



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, July 26, 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: Woodard, Hill, Embrey, Ross, Reed, Young, Crawford, Vander Poel
Members Absent: Watson
Alternates Present: Norman, Taylor
Alternates Absent: Cook
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Barbara Grunwald and Marit Erickson, Deputy County Counsel; John Nicolini, Verus Investments; and Matthew Hardy, disability applicant.

Let the record show that Mr. Reed departed at 10:21 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.

Mr. Matthew Hardy briefly addressed the Board regarding his disability application.

IV. X-AGENDA ITEMS

None.

V. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of July 12, 2017.
2. Approve payments to:
 - a. Cheiron – invoice for actuarial services for the quarter ended June, 2017, in the amount of \$29,282.50.
3. Approve reports:
 - a. Retirement applications and option selections: deceased pensioners, through June, 2017.

MOTION to approve the Consent Calendar.

Woodard/Young Approved Unanimously
Absent: Watson

VI. COMMITTEE REPORTS

1. Update by Roland Hill regarding the Investment Committee meeting of July 17, 2017. Discussion and possible action regarding the following items:

- a. Presentation from Zeno Consulting Group regarding MiFID II

Mr. Hill noted that Brian Greene of Zeno Consulting provided the Investment Committee with education regarding the new regulations applicable to European investment managers requiring the “unbundling” of research payments from executions and related reporting. During the Committee meeting, Mr. Kehler informed the Trustees that all of TCERA’s investment managers have been contacted regarding MiFID II and it appears that there will be very little impact. The responses to date from TCERA’s managers were provided for the Committee’s review. The Committee concurred that Staff should monitor manager responses but no further action was required at this time. The Committee Chair allocated one hour of education credit for the Trustees and Staff in attendance at the Committee meeting.

- b. Presentation from DoubleLine regarding TCERA’s Core Plus Fixed Income and CAPE strategies

Mr. Hill mentioned that Sam Lau and Barbara Ziegler of DoubleLine provided updated information to the Investment Committee regarding TCERA’s fixed income investment with the firm. In addition, they reviewed details regarding DoubleLine’s CAPE strategy. The Committee concurred that no further action was required regarding the information presented. The Committee Chair assigned one hour of education credit for the Trustees and Staff in attendance.

- c. Asset Allocation Status

Mr. Hill noted that the Committee reviewed the status report. During the Investment Committee meeting, Ms. Malison noted that the only significant change this month was the recording of RREEF’s most recent \$20 million capital call.

- d. 2017 Investment Committee Goals and Objectives Timeline and 2017 Education Calendar

Mr. Hill reported that the Committee reviewed the timeline and calendar and requested the following changes:

- Move the Commodities presentation to January, 2018.
- Update the calendar to reflect Cheiron’s presentation regarding the non-economic valuation assumptions on September 27, 2017.
- Move Cheiron’s final valuation presentation from November 22, 2017 to November 8, 2017.

- e. Investment Managers

- 1) Verus Flash Report – All Managers

Mr. Hill mentioned that the Committee reviewed the flash report noting that the preliminary numbers indicate that TCERA has exceeded the investment assumption rate for the fiscal year ended June 30, 2017. Final numbers are pending the reporting from TCERA’s alternatives and real estate managers.

- 2) Managers of Interest

- a) RREEF/Deutsche Bank – Update from Verus
- b) William Blair – Update from Verus

Mr. Hill stated that there was no discussion regarding the Managers of Interest.

VII. INVESTMENTS

1. Educational presentation from Verus regarding investing in Real Assets. Discussion and possible action.

Mr. John Nicolini made the presentation on behalf of Verus. The Chair authorized forty-five minutes of education credit for Trustees and Staff present.

VIII. OLD BUSINESS

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

Mr. Kehler made the education presentation. The Chair authorized one hour of education credit for Trustees and Staff present. Mr. Reed to receive forty-five minutes due to departing early.

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

There was nothing new to report at this time. Ms. Crawford requested clarification regarding when the Alternate Retiree Trustee can vote. Mr. Kehler reviewed the legislation already in affect regarding Alternate Retiree Trustee voting rights.

IX. EDUCATION ITEMS

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

No action was taken.

X. UPCOMING MEETINGS

1. 08/09/2017 Retirement Board meeting @ 8:30 a.m.
2. 08/21/2017 Investment Committee meeting @ 1:30 p.m.
3. 08/23/2017 Retirement Board meeting @ 8:30 a.m.
4. 08/28/2017 Administrative Committee meeting @ 3:00 p.m.

Mr. Kehler mention that the 08/28/2017 Administrative Committee meeting @ 3:00 p.m. will likely be rescheduled.

XI. 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 noted the information that was provided in the article in the Communications agenda materials below.

XII. COMMUNICATIONS

1. For Your Information:
 - a. Article by Ed Mendel titled "Old cause of pension debt gets new attention".

XIII. ADJOURNED: 10:32 a.m.

Roland Hill, Chair