



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

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**MINUTES OF THE BOARD OF RETIREMENT**  
REGULAR RETIREMENT BOARD MEETING

**Wednesday, June 27, 2018 @ 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: Cook, Hill, Ross, Reed, Watson, Crawford, Vander Poel  
Members Absent: Young  
Alternates Present: Norman, Taylor, Sampietro  
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Adriana Gonzales-Chang and Jeanette Burks, Retirement Specialist; Mary Warner, Administrative Services Officer; Barbara Grunwald and Marit Erickson, Deputy County Counsel; Paul Guerrero, CAO-Administrative Analyst; Sophia Almanza, Deputy CAO; Scott Whalen and Herbert Nishii of Verus Investments.  
Clerk: Rebecca Pendleton

Let the record show that Ms. Crawford departed at 10:05 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. Kehler introduced Marisol Cardenas as TCERA's newest staff member filling the position of an Accountant I.

**IV. X-AGENDA ITEMS**

None.

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

1. Closed session was held from 8:38 to 8:52 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of James (Ron) Parish, consider and take action regarding the application for a disability retirement.

Mr. Parish briefly addressed the Board.

In accordance with California Government Code provisions, the Alternate Safety Trustee shall vote on this matter.

MOTION to grant the service connected disability application of James (Ron) Parish.

Vander Poel/Norman      Approved Unanimously  
Ayes:                      Cook, Hill, Ross, Reed, Crawford, Vander Poel, Norman  
Absent:                     Young

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

MOTION to deny the application of Alfredo Vigil for a non-service connected disability retirement. The denial is due to evidence of substance abuse in accordance with Section 31726 of the County Employees' Retirement Law of 1937.

Vander Poel/Cook        Approved Unanimously  
Absent:                     Young

4. Accepted as filed: Disability Status Report Overview.

## **VI. CONSENT CALENDAR**

1. Approve Minutes of the following Meetings:
  - a. Retirement Board Minutes of June 13, 2018.
2. Approve payments to:
  - a. Verus – invoice for investment consulting services for the period ended May, 2018, in the amount of \$458.28 and \$21,934.74.
  - b. Brown Armstrong – invoice for work in progress on the audit, in the amount of \$4,466.60
3. Approve reports:
  - a. Retirement applications and option selections: deceased pensioners, through April, 2018.

MOTION to approve the Consent Calendar.

Vander Poel/Ross        Approved Unanimously  
Absent:                     Young

## **VII. COMMITTEE REPORTS**

1. Update by Wayne Ross regarding the Administrative Committee meeting of June 21, 2018. Discussion and possible action regarding the following items:
  - a. Financial and Budget reports for the period ending April 30, 2018.

Mr. Ross noted that the Committee reviewed the reports and recommends approval.

MOTION to approve the Financial and Budget reports for the period ending April 30, 2018.

Ross/Vander Poel        Approved Unanimously  
Absent:                     Young

- b. Request from TCERA plan member for recalculation of service retirement benefit.

Mr. Ross indicated that during the Committee meeting, Mr. Kehler explained the circumstances regarding the member's request and that the plan member's position is that his effective date of retirement is prior to the change in the mortality tables made in TCERA's administration system. The member is of the position that the timing of

the change has had a negative, and unfair, impact on the retirement benefit amount he was expecting based on prior benefit estimates. The Committee recommends approval of the full Board.

MOTION to approve the request from the TCERA plan member for recalculation of service retirement benefit.

Ross/Reed                      Approved Unanimously  
Absent:                      Young

### **VIII. INVESTMENTS**

1. Discussion and possible action regarding recommendation from Scott Whalen of Verus on how to invest Pension Obligation Bond proceeds.

The presentation was made by Scott Whalen and Herbert Nishii of Verus.

MOTION to approve the recommendation to deploy proceeds over twelve months to take advantage of dollar cost averaging with existing allocation. The Board requested education on Emerging Market Debt, Real Estate Debt, and Value-Added Real Estate. The Real Estate allocation will be reviewed by September.

Reed/Watson                      Approved Unanimously  
Absent:                      Young

2. Discussion and possible action regarding current equity investment managers.

The Board reviewed it's previous action regarding Ivy Investments.

MOTION to invite Ivy Investments to present at the July 11, 2018 Retirement Board meeting. Postpone the manager search until after the presentation.

Watson/Crawford                      Approved Unanimously  
Absent:                      Young

### **IX. NEW BUSINESS**

1. Discussion and possible action regarding voting of proxy for RREEF America II Board of Directors.

MOTION to vote the recommended proxy as recommended by the manager.

Ross/Vander Poel                      Approved Unanimously  
Absent:                      Young

2. Discussion and possible action regarding nominations for The Courtyard Property Owner Association Board of Directors.

MOTION to nominate Roland Hill for The Courtyard Property Owner Association Board of Directors.

Watson/Vander Poel                      Approved Unanimously  
Absent:                      Young

### **X. OLD BUSINESS**

1. Discussion and possible action regarding TCERA Staff recommendations for FY 2017-18 budget adjustments.

MOTION to approve the TCERA Staff recommendations for FY 2017-18 budget adjustments.

Ross/Vander Poel                      Approved Unanimously  
Absent:                      Young

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

Mr. Kehler reported that he met with the Tulare County Grand Jury regarding TCERA, Pension Obligation Bonds, Contribution Rates, and Funded Status.

#### **XI. EDUCATION ITEMS**

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

No action taken.

#### **XII. UPCOMING MEETINGS**

1. 07/11/2018 Retirement Board meeting @ 8:30 a.m.
2. 07/17/2018 Investment Committee meeting @ 3:00 p.m.
3. 07/19/2018 Administrative Committee meeting @ 2:00 p.m.
4. 07/25/2018 Retirement Board meeting @ 8:30 a.m.

It was noted that Mr. Hill will not be in attendance at the July 11<sup>th</sup> or July 25<sup>th</sup> Retirement Board meetings. Mr. Norman will not be attending the July 11<sup>th</sup> meeting and Mr. Watson and Ms. Taylor will not be attending the July 25<sup>th</sup> meeting.

#### **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 two published cases: Felony forfeiture rules in Hipsher v. LACERA and a miscalculation of benefits case, Krolkowski v. San Diego City Employees' Retirement System.

#### **XIV. COMMUNICATIONS**

1. For Your Information:
  - a. Certificate of Achievement for Excellence in Financial Reporting presented to TCERA for its Comprehensive Annual Financial Report for the FY ended June 30, 2017.
  - b. Treasurer's Quarterly Investment Report for the Quarter ending December 31, 2017.
  - c. Treasurer's Quarterly Investment Report for the Quarter ending March 31, 2018.

#### **XV. ADJOURNED: 10:25 a.m.**

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Roland Hill, Chair