



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, April 12, 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, Young, Crawford, Vander Poel
Members Absent: Woodard, Watson
Alternates Present: Norman, Taylor, Wallis
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Renee Smale, Retirement Specialist; Barbara Grunwald, Deputy County Counsel; and Paul Guerrero, CAO-Administrative Analyst

Let the record show that Ms. Crawford and Mr. Vander Poel departed at 10:54 a.m. Mr. Norman will be a voting member today in Mr. Watson's absence.

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.

Mr. Ben Vernazza of Precision Fiduciary Analytics made comments and distributed information regarding uncompensated risk.

IV. X-AGENDA ITEMS

None.

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

1. Closed session was held from 8:44 to 9:04 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Kevin Marks, consider and take action regarding the application for a disability retirement.

MOTION to deny the disability application of Kevin Marks.

Young/Vander Poel Approved Unanimously
Absent: Woodard, Watson

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

Mr. Leonard Bass briefly addressed the Board.

MOTION to grant Leonard Bass a non-service connected disability retirement and withhold action on the issue of service connected disability due to the heart presumption until additional medical evidence is obtained by TCERA staff.

Vander Poel/Ross Approved Unanimously
Absent: Woodard, Watson

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

MOTION to grant a service connected disability retirement to Judy Summers as recommended.

Embrey/Young Approved Unanimously
Absent: Woodard, Watson

5. In the matter of the disability application of Shawna Hyles, consider and take action regarding the application for a disability retirement.

MOTION to grant a service connected disability retirement to Shawna Hyles as recommended.

Ross/Crawford Approved Unanimously
Absent: Woodard, Watson

6. 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 March 22, 2017.

MOTION to approve the Consent Calendar.

Norman/Young Approved Unanimously
Absent: Woodard, Watson

VII. COMMITTEE REPORTS

1. Update regarding the Administrative Committee meeting of March 27, 2017. Discussion and possible action regarding the following items:
 - a. Final Financial and Budget Reports for the periods ending January 31 and February 28, 2017.

The Administrative Committee recommends approval of both January and February Financial and Budget Reports.

MOTION to approve the final Financial and Budget Reports for the periods ending January 31 and February 28, 2017.

Reed/Embrey Approved Unanimously
Absent: Woodard, Watson

It was noted that the Addendum to the March 27, 2017 Administrative Committee regarding “Request for Second Alternate for the Treasurer on the Board of Retirement” was inadvertently omitted from this agenda. It will be placed on the April 26th Retirement Board agenda.

b. Proposed Additions to TCERA Staff Positions.

During the Administrative Committee meeting, Mr. Kehler and Ms. Malison covered the proposed labor forecast for FY 2017-18 including the requests for an additional Retirement Specialist and Accountant. TCERA Management stated that projected growth in plan membership (especially in retirees), TCERA staff turnover, and the increase in customer service needs due to the growth in Tier 4 membership were the primary reasons for requesting an additional Retirement Specialist position. The increase in the number of investment managers and the complexity in investment reporting and reconciliation (primarily for alternative investments) are the main factors for requesting an additional Accounting staff position. Discussion was also held over the need for adding two new positions, the costs for doing so, and the timing of adding the new staff positions. The Administrative Committee recommends approval by the Board of Retirement.

MOTION to approve two new positions for TCERA. The Retirement Specialist position to be added as soon as possible and the Account position to be added in FY 2017-18.

Embrey/Young Approved Unanimously
Absent: Woodard, Watson

c. Consideration of Actuarial Audit in 2018.

Mr. Kehler explained the purpose behind having an actuarial audit, provided the Administrative Committee with information related to the nature of prior audits and regarding the firm that has performed the audit for TCERA in the past. He also indicated that issuing an RFP for such services is an option the TCERA Trustees may wish to consider. The Administrative Committee recommends that the Board authorize an actuarial audit to be performed in conjunction with the 2017 Triennial Experience Study; that the audit is to be a “mid-level” review of TCERA’s membership and of the conclusions of the 2017 Experience Study; and that the actuarial audit be performed by Roeder Financial.

