



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

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**MINUTES OF THE BOARD OF RETIREMENT**  
REGULAR RETIREMENT BOARD MEETING  
**Wednesday, August 22, 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, Mauro, Ross, Reed, Young, Watson, Crawford, Vander Poel  
Alternates Present: Sampietro  
Alternates Absent: Norman, Taylor  
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Adriana Gonzales-Chang and Jeanette Burks, Retirement Specialist; Barbara Grunwald and Marit Erickson, Deputy County Counsel; Paul Guerrero, CAO-Administrative Analyst; and Scott Whalen, Verus Investments.

Let the record show that Mr. Young departed at 10:15 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 8:33 to 9:06 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Margie Flores, consider and take action regarding the application for a disability retirement.

MOTION to deny the disability application of Margie Flores as not filed in a timely manner in accordance with Government Code Section 31722 and without demonstrating continuous and permanent disability since the date she terminated active TCERA plan membership.

Young/Vander Poel      Approved Unanimously  
Absent:                    Mauro

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

Adam Johnson and Attorney, John Sarsfield were present. Mr. Sarsfield briefly addressed the Board.

Trustee Mike Watson stated that he has previously supervised the applicant and knows him well. Capt. Watson recused himself and left the closed session at 8:47 a.m. prior to this case being discussed and abstained from any discussion or vote on the matter.

MOTION to reject the disability application of Adam Johnson due to his own “wilful misconduct” and a “violation of the law”.

Cook/Young                      Approved Unanimously  
   Recused & Abstained: Watson

4. In the matter of the disability application of Eric Velasquez, consider and take action regarding the application for a disability retirement.

MOTION to deny the disability application of Eric Velasquez.

Ross/Vander Poel              Approved  
   Ayes:                      Cook, Hill, Mauro, Ross, Reed, Young, Crawford, Vander Poel  
   Noes:                      Watson

5. Accepted as filed: Disability Status Report Overview.

## **VI. CONSENT CALENDAR**

1. Approve Minutes of the following Meetings:
  - a. Retirement Board Minutes of August 8, 2018.
2. Approve payments to:
  - a. Franklin Templeton – invoice for investment management services for the quarter ended June, 2018, in the amount of \$71,776.53.
  - b. QMA – invoice for investment management services for the quarter ended June, 2018, in the amount of \$48,599.55.
  - c. BlackRock – invoice for investment management services for the quarter ended June, 2018, in the amount of \$42,474.09.
  - d. BNY Mellon – invoice for master trust custodial services for the quarter ended June, 2018, in the amount of \$88,968.64.
  - e. Verus – invoice for investment consulting services for the period ended July, 2018, in the amount of \$20,000.00.
3. Approve reports:
  - a. Retirement applications and option selections: deceased pensioners, through July, 2018.

MOTION to approve the Consent Calendar.

Vander Poel/Watson      Approved Unanimously

## **VII. COMMITTEE REPORTS**

1. Update by Jim Young regarding the Investment Committee meeting of August 14, 2018. Discussion and possible action regarding the following items:
  - a. Asset Allocation Status

The Committee reviewed the current report. The Committee discussed the impact and implications of the investment of the Pension Obligation Bond proceeds. The Committee was reminded that the funds are being invested over 12 months as directed by the Board of Retirement in accordance with the recommendation from Verus.

b. 2018 Investment Committee Goals and Objectives Timeline and 2018 Education Calendar

The Committee reviewed the timeline and calendar. Leanne Malison reported that the open item for the year relates to the education regarding real estate investments and emerging market debt.

c. Zeno AN Solutions – Transaction Cost Management

The Committee reviewed the information from Zeno. The Committee recommended that this item be discussed at today’s Board of Retirement meeting so the Trustees could hear comments from Scott Whalen regarding the company and the proposed services. Leanne Malison noted that a merger was recently made for a name change. She reported that though the Board has had contact from Zeno in the past, this time they are offering one free report on all of TCERA’s investment managers that are not commingled funds (currently seven). Scott Whalen mentioned that a free assessment at no cost is reasonable.

MOTION to approve moving forward with a free trial report from Zeno AN Solutions.

Vander Poel/Young Approved Unanimously

d. Investment Managers  
1) Verus Flash Report – All Managers

The Flash Report was not available at the Committee meeting although it was included for the full Board’s review.

2) Managers of Interest  
a) Ivy Investments – Manager Review

The Committee reviewed the additional peer comparison information provided by Ivy and Verus. The Committee recommended that the Board of Retirement proceed with the review of search materials prepared by Verus that will include Ivy Investments.

See further discussion under “Investment”, item 2.

b) Research Affiliates – Notice of Personnel Change – No action required.

**VIII. INVESTMENTS**

1. Presentation from Verus regarding TCERA’s Second Quarter 2018 Investment Performance Report.  
Discussion and possible action.

The presentation was given by Scott Whalen on behalf of Verus. The Chair authorized fifty minutes of continuing educational hours from Trustees and Staff present. (Jim Young was absent at this time.)

2. Discussion and possible action regarding TCERA’s Domestic Large Cap Growth Equity allocation.  
a. Status of Ivy Investments

MOTION to retain Ivy Investments as TCERA’s Domestic Large Cap Growth Equity manager and to continue to include them as a Manager of Interest on the Investment Committee agendas.

Reed/Vander Poel Approved Unanimously  
Absent: Young

MOTION to have Ivy Investments make a presentation to the Investment Committee after six months.

Reed/Crawford Approved  
Ayes: Cook, Mauro, Ross, Reed, Watson, Crawford, Vander Poel  
Noes: Hill  
Absent: Young

3. Presentation from DWS regarding real estate investments and strategies. Discussion and possible action.

Kevin Howley and Michael Keough made the presentation on behalf of DWS. The Chair authorized forty-five minutes of continuing education hours to Trustees and Staff present. (Jim Young was absent at this time.)

#### **IX. NEW BUSINESS**

1. Discussion and possible action regarding Continuing Education Report for the period of January 1, 2018 through June 30, 2018.

MOTION to approve the Continuing Education Report for the period of January 1, 2018 through June 30, 2018.

Watson/Vander Poel    Approved Unanimously  
Absent:                Young

#### **X. OLD BUSINESS**

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

Nothing was reported at this time.

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

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

MOTION to approve expenses from Barbara Grunwald to attend the Disability Retirement Attorney Roundtable on September 28, 2018 in Pasadena, CA.

Watson/Reed            Approved Unanimously  
Absent:                Young

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

1. 09/12/2018 Retirement Board meeting @ 8:30 a.m.
2. 09/18/2018 Investment Committee meeting @ 3:00 p.m.
3. 09/20/2018 Administrative Committee meeting @ 2:00 p.m.
4. 09/26/2018 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.

Mike Watson asked a question regarding TCERA's benefit calculator.

Patricia Crawford gave an update regarding Jan Taylor's surgery.

#### **XIV. COMMUNICATIONS**

1. For Your Information:
  - a. Article titled "Avenu Acquires Conduent's Local and Municipal Constituent Government Software Solutions Business".

#### **XV. ADJOURNED: 11:38 a.m.**