



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, September 13, 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, Watson, Crawford, Vander Poel
Alternates Present: Taylor, Cook
Alternates Absent: Norman
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator;
Barbara Grunwald and Marit Erickson, Deputy County Counsel; Paul Guerrero, CAO-
Administrative Analyst
Clerk: Rebecca Pendleton

Let the record show Ms. Taylor arrived at 8:32 a.m. Ms. Crawford arrived at 8:35 a.m. Mr. Vander Poel arrived at 8:55 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. Hill presented Mrs. Woodard with a Plaque of Appreciation for her years of service on the Board of Retirement and well wishes on her upcoming retirement.

IV. X-AGENDA ITEMS

None.

V. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of August 23, 2017.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services for the month ended August, 2017, in the amount of \$20,000.00.

MOTION to approve the Consent Calendar.

Young/Hill Approved Unanimously
Absent: Vander Poel

VI. COMMITTEE REPORTS

1. Update by Mike Watson regarding the Administrative Committee meeting of August 31, 2017. Discussion and possible action regarding the following items:
 - a. Preliminary financial and budget reports for the period ending June 30, 2017.

Mr. Watson indicated that the Committee reviewed the reports as presented. The information is preliminary, pending final accruals and interest posting. Updated reports will be provided when those transactions are complete. No action is required.

- b. TCERA technology configuration and technical support.

Mr. Watson noted that during the Committee meeting, Ms. Malison reviewed the issues regarding TCERA's technology configuration and technical support as outlined in the agenda memo. The Committee discussed the recent service experience with TCiCT and the benefits of consolidating TCERA's technology support. At today's Board meeting discussion was held regarding TCiCT having password access to TCERA's server. Mr. Watson reported that the Committee recommends the Board approve the relationship with TCiCT and that it be reviewed in one year.

Motion to approve consolidation of TCERA's technology support and authorize full TCERA technology access for TCiCT. The relationship is to be reviewed in one year.

Young/Watson	Approved	
	Ayes:	Hill, Ross, Reed, Young, Watson, Crawford
	Noes:	Woodard
	Abstain:	Embrey (TCiCT employee)
	Absent:	Vander Poel

- c. Ratify TCERA staff actions regarding monies owed from deceased retirees.

Mr. Watson reported that during the Committee meeting Ms. Malison reviewed the actions taken by staff to write off monies owed after taking all available action to collect the funds. All the transactions were within the Administrator's authorized limit. The Administrative Committee took the following action:

Motion to ratify the staff actions as presented.

Motion: Young

Second: Embrey

Motion approved unanimously (absent Vander Poel)

No action is required by the full Board.

- d. Review of TCERA Travel Reimbursement Policy.

Mr. Watson stated that the Committee discussed the travel reimbursement policy. During the Committee meeting Ms. Malison provided some information on the history of the reimbursement process at TCERA, the issues associated with direct reimbursement, and the current per diem process. The Committee directed Staff to research the IRS per diem guidelines. The Committee members will also bring back information available to them regarding per diem rates paid by other entities. The item will be brought back for further discussion at the next Committee meeting.

VII. INVESTMENTS

1. Presentation from Shenkman Capital regarding TCERA's investment allocation to High Yield Fixed Income. Discussion and possible action.

Mr. Andrew Rice made the presentation on behalf of Shenkman Capital. The Board directed Staff to place the issue of non-dollar debt to be included in Shenkman's allocation on the Investment Committee Agenda for

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

2. Presentation from TA Realty regarding TCERA's investment allocation to Value Added Real Estate. Discussion and possible action.

Mr. Doug Engelman and Mr. John Powell made the presentation on behalf of TA Realty. The Chair authorized forty-five minutes of continuing educational credit for Trustees and Staff present.

VIII. NEW BUSINESS

1. Discussion and possible action regarding posting of interest to members accounts and reserves for the period ending June 30, 2017.

MOTION to adopt the following:

For Members in Tiers 1-3:

- 1) Allocate a sufficient amount to maintain the Contingency Reserve at 3.0% of total assets as previously approved by the Board. The amount required to increase the Contingency Reserve to 3.0% at June 30, 2017 is \$1,804,470.73.

Investment/Discount rate of 7.25%

Credit member accounts and reserves entitled to interest at a rate of 2.1380% for the period ending June 30, 2017.

For Members in Tier 4:

- 1) Allocate a sufficient amount to maintain the Contingency Reserve at 3.0% of total assets. The amount required to increase the Contingency Reserve to 3.0% at June 30, 2017 is \$351,019.71.

Investment/Discount rate of 7.25%

Credit member accounts and reserves entitled to interest at a rate of 1.0618% for the period ending June 30, 2017.

Embrey/Young Approved Unanimously

IX. OLD BUSINESS

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

MOTION to adopt 7.25% discount rate effective June 30, 2017; 3% Price/Wage Inflation; 2.7% / 2.0% Cost-Of-Living-Adjustment (COLA) and eliminate discount rate reduction program previously in place.

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

MOTION to approve Price/Wage Inflation and Cost-Of-Living-Adjustment (COLA) to be discussed with Cheiron at a future meeting.

Reed/Vander Poel Approved Unanimously

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

Mr. Kehler reported that TCERA has not heard from SACRS regarding TCERA's proposed legislation at this time.

X. EDUCATION ITEMS

1. Accept Summary Education Reports as filed: Roland Hill, Patricia Crawford and Mike Watson, Verus 2017 Client Summit, August 28-29, 2017, San Francisco, CA.

MOTION to approve the Summary Education Reports as filed.

Ross/Embrey Approved Unanimously

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

No action taken.

XI. UPCOMING MEETINGS

1. 09/18/2017 Investment Committee meeting @ 1:30 p.m.
2. 09/25/2017 Administrative Committee meeting @ 3:00 p.m.
3. 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 thank Mrs. Woodard for the time she spent on the Board of Retirement.

XIII. ADJOURNED: 11:20 a.m.

Roland Hill, Chairman