMENTS

1. Presentation from PIMCO regarding TCERA's investment allocation to International Equities and PIMCO BRAVO. Discussion and possible action.

Matt Clark of PIMCO and Brent Leadbetter of Research Affiliates Equity (RAE) made the presentation on behalf of PIMCO RAE and PIMCO BRAVO.

The Chair authorized forty-five minutes of continuing educational hours for Trustees and Staff present.

## X. NEW BUSINESS

1. Discussion and possible action regarding Trustee attendance at the NCPERS 2017 Annual Conference to be held May 21-24, 2017 in Hollywood, FL

- a. Selection of Voting Delegate.

Mr. Kehler indicated that Mrs. Woodard would like to be approved to attend this conference.

MOTION to deny the request for a representative from TCERA to attend.

Vander Poel/Ross	Approved
Ayes:	Embrey, Ross, Reed, Watson, Vander Poel
Noes:	Hill, Crawford

## **XI. OLD BUSINESS**

1. Authorize Board Chair to sign renewal of agreement between Brown Armstrong and TCERA for auditing services.

MOTION to authorize the Board Chair to sign the renewal agreement between Brown Armstrong and TCERA for audition services, with the removal of “Approved as to Form” requirement.

Vander Poel/Embrey      Approved Unanimously  
Absent:                      Woodard, Young

2. Discussion and possible action regarding recommended ballot for the SACRS Board of Director Elections.

Mr. Kehler noted that the nominee for the Treasurer position has withdrawn his name from the ballot.

No action was taken.

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

No update was given.

## **XII. EDUCATION ITEMS**

1. Accept Summary Education Report as filed: Barbara Grunwald, CALAPRS Attorneys’ Roundtable, February 3, 2017.

MOTION to approve the Summary Education Report as filed.

Watson/Embrey              Approved Unanimously  
Absent:                          Woodard, Young

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

MOTION to approve expenses for Marit Erickson and Christopher Sorich, Deputy County Counsel, to attend the LACERA, Disability Retirement Attorney Roundtable on March 17, 2017 in Pasadena, CA.

Watson/Ross                  Approved Unanimously  
Absent:                          Woodard, Young

It was noted that there was no education list attached to the Granicus agenda for Trustee review.

## **XIII. UPCOMING MEETINGS**

1. 03/20/2017 Investment Committee meeting @ 1:30 p.m.
2. 03/22/2017 Retirement Board meeting @ 8:30 a.m.
3. 03/27/2017 Administrative Committee meeting @ 3:00 p.m.

## **XIV. TRUSTEE / STAFF COMMENTS**

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

Mr. Kehler requested moving the Administrative Committee meeting in April to an earlier time. He will coordinate this with the Committee Chair.

Mr. Hill mentioned that the Disability Status Report has six new filings since January 2017. Mr. Watson noted the recent disability filings have been members who have been off work long term.

Ms. Crawford noted the presentation at the CALAPRS General Assembly regarding disabilities.

Mr. Reed complemented Staff on the Board Retreat. He noted that the PIMCO presentation was excellent. He also mentioned that he expects the fiduciary rule to continue to be critical and the Board may need a specific study session on this topic.

## **XV. COMMUNICATIONS**

1. For Your Information:
  - a. Treasurer's Quarterly Investment Report for the Quarter ending December 31, 2016.

## **XVI. ADJOURNED: 10:33 a.m.**

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Roland Hill, Chair