



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, August 23, 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, Ross, Reed, Young, Watson, Crawford, Vander Poel
Members Absent: Woodard, Embrey
Alternates Present: Norman, Taylor, Cook
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Adriana Gonzales-Chang and Jeanette Burks, Retirement Specialists; Marit Erickson, Deputy County Counsel; and Scott Whalen, Verus Investments

Let the record show that Pete Vander Poel arrived at 9:15 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 8:32 to 8:36 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Sara Doyle, consider and take action regarding the application for a disability retirement.

MOTION to grant a non-service connected disability retirement to Sara Doyle as recommended.

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

3. In the matter of the disability application of Robin Mize, consider and take action regarding the Hearing Officer's Proposed Decision.

MOTION to accept and adopt the Hearing Officer's Proposed Decision to deny the non-service connected disability application of Robin Mize.

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

4. Accepted as filed: Disability Status Report Overview.

VI. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of August 9, 2017.
2. Approve payments to:
 - a. Shenkman Capital – invoice for investment management services for the quarter ended June, 2017, in the amount of \$47,095.77.
 - b. BlackRock – invoice for investment management services for the quarter ended June, 2017, in the amount of \$41,062.04.
 - c. BNY Mellon – invoice for master trust custodial services for the quarter ended June, 2017, in the amount of \$93,631.40.
 - d. Verus – invoice for investment consulting services for the month ended July, 2017, in the amount of \$20,000.00.
3. Approve reports:
 - a. Retirement applications and option selections: deceased pensioners, through July, 2017.

MOTION to approve the Consent Calendar.

Young/Ross Approved Unanimously
Absent: Woodard, Embrey, Vander Poel

VII. COMMITTEE REPORTS

1. Update by Gary Reed regarding the Investment Committee meeting of August 21, 2017. Discussion and possible action regarding the following items:
 - a. Asset Allocation Status

Mr. Reed indicated that the Committee reviewed the status report and noted that there were no significant changes to the report. During the Committee meeting, Mr. Kehler briefly summarized those asset classes that are pending capital calls along with those that will serve as sources for future capital call requests.

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

Mr. Reed noted that the Committee reviewed the timeline and calendar and requests the Board of Retirement moves the November 22nd TCERA Board meeting to Wednesday, November 29th. Mr. Whalen indicated that he could be in attendance on that date to report on TCERA's 3rd Quarter investment results. Mr. Reed also clarified that the September Investment Committee meeting will be held on Monday, September 18th and that Verus will present an "Active/Passive Fee Analysis" report at that meeting.

Staff was directed to change the November 22nd Retirement Board meeting to November 29th.

- c. Investment Managers
 - 1) Verus Flash Report – All Managers

Mr. Reed mentioned that the Committee reviewed the Flash report and considered a request from Verus to change the report format going forward. During the Committee meeting, Mr. Whalen stated that the change in format will simplify the process of producing the monthly report for Verus staff but will limit the reporting of long-term

investments results (the 10, 15, and 20-year numbers). He indicated this limitation would be for the monthly Flash reports only. Verus will continue to provide TCERA's historical rates of return in the quarterly investment reports. Mr. Whalen also stated that the new format would result in moving Commodities out of the Alternatives category and into the Real Assets group. The Committee recommends that the Retirement Board approve the new format for the Flash Report.

MOTION to approve the new format for the Verus Flash Report and direct Mr. Whalen to begin using it immediately.

Reed/Cook Approved Unanimously
Absent: Woodard, Embrey, Vander Poel

- 2) Managers of Interest
 - a) RREEF/Deutsche Bank – Update from Verus

Mr. Reed indicated that TCERA staff was directed to remove this item from future Committee agendas unless new developments occur.

- b) William Blair – Update from Verus and Notification of Personnel Changes

Mr. Reed stated that no action was needed.

- c) KKR – Notification of Personnel Changes

Mr. Reed reported that no action was needed.

- d) Pantheon – Notification of Personnel Changes

Mr. Reed noted that no action was needed.

- e) Boston Partners – Audit

Mr. Reed indicated that Boston Partners notified TCERA of an SEC audit of their firm that they state is routine. Mr. Whalen stated that he agrees and recommends no action at this time. The Committee took no action related to Boston Partners.

VIII. INVESTMENTS

1. Presentation from State Street Global Advisors regarding Strategic Use of Currencies.

Sonya Park and Collin Crownover made the presentation on State Street Global Advisors. The Chair authorized Trustees and Staff present to receive forty-five minutes of continuing educational credit. Mr. Vander Poel is to receive fifteen minutes due to late arrival.

2. Presentation from Verus regarding TCERA's Second Quarter 2017 Investment Performance Report. Discussion and possible action.

Scott Whalen made the presentation on behalf of Verus. The Chair authorized Trustees and Staff present to receive one hour of continuing educational credit.

IX. OLD BUSINESS

1. Discussion and possible action regarding report from members of TCERA's Pension Task Force Ad Hoc Committee.

Mr. Reed reviewed the discussion from the August 10, 2017 meeting. He mentioned that formal recommendations will come to the Board of Retirement in September, 2017.

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

Nothing new to report at this time.

X. EDUCATION ITEMS

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

No action was taken.

XI. UPCOMING MEETINGS

1. 08/31/2017 Administrative Committee meeting @ 3:00 p.m. (*Thursday*)
2. 09/13/2017 Retirement Board meeting @ 8:30 a.m.
3. 09/18/2017 Investment Committee meeting @ 1:30 p.m.
4. 09/25/2017 Administrative Committee meeting @ 3:00 p.m.
5. 09/27/2017 Retirement Board meeting @ 8:30 a.m.

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.

Mr. Reed requested review of TCERA's Travel Reimbursement Policy. Staff was directed to put this on the Administrative Committee for review.

XIII. COMMUNICATIONS

1. For Your Information:
 - a. Correspondence from Verus titled "Approaches to the currency investment decision" and "Should investors avoid or seek out currency risk? How to resolve a long-standing puzzle."

XIV. ADJOURNED: 10:44 a.m.

Roland Hill, Chair