MOTION to approve the Administrative Committee’s recommendation.

Vander Poel/Ross Approved Unanimously
Absent: Woodard, Watson

d. Consideration of Revisions to TCERA’s Mobile Device Policy.

Mr. Kehler explained that the reason for the proposed changes is to clarify that private electronic communications stored on TCERA issued devices and TCERA communications stored on Trustees’ private devices may be subject to Public Records Act requests. The Administrative Committee recommends approval to the policy language.

MOTION to approve the revisions to TCERA’s Mobile Device Policy.

Vander Poel/Embrey Approved Unanimously
Absent: Woodard, Watson

VIII. INVESTMENTS

1. Presentation from Aetos Capital regarding TCERA’s investment allocation to hedge funds. Discussion and possible action.

Jim Conzelman and Dan Fagan made the presentation on behalf of Aetos Capital. Mr. Reed requested that a discussion of Aetos Capital be added to the Investment Committee agenda. The Chair authorized forty-five minutes to Trustees and Staff present.

2. Presentation from Titan Advisors regarding TCERA's investment allocation to hedge funds. Discussion and possible action.

Tom Holliday and Marice Leo made the presentation on behalf of Titan Advisors. Staff was directed to place Titan Advisors on the Investment Committee agenda. The Chair authorized forty-five minutes to Trustees and Staff present. Mr. Vander Poel and Ms. Crawford are to receive thirty minutes due to early departure.

IX. NEW BUSINESS

1. Discussion and possible action regarding 2017 Spring SACRS Voting Proxy Form, selection of Voting Delegates.

MOTION to appoint Mr. Kehler as the Voting Delegate and Ms. Malison as the Alternate Voting Delegate.

Young/Embrey Approved Unanimously
Absent: Woodard, Watson, Crawford, Vander Poel

X. OLD BUSINESS

1. Discussion and possible action regarding SACRS Board of Directors Elections 2017-18 final ballot.
 - a. Statement from Art Goulet, Ventura County – Candidate for Secretary.
 - b. Statement from Kathryn Cavness, Mendocino County – Candidate for Secretary.

MOTION to authorize the Voting Delegate and/or Alternate Voting Delegate to use discretion in voting.

Embrey/Young Approved Unanimously
Absent: Woodard, Watson, Crawford, Vander Poel

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

Mr. Kehler reported that in regards to the City of San Diego, the 4th District Court of Appeal ruled in favor of the City to allow new hires to move from Defined Benefits to Defined Contributions retirement plan. There will likely be an appeal.

XI. EDUCATION ITEMS

1. Accept Summary Education Reports as filed: Rita Woodard and Jim Young, CALAPRS General Assembly, March 5-7, 2017; Rita Woodard, CATTTC Area 5 Meeting, March 8, 2017; Marit Erickson and Chris Sorich, Disability Retirement Attorney Roundtable, March 17, 2017.

MOTION to accept the Summary Education Reports as filed.

Norman/Ross Approved Unanimously
Absent: Woodard, Watson, Crawford, Vander Poel

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

MOTION to approve expenses for Roland Hill to attend the Verus, 2017 Client Summit, August 28-29, 2017 in San Francisco, CA.

Embrey/Young Approved Unanimously
Absent: Woodard, Watson, Crawford, Vander Poel

XII. UPCOMING MEETINGS

1. 04/17/2017 Investment Committee meeting @ 1:30 p.m.
2. 04/24/2017 Administrative Committee meeting @ **11:00 a.m.**
3. 04/26/2017 Retirement Board meeting @ 8:30 a.m.

Mr. Ross will not be in attendance at the April 17th Investment Committee meeting. It was noted that the April 24th Administrative Committee meeting time was changed to 11:00 a.m. and Mr. Embrey will not be in attendance.

XIII. 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. Embrey commended Mr. Kehler on his presentation to the Board of Supervisors regarding employer and employee retirement contribution rates from TCERA's actuary. Mr. Kehler noted that the Board of Supervisors approved the date of implementation of rates as PP 15 which includes July 1, 2017.

XIV. ADJOURNED: 11:23 a.m.

Roland Hill, Chair