



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, September 26, 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: Hill, Mauro, Ross, Young, Crawford, Vander Poel
Members Absent: Cook, Reed, Watson
Alternates Present: Norman, Sampietro
Alternates Absent: Taylor
Others Present: David Kehler, Retirement Administrator; Barbara Grunwald and Marit Erickson, Deputy County Counsel; Paul Guerrero, CAO-Administrative Analyst; Scott Whalen, Verus Investments
Clerk: Rebecca Pendleton

Let the record show that John Mauro departed at 9:00 a.m. Charlie Norman will be voting in the absence of Mike Watson.

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. Discussion and possible action regarding Independent Medical Examination report in the amount of \$5,975.00 related to the disability application filed by Dina Antunovich.

MOTION to approve the Independent Medical Examination report in the amount of \$5,975.00.

Norman/Young Approved Unanimously
Absent: Cook, Reed, Watson

VI. LEGAL REPORT

1. Update from Legal Counsel regarding recent developments in *Hipsher v LACERA*.

Barbara Grunwald updated the Board in the *Hipsher v LACERA* matter and regarding the impact the case – which involves reducing pension benefits for persons convicted of a felony – may have on public pension plan administration.

VII. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of September 12, 2018.
 - b. Special Retirement Board Meeting Minutes of September 12, 2018.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services for the period ending, August, 2018, in the amount of \$20,000.00.
 - b. County Counsel – invoice for legal services to the Board of Retirement for the period ending August, 2018, in the amount of \$3,529.80.
 - c. County Counsel – invoice for disability legal services to the Board of Retirement for the period ending August, 2018, in the amount of \$776.90.
3. Approve reports:
 - a. Retirement applications and option selections: deceased pensioners, through August, 2018.

MOTION to approve the Consent Calendar.

Young/Vander Poel Approved Unanimously
Absent: Cook, Reed, Watson

VIII. COMMITTEE REPORTS

1. Update by Jim Young regarding the Investment Committee meeting of September 18, 2018. Discussion and possible action regarding the following items:
 - a. Asset Allocation Status

Jim Young noted that the Committee reviewed the asset allocation status report and stated that the Pension Obligation Bond proceeds are being invested according to plan.

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

Jim Young indicated that the Committee reviewed the timeline and calendar. Scott Whalen suggested that he would be prepared to review TCERA's asset allocation at the October 24, 2018 Board meeting. This would provide the Board the opportunity to discuss and possibly take action regarding the potential investments in real estate debt, emerging market debt, value-added real estate, additional commitments to private equity, and additional investments with TPG. The Committee directed Staff to update the calendar to include this presentation for October 24, 2018. Leanne Malison reported to the Committee that she will provide the preliminary 2019 Education Calendar to the Committee at the October meeting.

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

Jim Young stated that during the Committee meeting Scott Whalen reviewed the Flash Report. There was some discussion regarding the Domestic/International Equity allocations and their relative performance. Scott Whalen indicated that Verus continues to monitor the domestic and international markets closely and is not recommending any change to the allocation at this time.

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

Jim Young indicated that the Committee noted Ivy's recent underperformance as reported on the Flash Report. Scott Whalen stated that Ivy Investments will continue to be monitored as directed by the Board.

- b) Boston Partners – Personnel Changes – Notification Regarding Staff Promotions

Jim Young noted the personnel changes at Boston Partners.

IX. INVESTMENTS

1. Educational presentation from Stone Harbor Investment Partners regarding Emerging Market Debt.

Marcy Rappaport and Steffen Reichold made the presentation on behalf of Stone Harbor Investment Partners. The Chair all Trustees and Staff present to receive one hour of continuing education hours. John Mauro is to receive fifteen minutes as he departed early.

X. OLD BUSINESS

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

David Kehler mentioned that he is following the development of legislation suggested by the Orange County Employees Retirement System (OCERS) in regards to stipends for certain public pension plan trustees.

XI. EDUCATION ITEMS

1. Accept Summary Education Report as filed: Paul Sampietro, CALAPRS Principles of Pension Management, Aug. 27-30, 2018.

MOTION to approve the Summary Education Report as filed.

Young/Norman	Approved Unanimously
Absent:	Cook, Reed, Watson

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

No action taken.

XII. UPCOMING MEETINGS

1. 10/10/2018 Retirement Board meeting @ 8:30 a.m.
2. 10/16/2018 Investment Committee meeting @ 3:00 p.m.
3. 10/18/2018 Administrative Committee meeting @ 2:00 p.m.
4. 10/24/2018 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.

David Kehler mentioned that Alternate Trustee, Jan Taylor, is doing better overall although has had a slight setback. She send her thanks for all the prayers, well wishes and the beautiful plant.

David Kehler also indicated that Marty Lacoff of Belpointe, along with Franklin Templeton Investments, BostonParters, Parametric, and multiple others are offering to host an event during the upcoming SACRS Fall Conference that is called “Batting Cage Coaching by former LA Dodger Steve Sax.

XIV. ADJOURNED: 10:53 a.m.

Roland Hill, Chair