



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, July 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, Watson, Crawford, Vander Poel
Members Absent: Woodard
Alternates Present: Norman, Cook
Alternates Absent: Taylor
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator;
Adriana Gonzales-Chang; Barbara Grunwald, Deputy County Counsel; Paul Guerrero,
CAO-Administrative Analyst

Let the record show Mr. Norman departed at 8:43 a.m. and returned at 10:06 a.m. Mr. Vander Poel departed at 9:18 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.

IV. X-AGENDA ITEMS

None.

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

1. Closed session was held from 8:36 to 8:43 a.m regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Matthew Hardy, consider and take action regarding the application for a disability retirement.

Matthew Hardy briefly addressed the Board.

MOTION to deny the disability application of Matthew Hardy as recommended.

Young/Embrey Approved Unanimously
Absent: Woodard

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

Valerie Hinojosa briefly addressed the Board.

MOTION to deny the disability application of Valerie Hinojosa.

Watson/Vander Poel Approved Unanimously
Absent: Woodard

4. 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 June 28, 2017.
2. Approve payments to:
 - a. BNY Mellon – invoice for master trust custodial services for the quarter ended December 31, 2016, in the amount of \$164,002.40.
 - b. BNY Mellon – invoice for master trust custodial services for the quarter ended March 31, 2017, in the amount of \$90,846.55.
 - c. Verus – invoice for investment consulting services for the quarter ended June 30, 2017, in the amount of \$53,709.11.
 - d. County Counsel – invoice for legal services to the Board of Retirement for the period ending June 30, 2017, in the amount of \$1,216.20.
 - e. County Counsel – invoice for disability legal services to the Board of Retirement for the period ending June 30, 2017, in the amount of \$7,313.40.

Mr. Kehler reported that the BNY Mellon invoice (item 2 a.) should be for the amount of \$88,017.28 which is the quarterly amount due.

MOTION to approve the Consent Calendar with the BNY Mellon invoice (item 2 a.) to be the in the amount of \$88,017.28.

Young/Vander Poel Approved Unanimously
Absent: Woodard

VII. COMMITTEE REPORTS

1. Update by Pete Vander Poel regarding the Administrative Committee meeting of June 26, 2017. Discussion and possible action regarding the following items:
 - a. Payment of Temporary Annuity Benefits to TCERA retired members.

Mr. Vander Poel reported that during the Committee meeting Mr. Kehler summarized the background events and the regulations pertaining to the Temporary Annuity Benefit (TAB) payment provisions as well as the current issue involving the coordination of benefit payments with the federal system (Social Security). The Committee discussed possible options available to the TCERA Board concerning the gap in benefit payments that has occurred due to an apparent changes in SSA payment policies. The Committee recommends to the Board that the retirement plan continues the current policy of paying the TAB amounts only through the end of the month in which the affected TCERA retiree turns age 62.

MOTION to continue with TCERA's current policy.

Vander Poel/Embrey Approved Unanimously
Absent: Woodard

- b. Legislative proposal impacting TCERA Board authority over Executive level staff.

Mr. Vander Poel mentioned that during the Committee meeting Mr. Kehler explained the current County Employees' Retirement Law (CERL) regulations affecting the TCERA Board's authority over the Assistant Retirement Administrator and any future Chief Investment Officer position employed by TCERA. He indicated that current law appears to limit the Board's direct control over such job classifications and suggested that the TCERA Board requests the State Association of County Retirement Systems (SACRS) sponsors legislation to remedy this matter to the satisfaction of the TCERA Board of Retirement and other '37 Act plans. Mr. Vander Poel stated that the Committee recommends to the Board that TCERA submits a request for SACRS to sponsor such legislation.

MOTION to direct Staff to submit a request for SACRS to sponsor such legislation.

Vander Poel/Young Approved Unanimously
Absent: Woodard

- c. Review of policy for charges to individuals requesting copies of TCERA member records.

Mr. Vander Poel noted that during the Committee meeting Mr. Kehler stated that confusion has occurred over the proper amount that plan members and others should be charged for copying of member records. He asked that the Board clarifies its policy over the copying fee. Mr. Vander Poel indicated that the Committee indicated they would recommend to the Board that the fee charged by TCERA going forward would be equal to the fee for the same services charged by the County of Tulare. During this Board meeting discussion was held in regards to various County departments charging different amounts for copies. No recommendation was made by the Committee. The Board directed Staff to contact the Purchasing Department regarding copying fees.

VIII. INVESTMENTS

- 1. Presentation from Pantheon Ventures regarding TCERA's investment allocation to Private Equity. Discussion and possible action.

Sara Lonergan and Sprague Von Stroh made the presentation on behalf of Pantheon Ventures. The Chair authorized all Trustees and Staff present receive forty-five minutes of continuing education. Mr. Vander Poel departed early and is to receive fifteen minutes of continuing education. Mr. Norman was absent at this time.

- 2. Presentation from Pathway Capital regarding TCERA's investment allocation to Private Equity. Discussion and possible action.

Teri Noble and Valerie Ruddick made the presentation on behalf of Pathway Capital. The Chair authorized all Trustees and Staff present to receive thirty minutes of continuing education. Mr. Norman returned to the meeting and is to receive fifteen minutes of continuing education. Mr. Vander Poel was absent at this time.

IX. NEW BUSINESS

- 1. Discussion and possible action regarding TCERA's Financial and Budget Reports for the period ending May 31, 2017.

MOTION to approve TCERA's Financial and Budget Reports for the period ending May 31, 2017.

Reed/Watson Approved Unanimously
Absent: Woodard, Vander Poel

X. OLD BUSINESS

- 1. Discussion and possible action regarding adjustments to TCERA's FY 2016-17 Administrative Budget.

Reed/Embrey Approved Unanimously
Absent: Woodard, Vander Poel

2. Discussion and possible action regarding TCERA's actuarial assumptions and methodologies.

Mr. Kehler reviewed actuarial information as prepared by Cheiron as well as TCERA's options regarding the assumptions and methodologies. The Chair authorized Trustees and Staff present to receive forty-five minutes of continuing education. Mr. Vander Poel was absent at this time.

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

No new items to report at this time.

XI. EDUCATION ITEMS

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

None.

XII. UPCOMING MEETINGS

1. 07/17/2017 Investment Committee meeting @ 1:30 p.m.
2. 07/24/2017 Administrative Committee meeting @ 3:00 p.m.
3. 07/26/2017 Retirement Board meeting @ 8:30 a.m.

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.

Ms. Grunwald mentioned a case regarding how a legal separation impacts beneficiary designations and rights to survivor pension benefits.

Mr. Embrey asked a question regarding a convicted County employee and the impact the felony conviction will have on any benefits paid by TCERA. Staff will follow-up.

Mr. Hill acknowledged TCERA Staff for receiving the Government Finance Officers Association award.

XIV. ADJOURNED: 11:19 a.m.

Roland Hill, Chair